

Title/Subject: Financial Report and Budget Recovery Plan
Meeting: Integration Joint Board
Date: 6 October 2017
Submitted By: Chief Finance Officer
Action:8 For Decision

1. INTRODUCTION

- 1.1. The purpose of this report is to provide the IJB with an updated financial projection for 2017/18 and to set out the options available as part of a financial recovery package. The report therefore includes an updated view of the financial risks facing the IJB and sets out a series of options for addressing these risks.

2. RECOMMENDATIONS

The IJB is invited to:

- 2.1 Note the changes to the Partnership Base Budget as set out in section 4 of this report.
- 2.2 Note the financial projection for 2017/18 as set out in section 5 of this report.
- 2.3 Approve the action set out at paragraphs 6.7 to 6.10 of this report, remitting a subgroup of the Leadership Team to review the recovery plan and report back to the IJB in December.
- 2.4 Note progress on the development of the Falkirk IJB business plan for 2018/19.

3. BACKGROUND

- 3.1 The financial position report presented to the IJB in August 2017 highlighted that a significant financial risk had been identified for the in-scope NHS budgets of the Partnership. That report noted that more work had to be done to quantify that risk and that a budget recovery plan would have to be prepared and presented to the IJB, in line with the requirements of the Integration Scheme.

4. 2017/18 PARTNERSHIP BUDGET

Resources Available – Partnership Base Budget

- 4.1 The Partnership Base Budget covers the payments made by each partner to the IJB. It was noted in the August report that variations can occur due to how certain elements of the budget, for example Partnership Funding are treated. Discussions with the partners on the best way to present these areas are ongoing.
- 4.2 The base figure approved in March may be subject to variations as a result of events such as additional funding received, or adjustments to correct in-scope/out of scope budget anomalies. The movement to date in the 2017/18 base budget is shown below:

	£m
4 August 2017 Base Budget	207.318
Drawdown of Partnership Funding	0.215
PMS Allocation Uplift 2017/18	0.212
GP Recruitment & Retention Fund	0.013
Revised Base Budget	207.758

- 4.3 The movements in the NHS budget are mainly due to non-recurring income allocations received. Of these, £0.215m is from Partnership Funding allocations from Integrated Care Fund and Delayed Discharge monies. There are two further allocations from the Scottish Government - £0.212m for Primary Medical Services uplift for 2017/18 and £0.013m for the Recruitment and Retention of GPs.
- 4.4 No amendments have been made to the payment from Falkirk Council.

5. 2017/18 PROJECTED OUTTURN

- 5.1 The August 2017 report set out an overall financial risk for the Partnership of a £1.490m overspend. This position was based on a breakeven position for Adult Social Care and an overspend for in-scope NHS budgets. The August paper noted however, that more detailed work was required to review and quantify the risk
- 5.2 The information included in this report has been provided by, or discussed with the respective finance teams of the partners and has been based on the financial position to 31 August 2017.
- 5.3 The current projection is an overspend of £1.540m. This financial risk to the Partnership is included in the IJB Strategic Risk Register. This position is reflected in Appendix 1 and summarised in the table below:

	£m
Budgets delegated to Falkirk Council (non HRA)	-
Budgets delegated to NHS Forth Valley	1.540
Projected Overspend	1.540
Budgets Delegated to Falkirk Council (HRA)	(0.224)

5.4 A summary of the main pressures is provided below:

Adult Social Care

5.5 As noted above, the budgets delegated to Falkirk Council for Adult Social Care are projected to underspend by £0.224m (see Appendix 2). However, this underspend is entirely on the Housing Revenue Account (HRA) element of the budget and must therefore be ring-fenced for future use with HRA tenants. It cannot be used to offset the projected overspend. The non-HRA element of the budget (usually referred to as the General Fund element) is expected to break-even. Previous reports to the IJB have however flagged up areas of financial risk. These have been noted below:

- The number of hours provided through external home care provision continues to increase. The average number of hours provided per week for the first six months in 2016/17 was 7,850. This has increased to an average of 8,932 for the same period in 2017/18 – an increase of 13.8%. These costs have been partially offset by underspends in other areas of the budget, including internal home care. However, this area will have to be closely monitored going forward.
- Discharge to Assess – there has been agreement to extend the pilot and fund this extension from Leadership Funds. However, to date underspends on the General Fund side of the IJB have been able to cover much of the costs. Of the initial £0.325m set aside from Leadership Funds to fund Discharge to Assess, only £0.102m has been built into the projection. As the costs to extend the pilot become clearer the projection will be updated. On the basis of prudence, the allocation of £0.325m remains set aside in the Leadership Funds.

