

Scottish Borders Health & Social Care Integration Joint Board



Meeting Date: 19 August 2020

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MONITORING AND FORECAST OF THE HEALTH AND SOCIAL CARE PARTNERSHIP BUDGET 2020/21 AT 31 MAY 2020

Purpose of Report:	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 2020/21 based on available information to the 31 st May 2020.
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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>Note</u> the forecast overspend of (£11.938m) for the Partnership for the year to 31 March 2021 based on available information b) <u>Note</u> the forecast position only includes £1.078m Scottish Government funding representing the IJB's share of an initial £50m tranche of funding to support immediate challenges in the Social Care sector. No further funding allocations from the Scottish Government have been assumed in respect of the additional costs incurred responding to the Covid-19 situation, including the impact on the Partnership's ability to deliver agreed Financial Plan savings c) <u>Note</u> that any expenditure in excess of the delegated budgets in 2020/21 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 2020/21 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:	No resourcing implications beyond the financial resources identified within the report. The report draws on information provided in finance reports presented to NHS Borders and Scottish Borders Council. 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.

1 BACKGROUND

- 1.1 The report relates to the initial 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 available information presented to Scottish Borders Council and the Board of NHS Borders. It highlights the key areas of financial pressure at 31 May 2020. It should be noted that this is an initial report. The reported expenditure to date and projected expenditure, particularly in relation to Healthcare functions requires significant further analysis and refinement as a result of the impact of the Covid-19 pandemic on activity levels, mobilisation costs, remobilisation plans and associated costs, lost income and unachievable savings.

2 OVERVIEW OF MONITORING AND FORECAST POSITION AT 31 MAY 2020

- 2.1 The paper presents the consolidated financial performance for the period to end of May 2020 (2 months). Although this position includes a forecast of the year end outturn members should be aware that this forecast remains subject to a number of risks and uncertainties which are likely to result in substantial revision as greater certainty is attained over the next few months.
- 2.2 Covid 19
 - 2.2.1 Costs incurred in the first two months are in line with the expenditure reported to Scottish Government through the Health & Social Care Local Mobilisation Plan tracker. Although there has been initial allocation of £1.078m (the IJB share of an initial £50m tranche of funding) to support immediate challenges in the Social Care sector, all other costs remain unfunded at this time. It is anticipated that funding will be made available following conclusion of the COSLA peer review process and at conclusion of the NHS Scotland Quarter One (Q1) Review in September 2020. At this time we expect that all costs will be fully funded, although no assumption has been made within the financial projections currently. In addition to direct costs attributable to Covid 19, mobilisation plans also include other attributable costs such as lost income and the opportunity cost of delivery of planned efficiency savings.

2.3 Efficiency Savings

2.3.1 Forecasts include the estimated impact of non-delivery of savings plans. This position remains under review and will be updated following the conclusion of forecasting work at Month 3 and through the NHS Quarter One review process.

2.4 Year End Forecast

2.4.1 The Scottish Borders Council forecast at month 2 is based on detailed monthly monitoring during the first 2 months of the financial year to assess the financial implications of the Covid 19 pandemic on the IJB including increased costs, loss of income and the impact of delays in delivery of financial plan savings. This impact has been reported through the Health & Social Care Local Mobilisation Plan tracker and is estimated at a gross impact of almost £3.8m which has been netted down by the Scottish Government funding of £1.078m to a net pressure of £2.688m.

2.4.2 The NHS forecast has been prepared on a pro-rata basis in advance of detailed review currently being prepared through the Q1 review process. At this stage costs related to the expected remobilisation of clinical services are not included within the forecast. As such, members should recognise that the forecast is presented as an indication of current expenditure trend and is unlikely to be a full representation of the likely outturn position.

2.4.3 What is clear however is that overall, the additional costs of Covid 19, together with the opportunity cost of unachievable savings greatly outweighs any financial benefit and reduced cost within core operational services attributable to a reduction in activity during the initial months of the pandemic. This position may be mitigated considerably when a clearer picture of likely funding allocations from the Scottish Government emerges.

2.4.4 Further reports will be brought to the Integration Joint Board as greater clarity develops. To enable this, further work will be undertaken across a number of key areas in order to refine the forecast impact on the IJB in 2020/21 including:

- Ongoing analysis and reporting of the Health and Social Care Partnership's (and wider NHS Borders' and Scottish Borders Council's) local mobilisation plan financial models
- Further review, challenge and remodelling of planned efficiency savings programmes
- Ongoing engagement with other partnerships, health boards, local authorities and, in particular, the Scottish Government over likely funding scenarios
- Review of all costs, expenditure profiles, future commitments and refinement of assumptions for projected expenditure to the end of the year