

Scottish Borders Health & Social Care
Integration Joint Board



Scottish Borders
Health and Social Care
PARTNERSHIP

Meeting Date: 18 December 2017

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**MONITORING OF THE HEALTH AND SOCIAL CARE PARTNERSHIP BUDGET
2017/18 AT 30 SEPTEMBER 2017**

Purpose of Report:	The aim of this report is to provide an overview of the monitoring position of the Health and Social Care Partnership Budget at 30 September 2017.
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Recommendations:	<p>The Health & Social Care Integration Joint Board is asked to:</p> <ul style="list-style-type: none"> a) note the report and the monitoring position on the partnership's 2017/18 revenue budget at 30th September 2017; b) note that a recovery plan has been developed by the NHS which based on a number of assumptions and risks forecasts a break even position on NHS budgets will be delivered; c) note social care services are projecting an £130k overspend and work is ongoing it identify the issues and key actions to address the situation.
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Personnel:	No resourcing implications beyond the financial resources identified within the report.
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Carers:	Not Applicable
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Equalities:	There are no equalities impacts arising from the report.
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Financial:	<p>No resourcing implications beyond the financial resources identified within the report.</p> <p>The report has been reviewed by the Chief Officer and by NHS</p>
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	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.
Legal:	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.
Risk Implications:	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.

Background

- 1.1 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").
- 1.2 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.
- 1.3 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	98.620
Social Care Functions – Delegated	53.272
Total Delegated	151.892
 Healthcare Functions - Set-Aside	 19.708

- 1.4 This report sets out the current monitoring position on both the delegated and set-aside budgets at 30 September 2017 and details the key areas of financial pressure and proposals for their mitigation.

Overview of Monitoring Position at 30 September 2017

Delegated Budget

Healthcare Functions

- 2.1 As in 2016/17, delegated healthcare functions continue to experience considerable financial pressure. Currently, an adverse outturn projection of almost £3.7m is forecast, representing 3.7% 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 is reported.
- 2.2 Within Generic Services, significant overspends relate in the main to the shortfall in, and non-delivery of, planned efficiency and savings targets. These include:
- £1.9m related to shortfall in year 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 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.
- 2.3 The NHS Financial Recovery Plan for 2017/18 has been discussed by the Executive Management Team (EMT) and was presented to the NHS Borders Board at its October and December meeting (Attachment 1). The NHS is projecting a breakeven financial year end position based on a number of assumptions and caveated by a number of risks.

Social Care Functions

- 2.4 Social care functions are currently projecting a year end overspend position of £0.130m.
- 2.5 The projected year end overspend level is predicated 'on yet to be defined recovery actions' totalling £0.170m which are being discussed within the Management Team.
- 2.6 The year end predicted overspend is the result of slippage in the assumed level of savings within Social Care Delegated Functions primarily linked to the review of care packages (£110K), care at home within Older People (£237k) and the deployment of technology in clients homes (£50k).
- 2.7 The IJB has been asked by Scottish Borders Council (SBC) to consider an allocation of Social Care Fund monies to cover the predicted overspend of £0.130m. Further work is being undertaken with services to understand the issues and before a recommendation is able to be made to the Board.

Large Hospital Budget Set-Aside

- 2.8 Set Aside budgets are reporting a projected £4.2m overspend position.
- 2.9 The EMT was recently updated on the NHS Financial Recovery Plan for 2017/18, which 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.
- 2.10 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 occupied bed days across the health system. The reported financial position is prior to the approval given by the IJB at its 23rd October 2017 meeting to allocate £1m of Social Care Fund monies as a contribution to the costs incurred relating to surge bed capacity within the health system.

Recovery Planning and Delivery

- 3.1 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.
- 3.2 Section 3 above clearly outlines significant ongoing financial pressures across health and social care delegated services and set aside budgets.
- 3.3 For health the 2017/18 Financial Recovery Plan has been discussed by the EMT and been presented to the NHS Borders Board at its October and December meetings. The NHS 2017/18 Recovery Plan reports a breakeven year end position based on a number of assumptions and caveated with some significant risks. The key actions taken by the NHS within the recovery plan include:
- The use of capital funding to support revenue pressures
 - Slippage on a number of planned investments
 - Technical accounting adjustments

The NHS will review the level of resources provided to the IJB in line with these actions.

- 3.4 For social care functions by incorporating the anticipated mitigating actions by the Scottish Borders Council-wide savings programme a year end overspend of £0.130m is currently being forecast. Discussions are ongoing with services which may result in a recommendation being made to the IJB at a later date to allocate further Social Care Fund monies to social care delegated functions.

Risk

- 4.1 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.

- 4.2 The most significant strategic risk relates to the partner's 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.
- 4.3 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 states there will be support from the partner organisations.