NHS Forth Valley

5.6 Four main areas of pressure have been identified for the NHS Forth Valley arm of the Partnership – prescribing, non-delivery of savings, prescribing, complex care and community hospitals. Each of these four areas makes up the £1.540m shown above.

5.7 These four areas are the most significant areas at this time. However, there are a number of under and over spending areas across the budget (see Appendix 3). NHS Forth Valley are developing their projection reporting which is currently done at a Directorate level. As Partnership level projection reporting becomes available, figures will take account of all of the budget rather than focussing on key areas.

5.8 The four key areas are examined in more detail below:

Prescribing

- 5.9 The finance report presented to the IJB on 4 August 2017 highlighted some of the risks associated with the prescribing budget. It is worth noting that pressure on prescribing is being experienced at a national level and for some areas national solutions will be required.
- 5.10 A recent NHS Forth Valley finance report has highlighted a projected overspend in prescribing across NHS Forth Valley of £1.5m for 2017/18, with £0.768m attributed to the Falkirk Partnership. This includes inflationary pressures and an element of non-delivery of savings. However, this figure is heavily caveated as it is based on the first three months of the financial year. In addition, the financial position can change significantly depending on drugs being approved or coming “off-patent”. Colleagues at NHS Forth Valley review the position each month as actual consumption information becomes available and the IJB will be kept up to date with progress.
- 5.11 For NHS Forth Valley key growth areas have been identified as new and more expensive drugs being used to treat cardiovascular conditions, immunosuppressive drugs and drugs used to treat prostate cancer. Where appropriate, local solutions are being explored. In terms of savings, the Primary Care Prescribing Support Team continue to maximise opportunities for technical switches where clinically appropriate. In addition a detailed piece of work focussing on waste/repeat prescription ordering is about to commence following receipt of patient level data provided by Practitioners Services Division.
- 5.12 The August 2017 report highlighted differences in the prescribing pressures being faced between the Falkirk and the Clackmannanshire and Stirling partnerships. Colleagues in NHS Forth Valley are carrying out work to review the variance and are expected to report back shortly. In the meantime, the pharmacy team are supporting work to improve prescribing spend in the Falkirk area.

Non-Delivery of Savings

NHS Forth Valley Wide Savings

- 5.13 In total, NHS Forth Valley has a savings target of £24m for 2017/18 and by 31 July 2017, savings of £22.1m had been identified, with £2.8m actually delivered. Plans for £1.9m of savings have not yet been identified. NHS Forth Valley has also reported that delivery of their savings may require a reliance on non-recurrent means, recognising that recurring cost reductions will require more radical service change and prioritisation which would impact beyond 2017/18. NHS Forth Valley have recognised however that focus must switch to sustainable, recurrent savings.
- 5.14 NHS Forth Valley has reported that to achieve financial balance in 2017/18, there will need to be an increase in the pace of savings delivery. However, it remains unclear

what this means for the partnerships and therefore we have to assume at this stage that the financial risk to the Falkirk Partnership remains.

NHS Forth Valley Savings – Falkirk Partnership

5.15 The March 2017 budget report set out the pressures facing the Falkirk IJB element of the NHS budget going forward. These were:

	£m
Operational & Universal Services:	
Inflationary Pressures	2.193
2016/17 Overspend	0.520
Savings Required	2.713
Set Aside:	
Inflationary Pressures	0.584
2016/17 Overspend – Set Aside	0.419
Savings Required	1.003
Total Savings Required	3.716

5.16 The most recent information from colleagues in NHS Forth Valley is that projections for Set Aside budgets show financial balance being achieved for 2017/18. This essentially means that NHS Forth Valley have been able to address the projected shortfall successfully, removing that pressure for the current year. The information in this section of the report is therefore focussed on Operational & Universal Services.

