

## Borders NHS Board



Meeting Date: 4 April 2019

<b>Approved by:</b>	Carol Gillie, Director of Finance, Procurement, Estates & Facilities
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<b>BASELINE PROVISION OF 2019/20 RESOURCE TO THE HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD</b>	
<b>Purpose of Report:</b>	
<p>The purpose of this report is to ask NHS Borders Board to approve the 2019/20 baseline provision of resource to the Health and Social Care Integration Joint Board (IJB) for it to undertake the functions delegated to it by the Health Board; as set out in the Health and Social Care Integration Scheme for the Scottish Borders (the Integration Scheme).</p> <p>Indicative figures on the level of resources to be provided were presented to NHS Borders Board on the 7<sup>th</sup> March 2019 (Appendix-2019-25). During March a full reconciliation of the level of resources has been undertaken enabling finalised figures to be presented which are in line with NHS Borders financial plan.</p>	
<b>Recommendations:</b>	
<p>The Board is asked to:</p> <ul style="list-style-type: none"> <li>• <b>Note</b> that provision of resource to the IJB and budgets set aside for the large hospitals element have been set on a pragmatic roll forward of 2018/19 resources, rather than established on the basis as outlined in the Integration scheme,</li> <li>• <b>Approve</b> the 2019/20 baseline provision of resource to IJB at £127.2m, including £23.1m of resource set aside for the large hospitals element, for it to undertake the functions delegated to it. This baseline includes the recurring Social Care Fund and the ring fenced fund formally known as the Integrated Care Fund.</li> <li>• <b>Note</b> the level of financial deficit and associated requirement for cost reductions, in anticipation of formal direction from the IJB in relation to revenue pressures.</li> </ul>	
<b>Approval Pathways:</b>	
This report is in line with the recommendations within the allocation letter issued from Scottish Government.	
<b>Executive Summary:</b>	
The establishment of the Integration Joint Board (IJB) is based on the Integration Scheme prepared between the Health Board and the Scottish Borders Council as detailed in Appendix 1.	

The IJB is responsible for the strategic planning of the functions delegated to it, and for oversight of the delivery of those functions. The functions that are to be delegated by the Health Board to the IJB and the services to which these functions relate, which are provided currently by the Health Board, are set out in the Integration Scheme.

As a detailed Strategic Commissioning Plan with an associated Financial Plan have not been formally provided to the Health Board, a pragmatic approach to setting the provision of resources has been adopted. The provision of resource for delegated functions and amounts set aside for hospital services is set at 2018/19 recurring levels plus an uplift of 2.6% which is in line with the Health Board's financial settlement and noting that it is likely that efficiencies and redesign will be required as a consequence. In line with the Strategic Commissioning plan there is a need for the IJB to provide direction to the Health Board on how investments and pressures will be accommodated within the total quantum of resource provided for delegated functions.

<b>Impact of item/issues on:</b>	
<b>Strategic Context</b>	Supports provisions outlined in the agreed scheme of integration for the establishment of delegated resources to the IJB.
<b>Patient Safety/Clinical Impact</b>	Please identify any alignment to safety and quality improvement – Safe/Effective/Person Centred.
<b>Staffing/Workforce</b>	Included in the report.
<b>Finance/Resources</b>	Included in the report.
<b>Risk Implications</b>	Included in the report.
<b>Equality and Diversity</b>	Complete.
<b>Consultation</b>	Principles applied have been discussed and agreed by NHS Borders Board and Chief Officer for the IJB.
<b>Glossary</b>	IJB – Integrated Joint Board ICF – Integrated Care Fund CAMHS – Children & Adolescent Mental Health Services

## Background

The Integration Scheme notes provision of resource for delegated functions will be determined by the agreed Strategic Commissioning Plan, and its associated financial plan, which will be presented to the Health Board and the Scottish Borders Council and considered as part of the annual budget setting process for respective organisations. It is anticipated this will provide the Board with directions on the delivery of efficiency to support the financial challenge.

This should demonstrate relevant performance, activity, cost, and service development issues, and take account of both Local Government and NHS Boards financial uplift or settlement, and efficiencies that may be required as a consequence. In the case of the set aside budget the provision of resources should be determined by the hospital capacity that is expected to be used by the population of the IJB using data from the latest Integrated Resource Framework.

As a detailed Strategic Commissioning Plan with an associated Financial Plan have not been formally provided to the Health Board, a pragmatic approach to setting the provision of resources has been adopted. The provision of resource for delegated functions and amounts set aside for hospital services is set at 2018/19 recurring levels plus an uplift of 2.6% which is in line with the Health Board's financial settlement and noting that it is likely that efficiencies and redesign will be required as a consequence. An indicative level of resources was approved by the Board at its meeting on the 7<sup>th</sup> March 2019 and following a full reconciliation during March finalised figures are presented below.

This paper has two sections as follows:

**Section 1:** To set out the baseline resource to be provided in 2019/20, the fourth year of the IJB.

**Section 2:** To give consideration to the financial pressures, likely efficiencies and risks.

### **Section 1 – Provision of 2019/20 Resource**

The Health Board will, in 2019/20, provide baseline resource of £127.2m to the IJB to undertake the functions delegated to it by the Health Board. This includes £23.1m of resources set aside for the large hospitals element. This represents the recurring revenue budget provided to the IJB in 2018/19 plus a pro-rata share of the 2.6% uplift which will be provided to the Health Board in 2019/20 in its allocation. This baseline resource includes the Social Care Fund (NHS Borders share of the £350m provided nationally) and the ringfenced funding which was previously known as the Integrated Care Fund. The total sum represents 52% of the Health Board's recurring funding to cover functions as delegated and set out in the Integration Scheme.

