



CÙRAM IS SLÀINTE NAN EILEAN SIAR

WESTERN ISLES HEALTH AND SOCIAL CARE PARTNERSHIP

INTEGRATION JOINT BOARD – DRAFT BUDGET 2019/20

PURPOSE OF REPORT

1. To consider the draft IJB budget for the period 2019/20.

COMPETENCE

2. The Integration Joint Board (IJB) is required to agree a balanced budget on the basis of the funding delegated by NHS Western Isles and Comhairle nan Eilean Siar.

SUMMARY

3. In accordance with the Western Isles Integration Scheme, the IJB is required to approve a balanced budget on the basis of funding delegated by NHS Western Isles and Comhairle nan Eilean Siar (CnES). This has been a challenging process with both of the IJB's parent bodies experiencing significant financial pressure.
4. NHS Western Isles received a 2.5% increase in allocation (£1m) against a background of the pay gap being removed, increased general inflation, an increased in high cost Patient Access Scheme drugs and high levels of off-island mental health placements.
5. The Comhairle received a grant reduction of 2.5% for 2019/20, having managed a reduction in funding of 18% between 2010 and 2018. Outside of the IJB, each department has been asked to generate 1% efficiency savings for 2018/19, and plan for a 25% saving through transformation over the next four years.
6. As of 5th February 2019, the initial budget gap for the IJB was £4.165m. With resource transfer from NHS to local government of £0.958, reserves transfer of £0.850 and identified savings to date of £0.665m, the gap has reduced to £1.692 as shown below:

	£'000
GAP	(4,165)
Health and Social Care Funding	958
Change in Reserve use	850
Savings Plan	665
Total Remaining Gap	(1,692)

7. Further work is underway to close the gap and present a balanced budget for the Joint Board meeting on the 28th March 2019. If the IJB cannot present a balanced budget, a recovery plan will be prepared to show how the IJB will achieve any unallocated savings, and, failing that, the matter can be referred back to the Comhairle and Health Board to indicate that insufficient resource has been provided to support the delegated functions.





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DUE DILIGENCE

8. The Integrated Resources Advisory Group (IRAG) guidance sets out the process that should be followed by councils and NHS Boards in calculating the budget allocation for their IJB for the functions that have been delegated. This includes taking into account historical patterns of spend, likely cost pressures, demographic changes and agreed service development proposals. The due diligence requirements have been followed during the preparation of the revenue budget proposals from NHS Western Isles and Comhairle nan Eilean Siar.
9. The budget setting process for the IJB is set out in the Integration Scheme. The financial processes of each partner organisation are governed by their own financial instructions and are subject to auditor scrutiny on an annual basis.

NHS Western Isles

10. In preparing the budget proposals for 2019/20 NHS Western Isles' pay budgets were zero based and prepared in collaboration with service managers and a full costed establishment was confirmed. Substantial non pay budgets, including high cost drugs, mental health placements and Out of Hours were set in collaboration with service managers and other Scottish Health Boards. The NHS Western Isles budget will be agreed at the 27 March 2019 Board meeting.

Comhairle Nan Eilean Siar

11. The agreed Budget Strategy of the Comhairle will seek to deliver a balanced budget using a combination of workforce planning, corporate efficiencies, budget choices and balances. The social care budget was set by undertaking an incremental budget approach using in-year financial information, adjusted for demand growth and any service developments.

2018/19 BUDGET PROPOSAL

Summary

12. The draft 2019/20 budget for the delegated functions is in excess of £59.8m, as shown in table below.

	IJB Delegated Budget £'000	NHSWI Set Aside £'000	Total £'000
Total Funding of core services	53,663	6,221	59,884
Gross cost of service	57,262	6,787	64,049
Budget Gap	(3,599)	(567)	(4,165)
Health and Social Care Funding	958	0	958
Total Savings Identified to date	665	0	665
Use of Reserves	850	0	850
Savings Gap	(1,126)	(567)	(1,692)





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13. These functions are paid for by contributions from CnES and NHS Western Isles. This then forms the funding that is available to the IJB and enables it to allocate it in accordance with its Strategic Plan.
14. The anticipated cost of service delivery includes inflation and quantifiable cost pressures, including increase in 19/20 off-island placements, transitions from children's services, and changes in staff terms and conditions. The expenditure budget also assumes that the specific funds will be fully utilised. Included within the present budget is a risk pot (£336k) for emerging care packages deemed as high risk but excludes further emerging acute adult placements.
15. The assumption is that Local Authority monies passed to IJB will be £958k greater than 2018-19 recurrent budgets and assumes additional flexibilities made available to Local Authorities to vary IJB allocations will not be utilised.
16. The total anticipated cost of service delivery is £64.049m, which leaves a funding shortfall of £4.165m. As outlined above, with resource transfer from NHS to local government of £0.958, reserves transfer of £0.850 and identified savings to date of £0.665m, the gap has reduced to £1.692. Further work is underway to close the gap and present a balanced budget for the Joint Board meeting on the 29th March 2018.

Budget Contribution from Comhairle Nan Eilean Siar

17. As it stands, the Comhairle is proposing a flat cash settlement for the IJB, plus the £958k resource transfer from NHS.

NHS Western Isles

18. NHS Western Isles is proposing an uplift to the base budget in line with inflation increase as laid out by the Scottish Government.