5.17 The savings requirement for the Operational & Universal Services element of the Falkirk Partnership budget is set out below:

	£m	£m
Savings Presented to March IJB	4.382	
Less Bo'ness Community Hospital removed	(1.740)	
Less Savings Identified for Set Aside Budgets	(0.384)	
Savings Identified for Operational & Universal Services		2.258
Savings Required		2.713
Savings Still to be Identified		0.455

5.18 The forecast position for savings delivery on the Operational & Universal Services element of the Falkirk Partnership budget is summarised below:

	£m
Savings Required	2.713
Projected Savings Delivery	1.400
Projected Savings Shortfall	1.313

5.19 It is clear that delivering the identified savings for 2017/18, as well as identifying further savings is problematic. The risk of non-delivery of savings is included in the IJB Strategic Risk Register.

Complex Care

5.20 Costs associated with an increasing demand for high intensity care packages are significant. An overspend of £1m is currently anticipated across the Forth Valley area which at this point has been allocated to the partnerships based on the standard formula developed by the National Resource Allocation Committee (NRAC). This formula looks at population data and adjusts it for age, sex, deprivation, morbidity etc. The current split between the two partnerships is 53% Falkirk and 47% Clackmannanshire and Stirling, resulting in a projected overspend of £0.530m for the Falkirk partnership.

5.21 This area of service is demand led. A number of care packages are funded jointly by NHS Forth Valley and Falkirk Council. Work is underway to ensure the consistent application of care protocols. This will include an examination of the complex care pathway, together with a review of eligibility criteria. In addition, a programme of clinical review has been commenced on out of area cases to ensure the potential for repatriation is considered at the earliest opportunity. To bring this area into balance may require difficult decisions to be taken on allocating new packages of care.

Community Hospitals

5.22 An overspend of c£0.5m is currently forecast for community hospitals. This reflects new pressures in 2017/18 which were not included in the original savings target identified in March 2017.

5.23 The impact of extending the use of ward 5 within the Falkirk Community Hospital continues to show on the outturn for 2017/18. Ward 5 was kept open as a contingency area after the winter period to manage capacity issues due to patients delayed in their discharge, with the ward closing on 10 July. The period from 1 April to 10 July was not funded. No mitigation or additional funding has been identified to date against this spend. This makes up c£0.380m of the projected overspend in this area.

- 5.24 In addition, further pressure on the community hospitals budget is being experienced due to additional supplementary staffing costs being incurred to manage sickness and exceptional care requirements. The Operational Manager is looking at mitigation for these additional costs. There is a real risk of the overspend position worsening.
- 5.25 This area will need to be considered further in light of the emerging winter plan and the contingency arrangements that will need to be put in place. Implications across both partnerships will have to be understood, including resource implications.

6. DEVELOPMENT OF THE BUDGET RECOVERY PLAN

Integration Scheme

- 6.1 The Falkirk IJB's Integration Scheme outlines the steps to be taken in the event of an in-year overspend. The full extract from the Integration Scheme is included as Appendix 4 and the provisions have been summarised below:
1. The Chief Officer, the Chief Finance Officer and the relevant finance officer and operational manager of the constituent party must agree a recovery plan to balance the overspending budget.
 2. If unsuccessful, the IJB may increase the payment to the party by utilising an underspend on another arm of the budget or utilising the balance of the general fund.
 3. If there are insufficient general fund balances, the parties have the option to make an additional one-off payment to the IJB, based on a cost sharing model or provide additional resources to the IJB which are recovered in future years.
 4. The final option for the IJB is to access its earmarked reserves to meet the overspend.

