

*Scottish Borders Health & Social Care
Integration Joint Board*



Scottish Borders
Health and Social Care
PARTNERSHIP

Meeting Date: 2 March 2022

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MONITORING AND FORECAST OF THE HEALTH AND SOCIAL CARE PARTNERSHIP BUDGET 2021/22 AT 31 DECEMBER 2021	
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 December 2021.
Recommendations:	<p>The Health & Social Care Integration Joint Board is asked to:</p> <ul style="list-style-type: none"> a) Note the combined forecast adverse variance of (£5.523m) for the Partnership for the year to 31 March 2022 based on available information and arrangements in place to partially mitigate this position; b) Note that whilst the forecast position includes direct costs relating to mobilising and remobilising in respect of Covid-19, it also assumes that all such costs will again be funded by the Scottish Government in 2021/22; c) Note that the position includes additional funding vired to the Health and Social Care Partnership during the first half of the financial year by Scottish Borders Council to meet reported pressures across social care functions from managed forecast efficiency savings within other non-delegated local authority services and funding brought forward in respect of Covid-19 expenditure; d) Note that any residual expenditure in excess of the delegated budgets at the end of 2021/22 will require to be funded by additional contributions from the partners in line with the approved Scheme of Integration. e)
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 2021/22 will be reported to the Integration Joint Board.

Carers:	N/A
Equalities:	There are no equalities impacts arising from the report.
Financial:	<p>There are 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 Board and Scottish Borders Council Executive Committee. Both partner organisations' Finance functions have contributed to its development and will work closely with IJB officers in delivering its outcomes.</p>
Legal:	Monitoring against the partnership's Financial Plan 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:	Risks are 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 The report relates to the Month 09 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 available information presented to Scottish Borders Council Executive Committee and the Board of NHS Borders. It highlights the key areas of financial pressure at 31 December 2021. A further report will be brought to the IJB during the remainder of the financial year. When this happens, 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 will take place and a further indicative outturn position ascertained and reported.

Overview of Monitoring and Forecast Position at 31 December 2021

- 3.1 The paper sets out the consolidated financial performance for the period to end of December 2021 (month 9). This position includes a forecast of the year end outturn which due to uncertainty of a range of factors including activity levels, staffing challenges and the wider impact of Covid-19 on services both delegated and set-aside, IJB remains subject to a number of risks and uncertainties which are likely to result in ongoing revision as greater clarity and assurance emerges.
- 3.2 At the end of month 9, functions delegated to the partnership are forecasting an adverse projected pressure of £3.799m and the large hospital budget retained and set-aside is forecasting a similarly adverse pressure of £1.724m. Within delegated functions, following the delegation of additional budget to social care functions by

Scottish Borders Council, a small forecast overspend position (£0.002m) and therefore the majority of the adverse pressure (£3.797m) therefore sits entirely across healthcare functions, mainly attributable to the forecast non-delivery of financial efficiency savings partially offset by savings on core operational budgets.

Efficiency Savings

- 3.3 Forecasts include the estimated impact of non-delivery of savings plans. This position remains under review and will be updated following the conclusion of the Scottish Government / NHS quarterly review process and the ongoing review and challenge of assumptions across Scottish Borders Council's Fit for 2024 and NHS Borders' Financial Turnaround Programmes.

	Targeted Savings per Financial Plan £m	Projected Savings to be Delivered £m	Shortfall £m
Healthcare Functions	(4.740)	(0.290)	(4.450)
Social Care Functions	(3.356)	(2.576)	(0.780)
Set-Aside Functions	(1.090)	0	(1.090)
	(9.186)	(2.866)	(6.320)

- 3.4 In order to partially offset the above, a contribution will be made from the IJB reserve brought forward at the start of the financial year. Within the overall reserves position, £1.103m has been earmarked specifically to support slippage in the delivery of the partnership's financial efficiency plan in 2021/22 with the remaining forecast balance requiring additional contributions to be made by respective partners in line with the Scheme of Integration, from other forecast operational savings across non-delegated services.

