

Scottish Borders Health & Social Care
Integration Joint Board



Meeting Date: 25 September 2019

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**MONITORING AND FORECAST OF THE HEALTH AND SOCIAL CARE PARTNERSHIP
BUDGET 2019/20 AT 30th JUNE 2019**

Purpose of Report:	The purpose of this report is to provide the IJB with a forecast year end position for the Health and Social Care Partnership (H&SCP) for 2019/20 based on available information to the 30th of June 2019.
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Recommendations:	<p>The Health & Social Care Integration Joint Board is asked to:</p> <ol style="list-style-type: none"> a) <u>Acknowledge</u> the forecast financial position for the Partnership of an overspend of (£1.464m) for the year to 31 March 2019/20 based on available information b) <u>Acknowledge</u> the underlying pressures, the actions being taken to manage these pressures, and the risks highlighted in relation to delivering a break even year end position. c) <u>Request</u> the H&SCP work to identify further actions which will inform the next Monitoring Report to bring the forecast spend back in line with budget by year end.
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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:	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</p>
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	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.
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 This 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 The forecast position is based on the Quarter 1 Financial Reviews carried out by the partner organisations and presented to Scottish Borders Council and the Board of NHS Borders. It highlights the key areas of financial pressure at 30 June 2019, the proposals in place or planned for their mitigation, and the any risks relating to the forecast position.
- 2.3 The NHS Borders forecast financial position changed materially in August when agreement was reached with the Scottish Government on the allocation of £9.3m of Brokerage. The anticipated impact of that agreement is included information presented.

Overview of Monitoring and Forecast Position at 30 June 2019

- 3.1 The IJB is reporting a forecast overspend of (£1.464m) for the year with (£1.3m) falling within services commissioned from Health. **Appendix 1** provides a breakdown of the forecast position by service within delegated Function.

Healthcare Functions

- 3.1 The delegated healthcare functions are forecasting an underspend of £0.054m based on Quarter 1 information. The impact of the allocation of non recurring savings and brokerage has reduced the outstanding savings forecast to (£0.980m) for 2019/20. An overspend of (£0.300m) within Prescribing reflects a high level of estimation due to the 2 month lag in getting actual information. The overspend within Learning Disabilities reflects the current forecast for care commissioned from external providers. These forecast overspends are offset by significant underspends forecast within Mental Health, relating to ongoing vacancies within the service and underspends within non pays, and within Generic services relating to vacancies in AHP and Dental services.

Social Care Functions

- 3.2 Social Care delegated functions are currently projecting an adverse variance of (£0.184m) to the end of the year. Increasing demand for client care packages – eg homecare and respite care - across Older People's and Mental Health services in particular are driving the forecast. These overspends are offset by a forecast underspend of £0.09m within Generic services in relation to a number of budget realignments.
- 3.3 Key assumptions underpinning the forecasts relating to income and prices across the main services are being reviewed to ensure they reflect the latest information. The reported position also assumes that all prior year and 2019/20 savings will be delivered in full and there is work ongoing to provide assurance in relation to savings expected within Homecare services.

Large Hospital Functions Set-Aside

- 3.4 The Set-Aside functions are forecasting an overspend of (£1.335m) to the 31st of March 2020. Staffing pressures within A&E (£0.205m) and further pressures within General Medicine (£0.750m) including the continued use of surge beds without a funding source are the main overspends. Recruitment is underway to mitigate the use of agency costs within A&E. The surge beds pressure is not expected to continue beyond October 2019 and further work to review the overall pressure within General Medicine since the Quarter 1 Review was completed has seen a reduction in the forecast balance.
- 3.5 The balance of the forecast overspend relates to the outstanding savings target of (£0.384m). The in year target of £2.145m has been reduced by the non recurring allocation of in year corporate savings and brokerage across the Business Units. Work is ongoing to identify schemes to deliver recurring savings against the remaining target.

Delivering Financial Balance

- 4.1 The H&SC Partnership is forecasting an overspend of (£1.463m) to the 31st March 2020. The size of the gap reflects the favourable impact of the allocation of non recurring savings and brokerage to the Business Units within Health. However pressures are emerging in relation to staffing, particularly within Set Aside services, and demand for services within Social Care. In addition further work is underway to confirm the delivery of planned savings across the partnership.
- 4.2 Delivering financial balance will require the H&SC Partnership to increase its focus on identifying and delivering savings in year and on a recurring basis. Monitoring of existing actions to mitigate emerging pressures will further support a reduction in spend required to address the pressures identified to date.

Risk

- 5.1 There is a risk that the overall forecast position worsens as a result of the work underway to review the assumptions underpinning the Social Care services forecast. Additional in year solutions will be required to mitigate any adverse movement in the forecast.

- 5.2 There is also a risk that actions to mitigate existing pressures within Set Aside services relating to agency costs and surge bed usage do not result in the expected reduction in spend. Careful monitoring of the level and mix of staffing and the bed base alignment will highlight any changes in the forecast which require action.
- 5.3 There is an ongoing risk facing the Partnership in delivering in year and recurring savings schemes. Risks also exist in managing the Prescribing position due to the timing of available information, and in assessing the financial impact of winter as the plan has not been finalised. An update on the status of these risks and any implications for the IJB will be brought to the next meeting.