During the year as additional funding becomes available through ringfenced allocations which relate to IJB delegated functions the Board will provide these to the IJB as has been the case in previous financial years. It is anticipated this will include among others the following:

- Investment in Adult Mental Health Services and CAMHS.
- Primary Care investment funds.

While there is provision within the Integration Scheme to allow for the recovery of deficits from provision of resources in future years, despite a significant overspend and unrealised efficiency plans during 2018/19, beyond the prescribing efficiency requirement (£1.2m), it is not planned at this stage to retrieve any overspend in relation to functions delegated to the IJB. Due to the financial challenge this approach is increasingly difficult to maintain.

Appendix 1 provides a summary of the 2019/20 baseline resource to be provided.

## **Section 2 – Financial Pressures, Estimation of Efficiencies in 2019/20 and Risks**

As stated in section 1 above, the level of uplift provided to NHS Borders will be shared with the IJB on a pro-rata basis. The level of uplift will not be sufficient to fund known investments and pressures in full, however the Board is unable to provide more resource than is available and the IJB is sighted on a range of pressures across the system. This situation will need to be directed by the IJB by increasing the efficiency of services. An estimate of the level of efficiency required is detailed in Appendix 2.

At this point the Health Board's assumption is the IJB will direct all of the resource delegated to it back to the Health Board to provide necessary services, with the exception of the Social Care Fund and the ring fenced funding (Integrated Care Fund). However, previous year's assumptions of "Business as Usual" or "as you were" are now unsustainable. It is therefore anticipated that the IJB will provide direction to the Health Board how investments and pressures will be accommodated within the total quantum of resource provided for delegated functions.

Work has already begun to identify how the estimated level of required savings will be delivered. This means that, similar to previous years, it is anticipated that an efficiency programme will underpin the overall financial plan for NHS Borders and this will have to include savings across all services, including within delegated functions unless directed otherwise by the IJB. NHS Borders approved a governance process and we have a Turnaround team to support delivery. It must be recognised the IJB has a primary role in directing strategic service change so that we can provide safe, quality services we can afford.

The most significant risks for the Health Board and in turn the IJB are associated with the delivery of the required level of savings, and mitigating action to address anticipated and identified pressures within operational budgets. The effective management of savings and agreed within the Turnaround Programme approach will be a priority activity given the size and the scale of the overall savings undelivered in previous years and the level of financial challenge.

**Appendix 1**  
**Provision of Resources 2019/20**

	<b><u>IJB</u></b> <b>£000's</b>	<b><u>SET ASIDE</u></b> <b>£000's</b>	<b><u>TOTAL</u></b> <b>£000's</b>
<b>Recurring Resource 2018/19</b>	<b>91,973</b>	<b>22,505</b>	<b>114,478</b>
Social Care Fund	7,397		<b>7,397</b>
Integrated Care Fund	2,130		<b>2,130</b>
2.6% uplift	2,639	585	<b>3,224</b>
<b>Recurring Resource 2019/20</b>	<b><u>104,139</u></b>	<b><u>23,090</u></b>	<b><u>127,229</u></b>

## Appendix 2

### Anticipated Efficiency - Provision of Resources 2019/20

	<u>IJB DELEGATED FUNCTIONS</u>		
	<u>Recurring £000's</u>	<u>Non Recurring £000's</u>	<u>Total £000's</u>
Unmet Efficiency Carried Forward from 2018/19	(4,539)	0	<b>(4,539)</b>
New Pressures 2019/20	(2,091)	(1,520)	<b>(3,611)</b>
Drugs Pressures	(1,470)	0	<b>(1,470)</b>
2.6% Uplift	2,639	0	<b>2,639</b>
<b>Total anticipated Efficiency 2019/20</b>	<b><u>(5,461)</u></b>	<b><u>(1,520)</u></b>	<b><u>(6,981)</u></b>
<b>Anticipated Efficiency as a % of baseline resources</b>	<b>5.94%</b>	<b>1.65%</b>	<b>7.59%</b>

  

	<u>IJB LARGE HOSPITAL SET ASIDE **</u>		
	<u>Recurring £000's</u>	<u>Non Recurring £000's</u>	<u>Total £000's</u>
Unmet Efficiency Carried Forward from 2018/19	(3,680)	0	<b>(3,680)</b>
New Pressures 2019/20	(719)	(800)	<b>(1,519)</b>
Drugs Pressures	(244)	0	<b>(244)</b>
2.6% Uplift	585	0	<b>585</b>
<b>Total anticipated Efficiency 2019/20</b>	<b><u>(4,058) *</u></b>	<b><u>(800)</u></b>	<b><u>(4,858) **</u></b>
<b>Anticipated Efficiency as a % of baseline resources</b>	<b>18.03%</b>	<b>3.55%</b>	<b>21.59%</b>

\*\* Not operationally managed by the BGH.