

MONITORING OF THE SHADOW INTEGRATED BUDGET 2014/15

Aim

- 1.1 To provide the Shadow Board with a report, by exception, of any significant pressures within the Partnership's Integrated Budget based on the projected outturn as at 31st January 2015.

Background

- 2.1 The total Shadow Revised Integrated Budget stands currently at £133.1m.
- 2.2 Updated guidance on the services to be included in the integrated budget has now been received and this was discussed at the development session held in January. Any changes to the services included in the integrated budget as a result of this updated guidance will be included in the budget from April 2015.
- 2.3 It was agreed that in the shadow years the integrated budget should be on an aligned basis. Therefore any cost pressures remain the responsibility of the partner organisations. The Partnership has agreed that both in 2014/15 and 2015/16 the integrated budget will be considered on an aligned basis.

Key Issues

- 3.1 The revenue monitoring position reported to the Board is based on the projected out turn as at the 31 January 2015. At this point the Partnership is projecting an outturn expenditure position of £133.5m, a projected overspend position of £378k on the revised budget for the year. This projected year end position is in line with previous financial reports.
- 3.2 There are a number of key areas within the integrated budget which continue to experience financial pressure. However the majority of these pressures are being managed through management teams taking a range of remedial actions such as vacancy management and reducing discretionary expenditure to ensure that where possible these pressures are mitigated and contained. However even following these measures the Integrated shadow budget is still predicting an out turn position of £378k greater than budget.
- 3.3 This projected pressure is principally within the GP Prescribing budget (which is included in the generic services within the attached appendix). The Prescribing position is based on eight months actual financial information and volumes to the end of December projected to the year end. Volatility in drug prices continues due to issues relating to the short supply of certain drugs. NHS Borders has no control over the price of drugs, and limited influence over what is prescribed as the GP as an independent contractor. However the Medicines Resource Group which contains GP representation works closely with pharmacists in order that when a drug goes into short supply where possible an alternative cheaper drug can be recommended. Any changes can only be made if they do not have a detrimental effect on the patient's treatment and are supported by the GP.

3.4 NHS Borders will manage this projected overspend as part of its year end planning, by use of its contingency, slippage on expenditure levels in other areas and a number of control measures that have been put in place to support financial pressures. This includes restrictions on discretionary spend and increased scrutiny and levels of authorisation of non discretionary spend.

3.5 The Board will be informed should any further pressures arise and any management action being taken to mitigate the pressure. The next full financial report will be presented to the Shadow Board for the quarter ending March.

Recommendation

It is recommended that the H&SC Integration Shadow Board:

- **Approve** the above reported projected position of £378k overspent at 31st January 2015; and
- **Note** that Budget Holders/Managers will continue to work to deliver planned savings measures and bring forward actions to mitigate any projected overspends and that NHS Borders will manage the projected overspend on GP prescribing as part of its year end planning.

Policy/Strategy Implications	In compliance with the Public Bodies (Joint Working) (Scotland) Act 2014 and any consequential Regulations, Orders, Directions and Guidance.
Consultation	Members of the Integration Programme Board have been consulted on the report and the position reported to the Shadow Board. The report has also been reviewed by and approved by relevant Management Teams within both partner organisations.
Risk Assessment	A full risk assessment and risk monitoring process for the Integration Programme is being developed as part of the Integration Programme arrangements.
Compliance with requirements on Equality and Diversity	An equality impact assessment will be undertaken on the arrangements for Joint Integration when agreed.
Resource/Staffing Implications	It is anticipated that the Integration Shadow Board will oversee services which have a budget of over £130m, within the existing scope. The budget will change as other functions are brought within the scope of the Integration Shadow Board.

Approved by

Name	Designation	Name	Designation
David Robertson	Chief Financial Officer	Carol Gillie	Director of Finance

Author(s)

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