

Scottish Borders Health & Social Care
Integration Joint Board



Meeting Date: 17 September 2018

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**MONITORING AND FORECAST OF THE HEALTH AND SOCIAL CARE PARTNERSHIP
BUDGET 2018/19 AT 31 JULY 2018**

Purpose of Report:	The purpose of this report is to update the IJB on the forecast year end position of the Health and Social Care Partnership for 2018/19 based on available information to the 31 st of July, and the related request to the Scottish Government for brokerage by NHS Borders.
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Recommendations:	The Health & Social Care Integration Joint Board is asked to: <ul style="list-style-type: none"> a) Note the forecast financial position for the Partnership for the year to 31 March 2018/19 based on available information b) Support NHS Borders in its work to secure brokerage from the Scottish Government for 2018/19 and beyond.
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Personnel:	N/A
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Carers:	N/A
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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 approved 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.</p>
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Legal:	Supports the delivery of the Strategic Plan and is in compliance with the Public Bodies (Joint Working) (Scotland) Act 2014 and
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	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

- 2.1 The report relates to the forecast 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 It sets out the current forecast position on both the delegated and set-aside budgets at 31July 2018, assuming levels of delegation are accepted by the Board, identifying key areas of financial pressure and proposals for their mitigation. The forecast position is drawn from the most recent updates presented to Scottish Borders Council and the Board of NHS Borders.
- 2.3 NHS Borders presented a revised Financial Plan to its September Board which reported an improved financial position as a result of extensive reviews of planned spend, known pressures and expected efficiencies. The revised plan is forecasting an overspend of (£10.1m) in 2018/19 and increased levels of overspend in each of the following 4 years. The plan identifies a need for brokerage in the current and future years and the Board are now in discussions with the Scottish Government on this matter. In addition, external reviews of the financial plan and the organisations readiness for change have taken place and their outcomes are awaited.

Overview of Monitoring and Forecast Position at 31July 2018

- 3.1 The IJB is reporting a forecast overspend of (£6.6m) for the year with (£6.5m) falling within services commissioned from Health. **Appendix 1** provides a breakdown of the forecast position by service within Function.

Healthcare Functions

- 3.1 The delegated healthcare functions are experiencing significant financial pressures resulting in an adverse forecast variance of (£5.8m). The single biggest pressure of (£4.8m) relates to non-delivery of unidentified savings. In addition almost (£1.0m) of the forecast overspend is reported in Generic Services where pressures within community hospitals, prescribing and slippage on agreed savings are driving the adverse variance. The Chief Officer has been requested to put in place plans to address these pressures.

Social Care Functions

- 3.2 Social Care delegated functions are currently projecting an adverse variance of (£85k) to the end of the year. Demographic pressures across all services are being experienced with an increased number of care packages being delivered, many of a more permanent and complex nature. A comprehensive management action plan to contain costs within delegated budget levels has been agreed and is being led by the IJB Chief Officer.

Of Scottish Borders Council Financial Plan savings of £2.048m, a total of £1.6m are forecast to be delivered recurrently, with the remainder forecast to be delivered on a non-recurring basis, with reviews underway to identify permanent solutions for the balance. The 2018/19 direct council allocation from the Social Care Fund of £1.537m has been fully deployed in providing for the Cosla Care Home contract uplift of 3.39% (£402k), the impact of the Carers Act (£322k) with the balance required for paying the Scottish Living Wage of £8.75 per hour to providers of commissioned services. The delegated health and social care budget also assumes the (£7.3m) provided by Scottish Government via NHS Borders will be fully deployed to support living wage policy delivery and additional care packages as previously approved.

Large Hospital Functions Set-Aside

- 3.3 Due to the funding of agreed cost pressures the budget of £20.1m was increased to £21.4m. The projected forecast against current budget is an overspend of (£0.7m). The main drivers of the overspend are one to one care, sickness cover and the requirement to open additional beds to deal with the impact of delayed discharges. An action plan to address the current nursing pressure and year end trajectory has been requested. In addition the impact of the agreement to fund the extension of the Crawwood service and the expansion of the Hospital to Home service at the August IJB is expected to reduce the level of delayed discharges.

Delivering Financial Balance

- 4.1 The majority of the forecast overspend within the Partnership relates to the Health services commissioned by the IJB. These overspends form part of the total overspend of (£10.1m) forecast by NHS Borders and reported to their September Board for this financial year. The revised Financial Plan represents a recovery plan based on all known information.
- 4.2 As a result of the in year and recurring financial gap NHS Borders has requested brokerage from the Scottish Government. If received this brokerage will fund the forecast overspend across the NHS services, including the overspend of (£6.5m) forecast for the NHS services commissioned by the IJB.

Risk

- 5.1 The main risk associated with the forecast financial position is that the NHS Borders request for brokerage is not met by the Scottish Government.
- 5.2 Ongoing risks facing the Partnership exist in identifying and delivering in year and recurring identified savings. Risks also exist in managing the prescribing position and the impact of winter. Managing these risks is key to ensuring the forecast position does not deteriorate.
- 5.3 An update on the status of these risks and any implications for the IJB will be brought to the next meeting.