Progress to Date

- 6.2 Meetings have taken place between the Chief Finance Officer of the IJB and the Assistant Finance Directors in NHS Forth Valley. Discussions have also been held at the Leadership Team. Much of the discussion has centred on accountability and ownership of financial risk.
- 6.3 It is best practice for savings to be developed in collaboration between finance and operational managers, for approval by Chief Officers and Boards as appropriate. This ensures that the risk associated with a saving is fully identified and understood. The accountability for delivering the saving sits clearly with the operational manager who has been fully involved in identifying and developing the savings proposal. Imposition of savings on an operational manager is to be avoided where possible as lines of accountability and ownership become blurred. The Integration Scheme recognises this and sets out a collaborative, co-production approach, with the operational managers fully involved in development of a recovery plan.

- 6.4 As noted above, ownership and accountability of financial risk has been subject to ongoing discussion. Where the financial risk sits with the Partnership, it is for the IJB to develop a recovery plan, and identify financial savings, for the overspending body to implement. This would be a reasonable approach for a more developed Integration Authority where operational management had transferred. While the operational management responsibility remains with the NHS, proposals need to be developed and delivered by NHS general managers in collaboration with the Leadership Team. Transformational changes to service delivery models are needed across the partnership to achieve the level of recurring savings required and this will take time.
- 6.5 To ensure financial balance in 2017/18 the Leadership Team must be focussed on identifying areas where short term savings are available and must prioritise the development of transformational change to deliver longer term savings. An agreed approach will be necessary to achieve this. We are now six months into the finance year with little movement in the financial risk facing the IJB. This position is not sustainable.

Way Forward

- 6.6 This report has sought to outline some of the difficulties in addressing the current financial risks facing the partnership. It is recognised that NHS operational managers and budget holders are managing a mixture of budgets across the NHS and both IJBs which is challenging. A workshop was held on 3 October with NHS colleagues and the Chief Officer and Chief Finance Officer from both partnerships to explore how some of these challenges can be addressed and overcome. The aim of the workshop was to identify improvements and the output from this session will be used to inform a finance development session for the IJB later in the year.
- 6.7 It is recommended that option 1 agreement of the recovery plan is continued at this stage. However, it must be recognised that there appears to have been limited progress in identifying mitigation for the projected 2017/18 overspend on the NHS arm of the budget. There is a high degree of risk.
- 6.8 To progress with option 1, it is recommended that a sub group of the Leadership Team is established. This group will be given a six week remit to meet with the appropriate operational managers and identify opportunities for further savings or other mitigation as appropriate. Following the six week period, a view will be taken on the likely success or otherwise of the recovery plan and options for moving forward.
- 6.9 The timescale suggested is challenging, reflecting the high level of risk facing the Partnership. Delivery of this review will be dependent on managers being given the authority and capacity to undertake this work.
- 6.10 A paper summarising the conclusions from the work of the sub group plan, including recommendations, will be presented to the December IJB.

Directions

- 6.11 The Public Bodies (Joint Working) (Scotland) Act 2014 sets out the requirements for an IJB to issue a direction setting out how each integrated health and social care function is to be exercised, and the budget associated with that. Directions to Falkirk Council and NHS Forth Valley for 2017/18 were approved by the IJB at a meeting in March 2017. The Directions used by the Falkirk IJB are broad, stating:
- a) The functions will be carried out consistent with the existing policies of the partner;
 - b) The functions will be carried out in a manner consistent with the strategic plan; and
 - c) No material change will be made to policies or service provision within the functions unless agreed by the IJB.
 - d) The financial resources that are available to carry out the functions which are the subject of the directions.
- 6.12 Directions remain in place until they are amended, revoked or superseded. This flexibility is there to help ensure that the delivery of functions is consistent with the Strategic Plan and takes account of changes in local circumstances. The Directions can include detailed operational instructions if appropriate. A revised Direction could be issued to the partners, dependent on decisions taken by the IJB.
- 6.13 It should be noted that both Internal and External Audit have recommended that a review is undertaken of the Falkirk IJB's use of Directions. This recommendation has been agreed by the Chief Officer and was included as part of the IJB Governance Action Plan presented to Audit Committee in September 2017. The results of this review will be reported back to the IJB.