Year End Forecast

Healthcare functions

- 3.5 The Delegated Healthcare and Set-Aside forecasts at month 9 are based on detailed review currently being undertaken through the Q3 review process. 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. Additional costs relating to Covid-19 are included, with the expectation and corresponding assumption that these will be funded by the Scottish Government. Presently, NHS Borders' is presenting forecast savings undelivered in full, until funding allocations to meet this adverse impact are received from the Scottish Government. Beyond the additional costs of Covid-19, including the non-delivery of planned savings on which the overall affordability of the partnership's Financial Plan is predicated, operational functions are still reporting a reduction in a number of areas of core activity over 3rd quarter of the financial year that, excluding the additional costs of Covid-19 and undelivered savings, results in a favourable position at the end of month 9.

- 3.6 At the end of December, delegated healthcare functions are reporting a favourable net variance on core operational budgets of £0.653m. This is primarily attributable to ongoing delay / challenges in recruitment to vacant posts during the financial year due to the ongoing impact of Covid-19, slippage in the planned useage of recent additional funding allocations (district nursing, health visiting, etc) and a continued reduction in core activity in areas such as Dental Services. The position includes other net reductions in spend across Primary and Community Services and Mental Health / Learning Disability services offset by a pressure within the Mental Health medical budget of £0.591m as a result of the use of agency / locums due to ongoing vacant consultant posts. The forecast also includes an adverse pressure of £0.300m relating to the Home First service. This service is currently under review and to mitigate the pressure in the interim until the review is completed, a further £0.300m has also been earmarked within the IJB reserves brought forward on a non-recurring basis this financial year.

Social Care functions

- 3.7 At 31 December, Scottish Borders actual spend to date on social care functions, as stated in Appendix 1, is £36.416m which represents 67%% of the current budget. This is slightly less than the position expected $\frac{3}{4}$ of the way through the financial year and is again attributable to a number of factors specific to 2021/22. These relate to the upfront transfer of social care funding and health board resource transfer from NHS Borders during the first quarter for the whole of the financial year to enable local authority cash-flow, additional Scottish Government Covid-19 funding for social care sustainability and the offset of 2020/21 funding allocations brought forward into 2021/22.

- 3.8 The Scottish Borders Council forecast at month 9 is based on detailed monthly monitoring during the first 9 months of the financial year. It is noted that in order to deliver a breakeven position, social care functions assume all Covid-19 costs included within the Local Mobilisation Plan, including undelivered efficiency savings, will be funded by the Scottish Government in full.

Large Hospital functions retained and set-aside

- 3.9 Accident and Emergency continues to experience significant cost pressure as a result of additional nursing as a result of increased activity / triage and also in response to the Covid-19 pandemic. Within Medicine and Long-Term conditions, the adverse position is entirely attributable to increased drugs spend. To date, little progress has been made planning or delivering the set-aside share of recurring acute savings target as a result of reduced capacity due to Covid-19, which has continued into 2022 as a result of the increasing Omnicron variant and required clinical prioritisation. These pressures are marginally offset by a reduced activity in Department of Medicine for the Elderly leading to a forecast underspend in this service area.

General

- 3.10 Additional costs of Covid-19 to date, together with the opportunity cost of lost income and non-delivery of financial plan savings, continues to outweigh any financial benefit and reduced cost within core operational services attributable to a reduction in activity during the first 9 months of 2021/22. This position may be mitigated considerably as a clearer picture of likely funding allocations from the Scottish Government emerges. A commitment however has been received from the Scottish Government that it will underwrite non-delivery of savings reported by

partnerships within their Covid-19 local mobilisation plans, subject to further review of any available flexibility within IJB reserve positions brought forward into 2021/22 to support this non-delivery also.

3.10 A further reports will be brought to the Integration Joint Board as greater clarity develops. To enable this, work will be continue to be undertaken across a number of key areas in order to refine the forecast impact on the IJB in 2021/22 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 as increased capacity is rebuilt;
- 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.