

Scottish Borders Health & Social Care  
Integration Joint Board



Meeting Date: 17 December 2019

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**MONITORING AND FORECAST OF THE HEALTH AND SOCIAL CARE PARTNERSHIP  
BUDGET 2019/20 AT 31 OCTOBER 2019**

<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 (H&SCP) for 2019/20 based on available information to the 31 <sup>st</sup> October 2019.
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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>Acknowledge</b> the forecast overspend of (£1.814m) for the Partnership for the year to 31 March 2020 based on available information</li> <li>b) <b>Note</b> the forecast position does not include the additional support requested by the Council of £0.528m as a decision had not been made at the time of submitting this report.</li> <li>c) <b>Note</b> that any expenditure in excess of the delegated budgets in 2019/20 will require to be funded by additional contributions from the partners in line with the approved scheme of integration</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 draws on information provided in finance reports presented to NHS Borders and Scottish Borders Council. Both</p>
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	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.

## 1 Background

- 1.1 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”).
- 1.2 The forecast position is based on the most recent available information presented to Scottish Borders Council and the Board of NHS Borders. It highlights the key areas of financial pressure at 31 October 2019 and any actions identified to manage the position to the year end.

## 2 Overview of Monitoring and Forecast Position at 31 October 2019

- 2.1 An overspend of (£1.814m) is forecast on the budgets delegated by the IJB to the H&SCP for the year to 31 March 2020. The forecast overspend does not reflect the impact of the requested financial support to address pressures within the Social Care services. If approval is given to allocate the additional support of £0.528m the forecast overspend falls to (£1.286m). A breakdown of the forecast position by service within Delegated Function is provided in **Appendix 1**.

### *Healthcare Functions*

- 2.2 The forecast for delegated Healthcare functions is an underspend of £0.132m. This position reflects the allocation £4.095m of Brokerage to the Delegated Functions from the £9.300m received from the Scottish Government and a further allocation of non recurring corporate savings of £2.570m. A more detailed breakdown of Generic Services has been included to facilitate a better understanding of the services driving the forecast position in this area. The forecast underspend comprises a residual balance of (£0.908m) undelivered savings offset primarily by vacancies across Mental Health and Dental services within Generic Other.

### *Social Care Functions*

- 2.3 The delegated Social Care functions are forecasting an overspend of (£0.747m) for the year to 31 March 2020. This position reflects the Chair and Vice Chair’s Action to allocate £0.300m of Transformation funds to address Social Care pressures. It also reflects the virement of additional non recurring funding of £1.496m into the Council H&SC services and the agreement of a range of operational actions to address the pressures.

If the allocation of the requested additional support of £0.528m is agreed by the IJB the forecast overspend will reduce to (£0.219m).

- 2.4 The forecast overspend falls primarily within Older People and Generic services. The pressures on the commissioning budget for Residential and Nursing Care beds, together with lower than anticipated levels of SDS clawback income are driving the Older People's forecast of (£0.685m) over. The Generic Services overspend of (£0.157m) relates to a client transitioning to Adult services who has been placed in a secure unit under an indefinite Sheriff's order. These forecast overspends are offset by significant underspends within the Physical Disabilities service relating to changes in the expected costs of 2 clients.
- 2.5 In response to the forecast overspend the Council has set out a range of actions which form the basis of a Financial Recovery Plan to bring spend back in line with budget by the year end. The decision on the allocation of the additional support requested will impact on the level of overspend the recovery plan will be required to address. These actions are listed below and their impact will be reflected in the monthly monitoring reports to the IJB.
- Refocus on the delivery of planned savings
  - Identifying new and / or accelerating future savings plans
  - Deferring staff recruitment
  - Reducing agency spend
  - Maximising the use of the Block contract
  - Exploring 3<sup>rd</sup> party charges

#### *Large Hospital Functions Set-Aside*

- 2.6 The Set-Aside functions are forecasting an overspend of (£1.199m) for the year to 31 March 2020. This position reflects the allocation £0.933m of Brokerage to the Delegated Functions from the £9.300m received from the Scottish Government and a further allocation of non recurring corporate savings of £0.585m. However undelivered savings of (£0.397m) are a key factor in the reported overspend. The extended use of surge beds beyond last winter in Medicine and Long Term Conditions resulted in an underlying pressure which is now being managed but the earlier impact remains a key driver of the overspend. The use of bank and agency staff to support Nursing and Medical vacancies and sickness absence, and ensure safe rotas across all the Set Aside services are also contributing to the overspend.