7. DEVELOPMENT OF THE FALKIRK IJB BUSINESS PLAN

- 7.1 The IJB is expected to develop and approve a business plan for onward submission to Falkirk Council and NHS Forth Valley. That business plan is expected to set out the resource requirements that the IJB will need in order to deliver the commitments in the Strategic Plan. Savings approved by the IJB should be included in the business plan to ensure that partners are aware of the impact of funding decisions. However, it is for the IJB to approve the savings, not the partners. The business plan should be submitted to a meeting of Falkirk Council in December with arrangements for submission to NHS Forth Valley to be agreed.
- 7.2 The business plan for 2018/19 is under development. Information on inflationary pressures, legislative changes and the potential impact of those changes, and funding pressures are being considered. The list of future changes that will impact on the financial position of the IJB includes:
- lifting of the pay cap

- the commitment by the Scottish Government to extend free personal care for under 65s in some circumstances
- implementation of the Carers Act from 1 April 2018
- living wage uplifts
- prescribing costs
- national care home contract.

7.3 Savings to mitigate the anticipated financial pressures are being developed in collaboration with both partners. Given the funding pressures on both partners, it is inevitable that further efficiencies and savings will need to be approved by the IJB. Unless appropriate actions are taken, the financial pressures currently being experienced by the partnership are set to continue.

7.4 In 2017/18 the Scottish Government placed restrictions on both Local Authorities and NHS Boards that limited the amount of reduction that could be made to the payments to the IJB. It is anticipated that similar restrictions will be put in place for 2018/19. An explanation of what that meant for the payments provided to the IJB is given below:

Falkirk Council	<p>In 2017/18 the Scottish Government set a limit on the amount by which the payment from Local Authorities to IJBs could be reduced. This limit was based on a share of £80m, which for Falkirk Council was £2.270m.</p> <p>In the absence of any other data, the same figure has been used to plan for 2018/19. This means that Falkirk Council can take the figure paid to the IJB in 2017/18 and reduce that by £2.270m. This would mean a payment from Falkirk Council of £58.081m for 2018/19.</p> <p>The impact of this on savings requirements is noted below.</p>
NHS Forth Valley	<p>For 2017/18, the Scottish Government ensured that NHS contributions to IJB for delegated health functions had to be maintained at least at 2016/17 cash levels.</p> <p>NHS Forth Valley kept their allocation at 2016/17 cash levels.</p> <p>This effectively meant that all additional cost pressures – demand, inflation etc, would have to be met from savings in 2017/18.</p> <p>It is anticipated that a similar requirement will be put in place for 2018/19.</p>

7.5 To fully understand the impact of these funding decisions on savings requirements, information on inflationary and other known pressures is needed. The information available to date is noted below:

	Falkirk Council	NHS Forth Valley
	£m	£m
2017/18 Base Payment (as at 31 July 2017)	60.351	133.393
Demographic Pressure	0.350	tbc
Inflationary Elements	2.187	tbc
Carers Act Impact	0.173	tbc
Integration Funding Uplift	(1.000)	-
Sub Total	62.061	
Funding Available	58.081	133.393
Funding Shortfall	3.980	tbc

- 7.6 The impact of inflationary pressures and other legislative changes is not yet available for NHS Forth Valley, albeit modelling work is well underway. The most significant financial challenge moving forward will be the pay element and the removal of the public sector pay cap. A 1% pay increase for NHS Forth Valley (on an area wide basis) would cost £3.5m. The likelihood of any additional funding to meet this pressure is unclear, and may not be known until the end of 2017. An update on the NHS Forth Valley position will be presented to the IJB in due course.
- 7.7 On the Falkirk Council side, provisional calculations of inflationary pressures etc are available, although again it is likely to be the end of 2017 before funding is confirmed. Indications are that savings of approximately £3.980m will be required to break even, if the full £2.270m is removed from Council funding. This is based on Integration Funding increasing by £1m in 2018/19 to cover the increased costs from the living wage. The figure shown for the Carers Act impact is the net figure – the current estimate of cost is £0.534m, with £0.361m assumed income from the Scottish Government.
- 7.8 This level of funding cut is significant and nearly double the savings level required for 2017/18. This will undoubtedly be challenging.
- 7.9 Both partner organisations are in the process of developing savings options in collaboration with Operational Managers. Those savings options relating to IJB functions will be discussed by the IJB Leadership Team before presentation to the IJB for approval. Further reports will be brought to the IJB as appropriate.
- 7.10 The work underway for the Business Plan will feed into a medium term financial plan which will look ahead to the next 5 years for the IJB.

