



MONITORING OF THE HEALTH AND SOCIAL CARE PARTNERSHIP BUDGET 2017/18 AT 31 AUGUST 2017

Aim

- 1.1 The aim of this report is to provide an overview of the monitoring position of the Health and Social Care Partnership Budget at 31 August 2017.

Background

- 2.1 The report relates to the monitoring position on both the budget supporting all functions delegated to the partnership (the “delegated budget”) and the budget relating to large-hospital functions retained and set aside for the population of the Scottish Borders (the “set-aside budget”).
- 2.2 On the 30th March 2017, the Integration Joint Board (IJB) agreed the delegation of £146.288m of resources supporting integrated health and social care functions for financial year 2016/17. At the same time, it noted the proposed budget of £18.978m relating to the large hospitals budget set-aside. Within the delegated budget, £94.490m related to healthcare functions delegated by NHS Borders and £51.978m related to social care functions delegated by Scottish Borders Council.
- 2.3 Since the Financial Statement was approved by the IJB in March 2017, a number of factors have resulted in the revisions to the base budgets supporting delegated and set-aside functions. These factors include final grant allocation settlements having been made, intra-organisational budget realignments and additional funding provisions by the Scottish Government. The revised budget positions are currently:

2017/18 Revised Budget £m

Healthcare Functions - Delegated	98.587
Social Care Functions - Delegated	53.313
Total Delegated	151.900
 Healthcare Functions - Set-Aside	 20.420

- 2.4 This report sets out the current monitoring position on both the delegated and set-aside budgets at 31 August 2017 and details the key areas of financial pressure and proposals for their mitigation.

Overview of Monitoring Position at 31 August 2017

Delegated Budget

Healthcare Functions

- 3.1 As in 2016/17, delegated healthcare functions continue to experience considerable financial pressure. Currently, an adverse outturn projection of almost £3.9m is forecast, representing 4.1% of the overall budget. The prime service area where this pressure is being experienced is Generic Services within which a range of miscellaneous functions such as community hospitals, dental, pharmacy and nursing, prescribing and general medical services and primary staffing and management are managed. Generic Services is also where any unallocated savings target are reported.
- 3.2 Within Generic Services, significant overspends relate in the main to the shortfall in, and non-delivery of, planned efficiency and savings targets.. These include:
- £1.5m related to shortfall on projected savings target in prescribing – a considerable savings target (£3.2m) was applied at the start of the financial year and currently, £1.7m of schemes have been identified although delay in releasing savings on particular schemes is also impacting on the realisable savings available.
 - £0.411m related to the overall unachieved balance on the operational budgets 3% savings targets.
 - £1.239m of £1.922m recurring savings that were carried forward from 2016/17 that will not be delivered in year and no mitigating action has been identified.

The NHS Financial Recovery Plan for 2017/18 has been discussed by the EMT and will be presented to the NHS Borders Board at its October meeting.

- 3.3 A priority for the IJB is in ensuring a sustainable approach to financial planning and management within the partnership in line with the Board's approved Financial Strategy.

Social Care Functions

- 3.4 Social care functions are currently projecting a year end overspend position of £0.285m.
- 3.5 The reported overspend relates to the in year budget pressure within the Borders Ability Store - equipment budget. A recent externally commissioned report and subsequent drafted action plan have highlighted the requirement for additional non recurring resources to be directed by the IJB to address the current budget pressure. Further work is progressing to establish the extent of the underlying recurring funding requirement for this budget area. Implementation of the full action plan is a critical step to being able to evidence any recurring funding requirement.
- 3.6 The EMT have recommended a non recurring direction of Social Care Fund monies to the Ability Equipment Store in 2017/18 of £0.285m, this recommendation is detailed in the CFO Ring Fences Resources - Update paper to the IJB.

- 3.7 The IJB approved direction of £0.707m additional Social Care Fund monies at its August 2017 meeting to address need in Learning Disability Support Plans, Older People Residential Care and Equipment. This additional recurring funding has been factored to the reported position.

Large Hospital Budget Set-Aside

- 3.8 Set Aside budgets are reporting a projected £4.1m overspend position.
- 3.9 The EMT was recently updated on the NHS Financial Recovery Plan for 2017/18, the update highlighted the in year funding pressures within the Set Aside budget areas including agency costs to staff surge bed capacity and as cover for vacancies, additional staffing to address clinical risk and outstanding efficiency targets.
- 3.10 A main area of overspend reported by the NHS for 2017/18 is the additional costs incurred by the continuing provision of surge bed capacity to address the ongoing high number of delayed discharges across the health system, costs are being forecast at £1m for the full year.
- 3.11 The NHS 2017/18 Recovery Plan paper presented to EMT requested consideration of a non recurring allocation totalling £1m of Social Care Fund resource to cover this cost pressure in 2017/18. The EMT supported the recommendation being made to IJB and this has been included in the IJB Ring Fenced Resources - Update paper on the IJB Agenda for 23rd October.

Recovery Planning and Delivery

- 4.1 Section 3 above clearly outlines significant ongoing financial pressures across healthcare delegated services and set aside budgets.
- 4.2 For health the 2017/18 Financial Recovery Plan has been discussed by the EMT and will be presented to the NHS Borders Board at its October meeting. The IJB will be recommended by EMT to approve and direct a non recurring allocation of £1m from the Social Care Fund to address the surge bed capacity cost pressure highlighted by the NHS Recovery Plan.
- 4.3 For social care functions by incorporating the anticipated mitigating actions by the Scottish Borders Council-wide savings programme, and the additional directed funding from the social care fund, the forecasted pressures have been addressed except for the remaining issue from the Borders Ability Store - equipment budget. The IJB will be recommended by EMT to direct a non recurring allocation from the Social Care Fund to address this pressure in year.

Risk

- 5.1 A number of risks associated with the reporting of the IJB's monitoring position have been historically reported, including the extent of financial recovery required, the challenge over ensuring the recovery plan is delivered, the assumptions used to project the financial position and any change to those assumptions from the present time to the year end.

- 5.2 The most significant strategic risk relates to the partner financial plans in future years and the significant level of non-recurring efficiency and savings actions on which the partnership's budget remains predicated. The Chief Officer together with EMT are working to develop and implement a large-scale strategic transformation programme which will underpin the ability of partners and, as a consequence the IJB, to achieve financial sustainability.
- 5.3 Any adverse variance at the end of the financial year will be dealt with as per the partnership's Integration Scheme which requires a number of actions to be taken but ultimately will be supported from partner organisations.

Recommendation

The Health & Social Care Integration Joint Board is asked to **note** the report and the monitoring position on the partnership's 2017/18 revenue budget at 31st August 2017 and **request** details of the financial recovery plan for 2017/18 at the next meeting.

Policy/Strategy Implications	Supports the delivery of the Strategic Plan and is in compliance with the Public Bodies (Joint Working) (Scotland) Act 2014 and any consequential Regulations, Orders, Directions and Guidance.
Consultation	The report has been reviewed by the Chief Officer and by NHS Borders' Director of Finance and Scottish Borders Council's Chief Financial Officer for factual accuracy. Both partner organisations' Finance functions have contributed to its development and will work closely with IJB officers in delivering its outcomes.
Risk Assessment	To be reviewed in line with agreed risk management strategy. The key risks outlined in the report form part of the draft financial risk register for the partnership.
Compliance with requirements on Equality and Diversity	There are no equalities impacts arising from the report.
Resource/Staffing Implications	No resourcing implications beyond the financial resources identified within the report.

Approved by

Name	Designation	Name	Designation
Rob McCulloch Graham	Chief Officer Health & Social Care		

Author(s)

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