

Scottish Borders Health & Social Care
Integration Joint Board



Meeting Date: 14 August 2019

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INTEGRATION JOINT BOARD 2019/20 FINANCIAL PLAN ADDENDUM

Purpose of Report:	The purpose of this paper is to present an addendum to the June IJ B Financial Plan paper which recommends that then IJB approve the 2019/20 resource allocations from the Partners.
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Recommendations:	<p>The Health & Social Care Integration Joint Board is asked to:</p> <ul style="list-style-type: none"> a) <u>Approve</u> the budget allocations from Scottish Borders Council (£49.078m) and NHS Borders (£134.016m) for the delegated functions. b) <u>Acknowledge</u> the revised savings targets which NHS Borders has calculated for their delegated functions. c) <u>Note</u> that any expenditure in excess of these delegated budgets in 2019/20 will require to be funded by additional contributions from the partners in line with the approved scheme of integration.
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Personnel:	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 2019/20 will be reported to the Integration Joint Board.
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Carers:	N/A
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Equalities:	The equalities impact of the contents of this report are not known at this stage. As the detailed outcomes of the settlements become apparent equalities impact assessments will be carried out.
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Financial:	<p>No resourcing implications beyond the financial resources identified within the report.</p> <p>The report draws on information provided in the finance reports</p>
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	presented to NHS Borders (NHSB) and Scottish Borders Council (SBC). Both partner organisations' Finance functions have contributed to its development.
Legal	N/A
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.

Introduction and Background

- 2.1 The Partners are operating in an increasingly challenging financial environment. Scottish Government settlements are only partially addressing existing and new pressures arising from an aging population, pay agreements and workforce challenges, and the need to deliver savings at the same time driving forward with strategic transformation is impacting on delivering financial balance.
- 2.2 There is an expectation from Scottish Government that IJB's will agree and approve their Financial Plan by 31st March of each year. To date the IJB has not been able to agree its budgets for 2019/20 because of the shortfall in funds available.
- 2.3 This paper builds on the partner presentations to the last IJB and follows the confirmation of up to £9.3m brokerage from the Scottish Government (SG) which has allowed NHSB to allocate in year support to its Business Units, reducing their savings targets for 2019/20. This action has a significant impact on the resource allocation made for delegated health functions and on their related savings targets.

Revised Resource Allocations and Savings Targets

- 3.1 The impact of the above action is presented in **Appendix 1** which shows the revised savings targets for 2019/20 for delegated health functions. The table below summarises the implications for IJB delegated health functions.

Revised Health Savings Targets	2019/20		2020/21
	Original savings Target £m	Revised In Year Savings Target £m	Revised Recurring Savings Target £m
Set Aside	1.460	0.627	2.145
Mental Health Services	1.280	0.550	1.881
Primary & Community Services	5.130	2.203	7.537
Total Delegated Health Functions	7.870	3.380	11.563

- 3.2 The revised savings target of £3.38m is a significant reduction from the original target of £7.87m. The non recurrency of support allocated in 2019/20 means the recurring savings target for delegated health functions increases to £11.563m for 2020/21.
- 3.3 The overall impact on the Financial Plan is a reduction in the savings target for delegated health functions and an increased resource allocation from Health. The resource allocation and savings target for SBC delegated functions remains unchanged at £1.596m. The table below summarises the resource allocations for the delegated functions, and the level of savings identified to date against the savings targets for 2019/20.

Financial Summary 2019/20	NHSB			
	SBC	Core	Set Aside	Total
	£m	£m	£m	£m
Resource Allocations	49.078	110.039	23.976	183.093
In Year Savings Target	1.596	2.753	0.627	4.976
In Year Savings Schemes Identified	1.406	1.404		2.810
Resultant Savings Requirement	(0.190)	(1.349)	(0.627)	(2.166)

- 3.4 Areas of further savings are being developed to address the remaining gap of £2.2m including a reduction in acute beds through improvements to the Older People's pathway, a move to locality working, greater influence on Prescribing spend, and rationalising operational productivity across services.

Delivering Financial Balance

- 4.1 Whilst an overall gap remains against the in year savings targets the size of the gap is greatly reduced from previous financial plans and significant progress has been made in identifying and delivering in year and recurring savings across the partnership:
- Provision of Day services within SBC
 - Redesign of Dementia Care services within NHSB
- 4.2 However further work is required to generate additional savings in key areas such as Prescribing within Health and commissioned services within Social Care. The Turnaround programme underway with NHSB continues to bring greater focus to existing spend through deconstruction workshops and increased scrutiny to planned service redesigns through the mandate process. Within SBC regular meetings are established to monitor and review savings plans and ensure any slippage in delivery is identified and remedial action taken to generate alternative solutions.
- 4.3 The above measures may not generate sufficient savings to close the gap and manage any in year pressures. Delivering in year financial balance may require additional allocations from NHSB and SBC as afforded by the Scheme of Delegation.

- 4.4 The greater challenge lies in delivering ongoing financial balance through sustainable modern services. SBC and NHSB are now working jointly to agree a longer term Financial Plan for the partnership which will respond to the need to transform services and invest in initiatives which will prevent unnecessary hospital admissions, reduce lengths of stay and delayed discharges, thus reducing bed numbers to assist the return to financial balance.

Risk

- 5.1 There is a risk that the in year savings target will not be met. The reduction in the current year target for delegated health functions and the continuation of the Turnaround work within NHSB should generate further savings. The early identification of any slippage in existing schemes will enable alternative solutions to be generated and reduce any adverse impact.
- 5.2 There is an ongoing risk that new pressures emerge or existing pressures change adversely and generate an overspend. The regular monitoring reports will provide a year to date and forecast position for the delegated services and highlight actions being taken to manage these pressures.
- 5.3 Across the partnership there is a risk that the demographic challenges posed by an aging population exceed the funding available to meet their needs. It is therefore imperative that the partners work together to identify opportunities for shifting the balance of care and implementing change.
- 5.4 The non recurrency of the brokerage means it may not be available in the future. The work underway to produce a longer term Joint FP will highlight the financial challenges facing the partnership and enable plans to be drawn up jointly to address the risk of financial imbalance.