8. CONCLUSIONS

- 8.1 This report confirms that there is a significant financial risk of a £1.540m overspend on the NHS Forth Valley arm of the partnership. There are also a number of financial

pressures on the Falkirk Council arm. To date, mitigating actions to address the financial risk have not been identified and an overspend for the year 2017/18 remains likely.

- 8.2 The report sets out the options available to the IJB per the Integration Scheme recommending further development of the recovery plan. In order to decide which option is most appropriate, a view will need to be taken on the likelihood of further savings and efficiencies being identified by NHS Forth Valley. Efforts to implement existing savings and efficiencies must continue at pace.
- 8.3 The production of a Business Case for 2018/19 is ongoing and further reports will be brought to the IJB. This piece of work will need to be prepared in time for submission to the Falkirk Council meeting in December.

Resource Implications

The resource implications are considered in the body of the report.

Impact on IJB Outcomes and Priorities

The budget sets out the overall resources available to the Partnership to support delivery of the Strategic Plan.

Legal & Risk Implications

The main financial risks facing the Partnership are considered in the body of the report.

Consultation

The Chief Officer of the IJB, Chief Finance Officer of Falkirk Council and Assistant Directors of Finance of NHS Forth Valley have been consulted on this report.

Equalities Assessment

The budget may include savings proposals which involve service change. These should all be subject to an Equality Assessment.

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Author – Amanda Templeman, Chief Finance Officer

Date: 15 September 2017

List of Background Papers: The papers that may be referred to within the report or previous papers on the same or related subjects.

FALKIRK HEALTH AND SOCIAL CARE PARTNERSHIP

PROJECTED OUTTURN STATEMENT 2017/18 AS AT 31/07/2017

	<u>Budget</u>	<u>Projected</u> <u>Outturn</u>	<u>(Fav)/ Adv</u> <u>Variance</u>	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>%</u>
Adult Social Work Services	70,461	70,237	(224)	(0.3)
Falkirk Council Spend to Save	325	145	(180)	
NHS Forth Valley	136,972	138,512	1,540	1.1
Sub - Total	<u>207,758</u>	<u>208,894</u>	<u>1,136</u>	<u>0.5</u>
Use of Earmarked Reserves	-	414	-	-
NET EXPENDITURE	<u>207,758</u>	<u>209,308</u>	<u>1,136</u>	<u>0.5</u>
<u>Funded By :</u>				
Falkirk Council Contribution	60,351	60,351	-	-
Falkirk Council Spend to Save Contribution	325	145		
NHS Forth Valley Contribution	136,972	136,972	-	-
Integration Funding (via Health Boards)	10,110	10,110		
Leadership Funding		414		
NET INCOME	<u>207,758</u>	<u>207,992</u>		
SURPLUS/(DEFICIT)	<u>-</u>	<u>(1,316)</u>		
Transfer to HRA Reserves		(224)		
Transfer to Integration Fund Reserves		-		
Projected Outturn		(1,540)		

