

Scottish Borders Health & Social Care Integration Joint Board



Meeting Date: 31 January 2023

Report By	Hazel Robertson, Chief Finance Officer IJB
Contact	Hazel Robertson, Chief Finance Officer IJB
Telephone:	07929 760533
MONITORING AND FORECAST OF THE HEALTH AND SOCIAL CARE PARTNERSHIP BUDGET 2022/23 AT 31 DECEMBER 2022	
Purpose of Report:	The purpose of this report is to update the IJB on the year to date and forecast year end position of the Health and Social Care Partnership (H&SCP) for 2022/23 based on available information to 31 December 2022.
Recommendations:	<p>The Health & Social Care Integration Joint Board is asked to:</p> <ul style="list-style-type: none"> a) Note the forecast adverse variance of (£6.250m) for the H&SCP delegated services for the year to 31 March 2023 based on available information, broadly consistent from the period 6 reported estimate at (£6.740m). b) Note that the forecast position includes costs relating to mobilising and remobilising in respect of Covid-19. Government have clawed back funding from period onwards and will do a reconciliation in April 2023. The reserve is therefore considered fully utilised. c) Note that any expenditure in excess of delegated budgets in 2022/23 will require to be funded by additional contributions from the partners in line with the Scheme of Integration. Previously, additional contributions have not been repayable. d) Note that set aside budgets continue to be under significant pressure as a result of activity levels, flow and delayed discharges. e) Note that the best value for every pound approach has been launched with a number of service areas taking in part in tests of change..
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 2022/23 will be reported to the Integration Joint Board.
Carers:	N/A

Equalities:	There are no equalities impacts arising from the report.
Financial:	<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 partner organisations' Finance functions have contributed to its development and will work closely with IJB officers in delivering its outcomes.</p>
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:	Reviewed in line with agreed risk management strategy. The key risks outlined in the report form part of the risk register for the partnership.

Background

- 1.1 The report provides the year to date financial position and an initial forecast position for functions delegated to the H&SCP (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 is based on the available information presented to Scottish Borders Council and the Board of NHS Borders. It highlights key variances at month 6 compared to budget. NHS Borders and Scottish Borders Council, at the time of writing this report have considered the financial position at month 6. The report should not be in the public domain until after the Council has considered their overall financial position.
- 1.3 Finance reports are prepared quarterly and brought to the IJB for consideration. As the year progresses, further analysis and refinement will allow the IJB to assess the likelihood of achieving breakeven relative to the budget approved in June 2022.
- 1.4 A process for financial evaluation of spending plans has been developed and approved by the Strategic Planning Group. The proposal will ensure that financial plans which underpin the Strategic Commissioning Plan will cover disinvestment as well as investment. This will be essential in moving towards achievement of recurrent financial balance. I am working with a number of service to begin use of the methodology.

Overview of Monitoring and Forecast Position at 31 December

2.1 The paper presents the consolidated financial performance at the end of December 2022 (period 9). Members should be aware that the forecast is subject to risks and uncertainties which will be revised over the coming months.

2.2 Table 1 shows the end of September actual spend across the partnership.

Table 1 Year to date	Actual £000s	Key issues
Healthcare delegated	100,349	High cost LD case, prescribing, unidentified savings
Social Care delegated	41,459	Significant cost pressures in care homes, risk to budgets from loss of COVID funding from end March 2023
Hospital set aside	123,121	Enhanced nursing and medical staffing, to support A&E and augment in patient areas, higher prescribing costs due to patients with multiple long term conditions.

2.3 Table 2 shows the current year end forecast.

Table 2 forecast year end	Forecast £000s	Key issues
Healthcare delegated	(2,444)	Unidentified savings (4,613), significant vacancies, which when filled will reduce underspends
Social Care delegated	0	Forecast achievement of budget and savings. Earmarking funds into 2023/24
Hospital set aside	(1,836)	Additional nursing and medical staffing, additional beds to deal with delays

2.4 Forecasts include the estimated impact of non-delivery of savings plans. The NHS forecast continues to be subject to detailed review and the Director of Finance is in discussion with the Scottish Government around brokerage and future plans to reduce the degree of brokerage. As such, members should recognise that the forecast is an indication of current expenditure trend and is unlikely to be a full representation of the likely outturn. An assessment of financial risk for this year will be taken forward in the context of the Scottish Borders Council's Fit for 2024 and NHS Borders' Financial Turnaround Programmes. A review of reserves brought forward has identified a potential contribution of £0.7m to the forecast outturn.