SAVINGS PROPOSALS

19. As of 5th February 2019, we have identified savings proposals of £0.665m (some of these are high risk with risk assessments and Equality Impact Assessments yet to be undertaken). Annex 1 describes the high level proposals to date. Further work is underway to close the gap and present a balanced budget for the Joint Board meeting on the 28th March 2019.

RECOMMENDATIONS

20. It is recommended that members of the IJB:
 - a) Notes the progress made to-date on achieving a balanced IJB budget proposal;
 - b) Notes that within the budget proposal there is little headroom for growth and that we continue to anticipate intense financial challenges moving forward;
 - c) Agree that the Chief Officer and Chief Finance Officer now engage with locality





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- groups by way of consultation on the draft budget;
- d) Agree that a final budget proposal be brought to the next meeting of the Integration Joint Board on 28th March 2019.

Debbie Bozkurt
Chief Finance Officer
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Annex 1 – Savings Proposals

Ref.	Summary	IJB Lead	Responsible Manager	R/NR	Saving 19/20 £'000	Financial Risk	EQIA / Clinical/ Care Risk Assessment	Description of Proposal and Associated Risk
SC1	Reduce the cost of bespoke high cost packages	Head of Partnership Services	Service Manager (Commissioning)	R	50	H	Risk assessments will form part of each individual assessment	This proposal would allow us to reduce high-cost packages. Group based activities may increase service user risk if not appropriately supported. Workforce design issues to consider, along with new arrangements with third sector partners. Given the increasing amounts paid on the provision of sleepover arrangements, there is a case for reviewing whether these are always necessary and/or could be substituted with technology support focusing on generating efficiencies by reducing high cost packages of care through a needs-led reassessment. Efficiencies won't be taken unless the same outcomes can be delivered and needs met.
SC2	Reprofile homecare provision in Uist, relying less on spot purchase	Head of Partnership Services	Service Manager (Homecare)	R	50	M	Risk assessments will form part of each individual assessment	This proposal assumes that we can move away from spot purchasing towards established care provision. May have implications for commissioning arrangements but could be augmented by building additional respite capacity.
SC3	Invest in fleet cars for the homecare workforce to reduce amount of travelling expenses	Head of Locality Services	Head of Revenue and Benefits	R	10	L	Risk assessment in place	This would involve investing in Comhairle-owned vehicles in order to reduce the year-on-year travel costs associated with this service area. The proposed saving is modest, although there are wider corporate savings against the same line. Issues would need to be worked through with trade union colleagues.
SC4	Opportunistic vacancy savings of 1% on CNES pay budgets	Chief Officer	Chief Officer	NR	150	M	Risk assessments will underpin any post that is not filled	This would recognise that the social care budgets will offer up opportunistic savings due to difficulty in recruiting to posts. Vacancy savings will not be targeted against specific posts and posts will not be kept vacant unless subject to resign or demand does not require them to be filled.
SC5	Vacancy freeze on ASBO post	Head of Partnership Services	Service Manager (Social Work)	NR	10	M	Risk assessments will underpin any post that is not filled	This would freeze the ASBO post and would result in short-term pressure on wider criminal justice service



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Ref.	Summary	IJB Lead	Responsible Manager	R/NR	Saving 19/20	EQIA / Clinical/ Care Risk		Description of Proposal and Associated Risk
						Financial Risk	Risk Assessment	
NHS1	Disestablish Redundant PDS Post	Chief Officer	Lead Nurse, Community	R	18	L	Not required	Vacant and not required
NHS2	East side SCN frozen ahead of redesign	Head of Locality Services	Lead Nurse, Community	NR	40	M	Risk assessment in place	This post has already been frozen for several years, with a single SCN managing the two community nursing teams. While this is not without impact, it allows us to think about more permanent restructuring and re-allocation of responsibilities across the SCNs in Lewis and Harris.
NHS3	Prescribing - increase in Rebates	Chief Officer	Associate Medical Director	R	50	H	Assessment suggests that income target can be met.	This efficiency measure is intended to cover all generic drugs, rebates and income generation sources.
NHS4	Efficiencies in Community Dental Services	Director of Dental Services	Dentistry, Service Manager	NR	77	L	Risk assessment in place	This allows for the delivery of oral health objectives within the establishment while continuing to meet core obligations. Savings can be achieved without adversely affecting oral health outcomes
NHS5	Public Dental Service	Director of Dental Services	Dentistry, Service Manager	R	120	M	Risk assessments will underpin any	Reduction in core staffing in view of new ind. practice opening.
NHS6	Dental - Labs savings	Director of Dental Services	Dentistry, Service Manager	NR	20	L	Assessment suggests that FEP target can be met.	Savings on dental technician/labs activity as a result of lower output from PDS by virtue of new dental practice opening
NHS7	Vacancy Efficiencies AHP	Head of Partnership Services	Service Managers, OT and Physiotherapy	NR	20	M	Risk assessment in place	TBC
NHS8	Mental Health Redesign/Vacancy Management	Associate Director Mental Health and Learning Disabilities	SCNs	NR	30	M	Risk assessment in place	Opportunistic savings from processes of redeployment from Clisham wards to community
NHS9	Freeze AHP Lead Band 6	Head of Partnership Services	Head of Partnership Services	NR	20	L	Not required - post not yet established	To allow the new integrated structure to embed, the Head of Partnership Services will spend six months with AHP service managers to discuss and agree AHP lead arrangements
TOTAL IJB Saving Plan					665			