LOCAL AUTHORITY BUDGETS	ANNUAL BUDGET			YTD ACTUALS			FORECAST FOR FINANCIAL YEAR	
	£m	£m	£m	£m	£m	£m	£m	£m
	INITIAL ANNUAL BUDGET	BUDGET ADJUSTM ENTS	REVISED ANNUAL BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE EXPENDITURE	YEAR TO DATE VARIANCE	FORECAST EXPENDITURE	FORECAST VARIANCE
Older People	3.009	0.228	3.237	1.349	1.360	0.011	3.264	0.027
Mental Health	0.605	(0.039)	0.566	0.236	0.228	(0.008)	0.546	(0.020)
Learning Disability	0.296	0.023	0.319	0.133	0.134	0.001	0.322	0.003
Physical Disability	0.635	0.049	0.684	0.285	0.288	0.003	0.690	0.006
Adult Support and Protection	0.188	(0.089)	0.099	0.041	0.031	(0.010)	0.075	(0.024)
Carers	0.050	(0.002)	0.048	0.020	0.015	(0.006)	0.035	(0.013)
Care at Home	30.299	0.260	30.559	12.733	12.933	0.200	31.039	0.480
Residential Care	22.674	(0.100)	22.574	9.406	9.316	(0.090)	22.358	(0.216)
Respite Care	1.307	(0.103)	1.204	0.502	0.455	(0.047)	1.091	(0.113)
Day Care/ Services: PD,LD,OP,MH	4.104	0.160	4.264	1.777	1.711	(0.066)	4.106	(0.158)
MECS/Telecare/Telehealth	0.601	(0.035)	0.566	0.236	0.267	0.031	0.640	0.074
Housing with Care/Sheltered Accommodation	1.098	0.055	1.153	0.480	0.497	0.017	1.193	0.040
Shopping Service	0.014	0.010	0.024	0.010	0.015	0.005	0.035	0.012
Equipment and Adaptations	0.420	(0.000)	0.420	0.175	0.177	0.002	0.425	0.005
Advocacy	0.096	(0.000)	0.096	0.040	0.037	(0.003)	0.089	(0.006)
Sensory Team	0.455	(0.098)	0.357	0.149	0.108	(0.040)	0.260	(0.097)
Mental Health Team	0.297	(0.002)	0.295	0.123	0.120	(0.002)	0.289	(0.006)
Learning Disability Team	0.586	0.001	0.587	0.244	0.274	0.029	0.657	0.071
JLES	0.328	(0.026)	0.302	0.126	0.126	0.000	0.302	0.000
Day Care/Centre: MH	0.167	0.099	0.266	0.111	0.082	(0.029)	0.198	(0.069)
Sensory Resource Centre	0.079	(0.000)	0.079	0.033	0.028	(0.005)	0.067	(0.012)
Voluntary Organisations	0.554	0.000	0.554	0.231	0.237	0.007	0.570	0.016
Garden Aid	0.489	0.000	0.489	0.204	0.204	0.000	0.489	0.000
Housing Aids and Adaptations	1.200	0.000	1.200	0.500	0.407	(0.093)	0.976	(0.224)
Improvement Grants	0.327	0.000	0.327	0.136	0.136	0.000	0.327	0.000
IJB Operation	0.193	0.001	0.194	0.081	0.081	0.000	0.194	0.000
Integration Fund	(9.920)	(0.190)	(10.110)	(4.213)	(4.213)	0.000	(10.110)	0.000
TOTAL LOCAL AUTHORITY BUDGETS	60.151	0.200	60.351	25.146	25.053	(0.093)	60.127	(0.224)

Notes:

1. Breakdown of Falkirk Council's contribution to IJB as

General Fund payment to IJB	£58.410	£0.200	£58.610
HRA Payment to IJB	£1.414		£1.414
Capital	£0.327		£0.327
	<u>£60.151</u>	<u>£0.200</u>	<u>£60.351</u>

2. YTD expenditure and YTD variance is calculated on pro rata basis.

NHS Forth Valley, Health & Social Care Integration Board Level IJB

Financial Report 2017 Period 4 (July)