Reserves

4.1 The IJB can hold ring-fenced reserves to retain planned underspends. Within Scottish Borders IJB there are significant accumulated reserves in relation to COVID recovery, Scottish government health portfolio commitments, and legacy balances retained from historic transformation funds. The COVID recovery reserve is held on a whole system basis (including non-delegated functions) in line with Scottish Government guidance. Further detail in relation to Covid will be provided in the IJB financial forward look presentation.


- 4.2 The majority of reserves relate to government provided ring fenced allocations. The funding position for the SG Health Portfolio is increasingly challenging as exemplified in the Emergency Budget Statement. As a result, the scrutiny over ring fenced allocations is increasing, with SG being more directive about how these may be used, or returned if not utilised.

Recovery Plan and Forward Outlook

- 5.1 Where there is a forecast overspend in delegated functions, the Chief Officer and the Chief Financial Officer of the IJB must agree a recovery plan to address the overspending budget. NHS Borders and Scottish Borders Council are expected to work in partnership with the Chief Financial Officer and Chief Officer to facilitate the development of this plan, and to share progress against the plan with the IJB.
- 5.2 Such plans will proactively consider any impacts on:
- the National Health and Wellbeing outcomes
 - the Integration Delivery Principles and
 - the 'Triple Aim' (i.e. Improving Population Health, Improving Value for Money and Improving Service User Experience).
- 5.3 The CFO and other senior officers will continue to engage with other partnerships, health boards, and local authorities to identify options for consideration, and, in particular, with the Scottish Government over likely funding scenarios. Scottish Government are implementing a Value and Sustainability programme and both the IJB CFO and the NHS DOF are members of this programme.
- 5.4 The Scheme of Integration (SOI) makes provision for partner organisations to provide additional resources to the IJB where its recovery plan has been unsuccessful in a given year. Under the terms of the SOI amounts provided to meet this gap are repayable to the partners in future periods. To date this repayment provision has not been used.

Conclusion and Recommendation to IJB Board

- 6.1 Currently the financial forecast holds significant risk: non delivery of financial savings targets in healthcare delegated services and continued pressures in the set aside budgets due to excess activity. There is also increasing risk in relation to care homes, and a single high cost LD Case. Risk around government funding allocations remains in relation to unused ring fenced allocations.
- 6.2 Critically, the IJB should ensure that the strategic planning process currently underway is used effectively to identify, quantify and evaluate options for change which will ensure the partnership is able to move into a position of financial sustainability. This will therefore by necessity include options for decommissioning or rightsizing services as well as changes to the services that are currently commissioned.

MONTHLY REVENUE MANAGEMENT REPORT						
Summary		2022/23	At end of Month:		Sept	
	Annual Budget £'000	Actual to Date £'000	Revised Budget £'000	Projected Outturn £'000	Outturn Variance £'000	
Generic Services	69,676	67,884	96,270	90,848	5,422	↑
Older People Service	27,258	4,814	15,537	12,796	(22)	↔
Prescribing	23,132	18,278	23,132	24,332	(1,200)	↓
Joint Learning Disability Service	21,388	18,298	24,320	25,717	(970)	↓
Joint Mental Health Service	20,767	17,036	25,141	25,175	18	↑
SB Cares	13,675	13,355	16,122	18,295	(2,173)	↓
Physical Disability Service	2,533	2,143	2,698	2,698	0	↔
Targeted Savings	(4,739)	0	(4,613)	0	(4,613)	↓
Large Hospital Functions Set-Aside	25,992	23,121	28,116	30,828	(2,712)	↓
Total	199,682	164,929	226,723	230,689	(6,250)	↔

