

MONITORING OF THE SHADOW INTEGRATED BUDGET 2014/15

Aim

- 1.1 To provide the Integrated Joint Board with a full report, on the Partnership's Integrated Budget based on the actual expenditure outturn as at 31st March 2015. It should be noted that the information contained in the report is still subject to review and confirmation from external audit.

Background

- 2.1 The total Shadow Revised Integrated Budget stands currently at £132.7m.
- 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.

Outturn

- 3.1 The revenue monitoring position reported to the Board is based on the actual outturn as at the 31st March 2015. At the financial year end the Partnership's outturn expenditure position was £133.3m against the revised budget of £132.7m resulting in an overspend of £620k on the revised budget. This overspend was slightly less than had previously been projected (£677k) mainly due to an improved position in the learning disability service.

Key Issues

- 4.1 *Joint Learning Disability Service* - The Joint Learning Disability Service has undertaken a review of all services which has resulted in an underspend on packages of care within this area. Staffing vacancies have also been tightly managed to ensure the partnership achieved an underspend outturn position of £0.249m which was available to support other pressure areas.
- 4.2 *Joint Mental Health Service* - At March the Mental Health Service are reporting a very slight overspend. This position masked staffing pressures in older adult's inpatient services due to the age and acuity of the patient cohort which was offset by savings achieved through SBC renegotiating housing contracts.
- 4.3 *Older People Service* - Increased demand for adult services continued throughout the year which has resulted in a considerable overspend of £0.509m. Although additional investment had been made in the older people's service across areas such as homecare and residential care, it was insufficient to meet demand. Issues related to residential care additional transport costs, Bordercare and holiday pay also contributed to the reported overspend.
- 4.4 *Physical Disability Service* - The increasing complexity of care required for people

with physical disability has led to a rise in the level and cost of community based services resulting in an outturn pressure of £92k.

- 4.5 *Generic Services* - Generic Service is £267k overspent at the end of March and details of the individual areas of concern are given below.
- 4.6 Community Nursing and Community Hospitals are £0.065m overspent. This pressure is mainly related to the impact of service redesign, maternity leave and sickness absence. These issues have been ongoing and by ensuring appropriate policies are actively adhered to the level of overspend has been minimised.
- 4.7 The GP prescribing budget is reporting a year end overspend of £1.097m. A global shortage in the supply of certain drugs continued to cause volatility in the price of drugs for all of 2014/15. It is likely this issue will continue into 2015/16 even though Information Services Division of NSS is taking forward work to identify any actions to potentially address this financial pressure.
- 4.8 The GP Prescribing overspend is being offset by an underspend £0.534m in the dental outturn position. This underspend should not be anticipated as recurrent as Scottish Government will review the level of funding allocated to each board in 2015/16.
- 4.9 Additionally, savings of £218k were made within Allied Health Professional services in order to contribute to the wider board pressures, along with a further £128k attributable to rigorous management of staff turnover across locality and central teams, general staffing budgets and the out of hours service.
- 4.10 As the budgets were designated as aligned budget in 2014/15 the reported overspend of £264k on the Scottish Borders Councils element of the Partnership budget and £356k relating to NHS Borders will be offset by savings from elsewhere within the respective partner's budgets.
- 4.11 Savings have been identified from elsewhere within SBC Adult Services and across the wider People department, enabling a balanced breakeven position to be achieved overall within SBC. In 2015/16, Scottish Borders Council has invested £1.510m of additional budget growth in order to meet the recurring impact of both these historic and new emerging pressures.
- 4.12 NHS Borders has managed its element of the overspend as part of its year end planning, by use of its contingency, slippage on expenditure levels in other areas and by the impact of number of control measures put in place to offset financial pressures. These measures included restrictions on discretionary spend and increased scrutiny and levels of authorisation of non discretionary spend.
- 4.13 In terms of moving into 2015/16 the risk remains around the GP prescribing expenditure as NHS Borders has little control over the rising drugs cost and can only estimate based on information currently available. Scottish Government are in the process of reviewing dental allocation and the underspend reported in 2014/15 will not be available to support the overall position in 2015/16.

Summary

- 5.1 The revenue monitoring position set out in this report is based on the actual income

and expenditure to the 31st March 2015. The Partnership is reporting an out turn position of £0.620m which will be met by funds from each of the individual partner bodies outwith the partnership budget.

Recommendation

The Health & Social Care Integration Joint Board is asked to **approve** the budget monitoring reports at Appendix 1.

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
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