APPENDIX 3

Falkirk IJB

Scope	Category Reference & Name	Annual Budget F IJB	YTD Budget F IJB	YTD Actuals F IJB	YTD Variance F IJB
Set Aside	.2 Accident and Emergency Services	6,181,043	2,061,002	2,111,416	(50,413)
	.3a Inpatient Hospital Services General Medicine	3,128,505	1,043,081	1,026,406	16,676
	.3b Inpatient Hospital Services Geriatric Medicine	4,309,619	1,464,804	1,549,469	(84,665)
	.3c Inpatient Hospital Services Rehabilitation Medicine	1,425,786	475,202	484,324	(9,122)
	.3d Inpatient Hospital Services Respiratory Medicine	1,174,673	391,708	386,585	5,122
	.3e Inpatient Hospital Services Psychiatry of Learning Disability	1,333,422	444,474	470,231	(25,757)
	.4 Palliative Care (Hospital Based)	1,098,882	366,294	366,495	(201)
	.7 Mental Health Inpatient Services	6,205,199	2,066,850	2,183,395	(116,545)
Set Aside	Sub Total	24,857,129	8,313,415	8,578,320	(264,905)
Operational	.8 District Nursing Services	4,110,504	1,370,168	1,420,233	(50,065)
	.9 Community Addiction Services	2,949,757	1,065,953	1,041,225	24,729
	.10 Community Based AHP Services	6,204,255	2,069,334	2,049,088	20,246
	.11 Public Dental Service	1,046,301	348,767	350,535	(1,768)
	.17 Services provided outwith a hospital in relation to geriatric medicine	1,131,836	377,279	330,846	46,433
	.18 Palliative Care (delivered in Community)	79,853	26,618	24,661	1,957
	.19 Community Learning Disability Services	813,271	271,090	223,470	47,621
	.20 Community Mental Health Services	5,248,476	1,739,490	1,696,519	42,971
	.21 Continence Services	190,526	63,509	47,835	15,674
	.23 Services Provided by health professionals to promote public health	1,427,210	485,263	442,860	42,403
	.24 Community Hospitals (recurrent budget)	5,561,772	1,854,109	2,215,987	(361,878)
	.RTs Resource Transfer	11,253,081	3,751,027	3,751,028	(1)
	.JPA Joint Partnership Agreements	1,949,395	649,798	772,449	(122,651)
	.PF Partnership Funds (ICF/ Delayed Discharge / Bridging)	818,881	818,881	818,881	(0)
	.Pass Integration Fund Pass Through Funding	10,110,000	3,370,000	3,370,000	0
Operational	Sub Total	52,895,120	18,261,286	18,555,617	(294,331)
Universal	.12 Primary Medical Services (GMS Contract)	22,035,611	6,889,757	6,802,875	86,882
	.13 Primary Dental Services (GDS Contract)	8,555,013	2,770,716	2,759,420	11,297
	.14 Community Ophthalmic Services	2,957,288	1,003,013	1,003,013	0
	.15 Community Pharmaceutical Services	34,419,203	11,936,725	12,382,372	(445,647)
	.16 GP Out of Hours Services	1,360,697	421,896	397,537	24,358
Universal	Sub Total	69,327,812	23,022,107	23,345,216	(323,110)
Total		147,080,061	49,596,807	50,479,153	(882,346)

8.5 In-year overspend on the Integrated Budget

8.5.1 Where there is a projected overspend against an element of the Integrated Budget, the Chief Officer, the Chief Finance Officer of the Integration Joint Board and the relevant finance officer and operational manager of the constituent Party must agree a recovery plan to balance the overspending budget.

8.5.2 If the recovery plan is unsuccessful, the Integration Joint Board may increase the payment to the affected Party, by either:

- I. utilising an under spend on another arm of the Integrated Budget to reduce the payment to that Party; and/or
- II. utilising the balance of the general fund, if available, of the Integration Joint Board in line with the reserve policy.

8.5.3 If the recovery plan is unsuccessful and there are insufficient general fund reserves to fund a year end overspend, then the Parties have the option to:

- I. make additional one-off payments to the Integration Joint Board, based on an agreed cost sharing model; or
- II. provide additional resources to the Integration Joint Board which are then recovered in future years, subject to scrutiny of the reasons for the overspend and assurance that there is a plan to address this; or
- III. access the reserves of the Integration Joint Board to help recover the overspend position.

8.5.4 The exception is for overspends that arise due to material differences between assumptions used in setting the payments to the Integration Joint Board and actual events (e.g. pay inflation). Unplanned overspends

effectively represent underfunding by the Parties with respect to planned outcomes and the cost should be met by the relevant Party, subject to the financial capacity of the relevant Party.