Appendix 2

Monthly Revenue Management Report – Social Care

MONTHLY REVENUE MANAGEMENT REPORT									
Delegated Budget Social Care Functions			2022/23		At end of Month:			Dec	
	Base Budget	Actual to Date	Revised Budget	Projected Outturn	Outturn Variance	Proposed Virement	Projected (Over)/Under Spend	Trend	Summary Financial Commentary
	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Learning Disability Service	17,801	15,045	20,887	21,120	233	(233)	194	↗	Pay award £39k. Increased client specific care package.
Mental Health Service	1,956	1,550	2,084	2,148	(64)	52	(12)	↗	The service is forecasting a £31k overspend which is anticipated will be addressed by the service during the remainder of the year.
Older People	27,258	4,814	15,537	12,796	2,471	(2,763)	(22)	↔	Service is forecasting a balanced position, following budget virements from additional Scottish Government funding to Joint Learning Disability service (£621k) to cover operational pressures and undeliverable savings; £1.8m to repay IJB pressures that are now funded by Scottish Government and to earmark £2.5m additional Scottish Government funding into 2023-24 in line with spend forecasts. Homecare Provider sustainability grants and other Covid-19 pressures such as continued use of PPE to be claimed through the LMP.
SB Cares	13,675	13,355	16,122	18,295	(2,173)	(2,173)	(2,173)	↓	Significant overspends emerging in relation to Care Home overtime and agency costs - options virement sought from Older People of £578k to part fund pressure and £852k from 24hr residential care. £73k from additional funding. Pay award £670k.
Physical Disability Service	2,533	2,143	2,698	2,698	0	0	0	↔	
Generic Services	6,958	4,552	8,921	8,002	919	(995)	(76)		The service is forecasting a £270k pressure relating to staffing and locality based client specific expenditures. It is anticipated that ongoing work to re-base locality budgets in Generic Services as well as Older People and People with Physical Disabilities will address much of this pressure. The remaining pressure will be addressed by the service during the remainder of the year
Total	70,181	41,459	66,249	65,059	1,386	(6,112)	(2,089)		

Key Highlights, Challenges and Risks

Overall impact from the 2022/23 pay award £0.420m. The underspends in locality homecare budgets due to external providers handing hours back as they can't fulfil them back are being vired to SB Cares to part fund the overtime and agency costs which relate in part to providing the additional care hours. £0.591m has been identified as an undeliverable saving in Strategic & Commissioning Partnerships, which is being offset by unallocated additional government Health & Social Care funding. A further 4 external placements for young people have resulted in a forecast pressure of £0.395m. Earmarked balances for Mental Health and Renewal fund, Carers Act, external funding for Older People and Generic Services have been actioned in year.

MONTHLY REVENUE MANAGEMENT REPORT




Delegated Budget Healthcare Functions **2022/23** **At end of Month:** **Dec**

	Base Budget £'000	Actual to Date £'000	Revised Budget £'000	Projected Outturn £'000	Outturn Variance £'000	Trend	Summary Financial Commentary
Joint Learning Disability Service	3,587	3,253	3,433	4,597	(1,164)	↓	Overspend linked to additional support costs for a patient in long term care, expected to continue to at least year end
Joint Mental Health Service	18,385	14,738	22,261	22,231	30	↑	Likely that outturn will be a worsening position due to undelivered savings of £1.1m, medical vacancies, locums £0.35m and drugs £0.1m
Joint Alcohol and Drugs Service	426	748	796	796	-	↔	Any slippage will be carried forward in ear marked reserves
Prescribing	23,132	18,278	23,132	24,332	(1,200)	↔	Spike in demand in August and unit costs increased due to short term supply constraints, which is expected to ease. Some issues with PRISMS data.
Unidentified savings	(4,739)	-	(4,613)	-	(4,613)		Anticipated £1m achieved of which £0.5m will be recurring.
Generic Services	62,718						
Independent Contractors		27,248	35,217	35,217	-		
Public Dental Services		2,625	4,164	3,500	664		Vacancies and step down of services
Sexual Health		525	688	700	(12)		
Community Hospitals		4,385	6,022	5,847	175		Vacant posts offsetting overspend in supplies.
Allied Health Professionals		5,716	7,782	7,621	161		Vacant posts which are actively being recruited to
Leadership in Care Homes		182	256	256	-		
District Nursing		3,242	4,169	4,323	(154)		Overspends in supplies linked to dressing, transport and uniform
Home First		1,003	1,200	1,337	(137)		Operating above agreed funding plan.
Out of Hours Service		1,910	2,636	2,547	89		Vacant posts
PCIP		1,463	2,275	2,275	-		
Community Based Services		1,724	2,891	2,299	592		underspend linked to reduced activity levels
CVFV Programme		1,467	1,657	1,657	-		
Regional Diabetes		238	987	987	-		
Generic Other		9,554	11,790	11,558	232		Underspend across various PACS central costs specifically linked to vacancies with central admin and skill mix
Resource Transfer		2,050	2,722	2,722	-		
IJB Reserves		-	2,893	-	2,893		
Contribution from NHS Borders Year end Plan	-	-	-	-	-		
Total	103,509	100,349	132,358	134,802	(2,444)	↑	