### **3 Savings Summary**

- 3.1 The ability of the Partnership to identify robust achievable savings schemes to address the in year and recurring savings targets set is key to delivering a break even year end position. The table below summarises the targets set for 2019/20 and the level of delivery forecast by delegated function.

MONTHLY REVENUE SAVINGS MANAGEMENT REPORT							
Summary		2019/20		At end of Month:		October	
	Savings Target £'000	Non Recurring Support £'000	Revised Target £'000	Delivered To Date £'000	Forecast Delivery £'000	Forecast Under Delivery £'000	Recurring Delivery £'000
Social Care	(2,613)	1,126	(1,487)	607	880	0	607
Healthcare	(9,418)	6,665	(2,753)	485	1,360	(908)	2,278
Large Hospital Functions Set-Aside	(2,145)	1,518	(627)	147	83	(397)	394
<b>Total</b>	<b>(14,176)</b>	<b>9,309</b>	<b>(4,867)</b>	<b>1,239</b>	<b>2,323</b>	<b>(1,305)</b>	<b>3,279</b>



- 3.2 The non recurring support provided by the Council reflects additional funding to support the underdelivery of savings schemes. Within Health the non recurring support reflects the allocation of brokerage and non recurring savings in year.
- 3.3 The forecast delivery identifies a significant number and value of savings schemes that are still to be delivered. Any slippage or underdelivery of these forecast savings will require alternative schemes to be identified and delivered in their place. The H&SC Leadership group will now bring a greater focus to the identification and delivery of recurring savings as part of its monthly meetings.
- 3.4 It is important to note that the Partnership is forecasting recurring delivery of £3.279m of savings at this stage. The savings targets for 2020/21 will be confirmed as part of the Joint Financial Planning process but underdelivery of current year savings will impact on the overall target for 2020/21.

#### 4 Delivering Financial Balance

- 4.1 The forecast overspend of (£1.814m) comprises (£1.199m) within Health and (£0.747m) within Council commissioned services. The Health Board is reporting a balanced year end position overall which confirms that at this point in time an additional allocation can be made to cover the balance within Health services at the year end.
- 4.2 The forecast overspend within the Council services requires further action. The components of a Financial Recovery Plan have been drawn up to address the residual gap within H&SC services commissioned from the Council. If the request for additional support of £0.528m is approved then the overspend will fall substantially.
- 4.3 Should these actions fail to bring the position back into balance the Council will be asked to provide an additional allocation to cover any overspend within their H&SC services at year end.

#### 5 Risk

- 5.1 There is a risk that the operational actions put in place across Older People's and Learning Disabilities services do not result in the savings required. This will increase the requirements on the Recovery Plan.

- 5.2 There is a risk that additional pressures arise over the winter months and the forecast position deteriorates. Further management action will be required to bring spend back in line. Ongoing monitoring reports to the IJB will ensure the Board is aware of any change in the forecast position and able to take any necessary proposed action as early as possible.
- 5.3 There is also a risk that the Recovery Plan actions do not deliver the required reduction in spend. Close monitoring of the financial position will enable alternative proposals to be discussed where necessary. The establishment of weekly monitoring meetings with finance and Social Work services will enable early reporting of progress.
- 5.4 A significant risk exists in relation to the forecast delivery of existing and planned savings schemes. Slippage or non delivery will impact on the in year and recurring financial position of the H&SCP. Progress is monitored through the Turnaround process within NHSB and the weekly service meetings within SBC.