

MONITORING OF THE INTEGRATED BUDGET 2015/16

Aim

To provide the Shadow Board with a report, by exception, of any significant pressures within the Partnership's Integrated Budget based on the projected outturn as at 31st August 2015.

Background

The total Integrated Budget stands currently at £136.917m.

The services contained within this report relate to the most current guidance, excluding Domestic Abuse, the budget for which is still being identified and to be agreed.

It was agreed that 2015/16 will be a shadow year in financial terms and the integrated budget will be on an aligned basis. Therefore any cost pressures remain the responsibility of the partner organisations.

Key Issues

The revenue monitoring position reported to the Board is based on the projected outturn as at the 31st August 2015. At this point the Partnership is reporting an outturn expenditure position of £137.305m. This position is giving a projected year end position overspend of £388k.

The overspend in Generic Services (£456k) is due to a projected overspend of £1m on GP Prescribing costs. In setting the budget for 2015/16 NHS Borders uplifted the prescribing budget by £1m to cover the overspend incurred during 2014/15 and forecast pressures in 2015/16. Current volume data shows an increase of approximately 2% which is in line with planning assumptions, however price variations are impacting on the financial position. As stated previously NHS Borders has little influence over the price of drugs which remain volatile due to short supply in certain areas.

The overspend in GP Prescribing is offset by an underspend on the dental services budget. The allocation has now been confirmed for 2015/16 and due to vacancies it is anticipated that this budget will end the year £250k underspent. Smoking Cessation and Health Promotion underspends are further offsetting the GP Prescribing position.

Within Scottish Borders Council Adult Services, a breakeven position at outturn is now being reported at the end of August. This is despite a considerable range of high value pressures having been experienced to date during this financial year. In August, Scottish Borders Council Executive approved the virement of £307k from unallocated general reserves in order to fund the additional costs experienced within Older People and Adults with Learning Disabilities in relation to the increased costs of the TUPE of homecare staff from CIC and Allied Healthcare to SB Cares (£107k) and the additional provider costs of the provision of Night Support Sleep-ins due to changes in employment legislation (£200k) respectively. These pressures will be addressed permanently with planned provisions made as part of the 2016/17-2020/21 Financial

Planning process.

Additionally, pressures across homecare and residential care within Older People and a higher-than-budgeted level of client demand/complexity of need within People with Physical Disabilities (total £834k) has resulted in a remedial action plan having been developed and implemented across the wider Adult Services which plans to make a range of savings between now and the end of the financial year across a number of service areas through the implementation of actions around managing staff turnover and freezing non-business critical vacant posts, reviewing high value/complex homecare and direct payment packages, planned slippage of the implementation of the dementia care team and the allocation of cash-savings targets to each locality team.

Overall therefore, the partnership services managed and delivered by Scottish Borders Council currently projects a breakeven position. Progress over the delivery of these remedial savings together with close monitoring of the budget position will be reported on a frequent and regular basis to the Chief Officer and the Adult Services management team during the remainder of the financial year. For NHS services a net overspend of £388k is projected. NHS Borders continues to monitor the overall financial position of the organisation to ensure delivery of the financial target of break even. As part of the financial planning process NHS Borders has set aside a small contingency and in addition has in place a number of financial control measures to offset the projected year end overspend in GP prescribing and other areas of financial pressure.

As 2015/16 continues to be a shadow year and budgets are aligned, any year end overspends will be the responsibility of the host organisation. Both partner organisations are currently predicting a break even out turn. However this has only been achieved by taking a range of remedial actions to curtail expenditure for the remainder of the financial year.

The Board will be informed should any further pressures arise and of any management action being taken to mitigate the pressure. The next full financial report will be presented to the Shadow Board for the quarter ending September.

Recommendation

It is recommended that the Integrated Joint Board:

Notes the above reported projected 2015/16 overspend position of £0.388m associated with the aligned budgets within the scope of the partnership based on information as at 31st August 2015.

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

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