Appendix 4

Monthly Revenue Management Report – Large Hospital Set Aside

MONTHLY REVENUE MANAGEMENT REPORT							
Large Hospital Functions Set-Aside		2022/23	At end of Month:		Dec		
	Base Budget £'000	Actual to Date £'000	Revised Budget £'000	Projected Outturn £'000	Outturn Variance £'000	Trend	Summary Financial Commentary
Accident & Emergency	3,149	3,562	3,648	4,749	(1,101)	↔	Enhanced staffing arrangements in place to support A&E
Medicine & Long-Term Conditions	17,229	14,268	18,893	19,024	(131)	↗	Overspends on drugs in relation to prescribing for patients with long term conditions, offset by vacancies
Medicine of the Elderly	6,660	5,291	6,519	7,055	(536)	↘	Overspend linked to supplementary staffing and agency to support augment inpatient areas.
Unidentified Savings	(1,046)	-	(944)	-	(944)	↑	
Total	25,992	23,121	28,116	30,828	(2,712)		

Appendix 5

IJB Reserves by Portfolio Area

Portfolio	Ring Fenced Allocations (RRL)	Additional Commitments (NHSB)	Total Balance held in Reserves
	£	£	£
Alcohol & Drugs	368,740	605,782	974,522
BBV	0	97,329	97,329
Mental Health	2,287,674	0	2,287,674
PCIP	1,522,980	0	1,522,980
PC Digital	182,369	164,158	346,527
PC Premises	148,831	191,047	339,878
PC Other	531,524	37,155	568,679
Public Health	36,134	108,771	144,905
Regional Diabetes	1,342,059	150,939	1,492,998
Urgent & Unscheduled Care	871,566	0	871,566
Vaccines	0	153,687	153,687
Winter	0	427,468	427,468
Workforce & Wellbeing	687,261	0	687,261
Community Living Change Fund	377,966	0	377,966
Other	275,052	209,001	484,053
HB Support	0	3,720,613	3,720,613
COVID	11,048,000	0	11,048,000
	0	0	0
	19,680,156	5,865,950	25,546,106

Appendix 6

Reduction in Government Reserves by Portfolio Area

Portfolio by Budget Line	£m	Description
Health and Social Care		
Covid	116.0	A range of actions relating to Covid expenditure on vaccinations, test and protect, PPE and additional capacity to drive down additional costs.
Social Care and National Care Service (NCS) re-profiling	70.0	Continuing to progress the commitment to fair work and adult social care, with a one-off saving released this financial year as we work with stakeholders on delivery mechanisms for future years. Re-phasing of NCS development from the Financial Memorandum based on recruitment profile and data and digital investment.
Primary Care	65.0	This has been achieved by a reduction in the planned growth rate for the Primary Care Improvement Fund, including a one-off utilisation of reserve funding held by integration authorities. In addition, it includes re-phasing of some elements of the planned enhancements to community optometry and audiology services.
Re-phasing and pausing of other programmes	63.0	Includes Scottish Trauma Network, Genomics programmes and improvement programmes on older people, clinical audit and education and development.
Mental Health	38.0	This has included continuing to support overall increases to mental health spending as well as delivery of dementia, learning disability and autism services, and cross-cutting trauma work at level of last year's spend. Within the revised budget we will seek to focus on progressing existing commitments including clearing CAMHS and psychological therapies waiting times backlogs.
SG Staff Reductions and other central savings	21.0	Includes vacancy freezes and tightening of recruitment controls at a central level. This does not apply to NHS staff.
Digital	14.0	Reprioritising of work across projects such as Digital prescribing and Microsoft Office updates.
Population Health	13.0	Re-phasing of commitment to double investment in sport, reprioritisation of health improvement spending.
Total	400.0	