

Scottish Borders Health & Social Care  
Integration Joint Board

Meeting Date: 22 October 2018



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

<b>Purpose of Report:</b>	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 <sup>st</sup> of August.
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<b>Recommendations:</b>	<p>The Health &amp; Social Care Integration Joint Board is asked to:</p> <ul style="list-style-type: none"> <li>a) <b>Note</b> the forecast financial position for the Partnership for the year to 31 March 2018/19 based on available information</li> <li>b) <b>Support</b> the Chief Officer and Chief Finance Officer of the IJB in compiling and agreeing a recovery plan with the Directors of Finance for NHS Borders and Scottish Borders Council.</li> </ul>
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<b>Personnel:</b>	There are no resourcing implications beyond the financial resources identified within the report. Any significant resource impact beyond those identified in the report that may arise during 2018/19 will be reported to the Integration Joint Board.
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<b>Carers:</b>	N/A
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<b>Equalities:</b>	There are no equalities impacts arising from the report.
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<b>Financial:</b>	<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 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 31 August 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.

## Overview of Monitoring and Forecast Position at 31 August 2018

- 3.1 The IJB is forecast an overspend of (£7.3m) for the year to 31 March 2019. An increase of (£0.7m) from last months forecast. **Appendix 1** provides a breakdown of the forecast position by service within Function.

### *Healthcare Functions*

- 3.1 The forecast for delegated healthcare functions remains unchanged from last month at an overspend of (£5.8m). The non delivery of (£4.8m) unidentified savings is single biggest pressure within the forecast overspend. Further pressures are forecast within prescribing services and community hospitals and as a result of slippage on agreed savings plans. Collectively these pressures increase the forecast by (£1.0m). The Chief Officer is working with Service leads to identify in year and recurring actions to address these pressures as part of the Financial Recovery Plan.

### *Social Care Functions*

- 3.2 The forecast for Social Care delegated functions at month 5 is an overspend of (£0.775m). Significant demographic pressures and increased agency costs across all services are driving the forecast position. Increased income is offsetting the impact of these rising pressures however the forecast position represents a significant adverse movement from last month. The forecast also reflects an element of under delivery of savings against the £2.048m target within the Financial Plan. Work is underway to identify additional savings to mitigate the forecast overspend with the initial focus on reviewing and reassessing packages of care.

The delegated health and social care budget also assumes the (£7.3m) Social Care Funding 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 The Set-Aside functions continue to forecast an overspend of (£0.7m) for the year. The overspend is driven by patient acuity, high levels of sickness absence and the impact of delayed discharges. Ongoing action to manage the levels of one to one support and address the sickness levels are in place. .

### **Delivering Financial Balance**

- 4.1 The overspends reported by the IJB in the past have been met through additional allocations from the constituent partner organisations. The positive progress made in the ongoing discussions between NHS Borders and Scottish Government regarding Brokerage provides a suitable level of assurance that additional Health funding will be available in year. In keeping with previous years additional Council funding will be made available to address any overspend reported at the end of the year.
- 4.3 The key to delivering recurring financial balance is the identification and implementation of robust schemes to deliver savings and shift the balance of care from acute to community care. This is more challenging in an environment of restricted funding, increasing demographic growth and cost pressures.
- 4.4 Under the Scheme of Integration the Chief Officer and the Chief Financial Officer of the IJB are required to work with the relevant finance officer of the constituent authority to identify a recovery plan. This plan should reflect the work ongoing within the Partner organisations to deliver transformational change.
- 4.5 Given the forecast position is based on all known information to the end of month 5, and given the magnitude of the unidentified savings and recurring pressures within the forecast any recovery plan is unlikely to identify sufficient saving actions to bring spend in line with budget by 31 March 2019. The recovery plan will require a longer timescale to identify, cost and present proposals for the delivery of savings to achieve break even. A recovery plan will be presented to the IJB for discussion at a future meeting.

### **Risk**

- 5.1 The risk that brokerage will not be forthcoming has been mitigated through the discussions to date between NHS Borders and Scottish Government.
- 5.2 The management of ongoing risks relating to the delivery of in year and recurring identified savings, prescribing spend and winter pressures is key to ensuring the current forecast does not increase.
- 5.3 There is a risk that a recovery plan may not identify sufficient actions to bring spend in line with current budget levels. The plan must explore all options across the partnership and produce an integrated plan.