

Midlothian Integration Joint Board



April 20th 2017

2017/18 Financial Recovery Programmes outline

Item number: **Agenda number**

Executive summary

At its March meeting the IJB accepted the budgetary propositions from Midlothian Council and NHS Lothian. However, it was noted that these budgets contained a significant financial challenge in that they were underpinned by an assumption of c. £4.8m of recovery actions for which c. £2.8m of plans had been developed leaving a projected financial gap of c. £2.0.

This report further updates the IJB on the current recovery plans and considers if these plans will impact upon the IJB's strategic plan. It's clear from the current analysis that the projected gap above has yet to be closed and the Chief officer and the Chief Financial officer will have to bring back further information to the IJB at its June meeting. That said, the current plans do not appear to impact on the IJB's ability to deliver its strategic plan.

Board members are asked to:

- *Note the contents of this report*
 - *Receive a further report at the IJB's June meeting*
-

2017/18 Financial Recovery Programmes Outline

1 Purpose

- 1.1 This report updates the IJB on the financial recovery plans that have been prepared by the IJB and its Partners for 2017/18 and considers if these plans impact on the IJB's Strategic Plan. The report also considers the outstanding recovery actions that have yet to be identified.

2 Recommendations

- 2.1 The IJB is asked to :-
- Note the contents of this report
 - Receive a further report on the recovery programmes at the IJB's meeting in June

3 Background and main report

- 3.1 At its March 2017 meeting the IJB agreed to accept the 2017/18 budget proposition from NHS Lothian and Midlothian Council. It was noted that these budgets contained an assumption of c. £4.8m of recovery programmes of which c. £2.8m had been developed leaving programmes to be developed of c. £2.0m.
- 3.2 The table below lays out the recovery targets and actions :-

	Estimated Pressures £000's	Plans Available £000's	Plans to be developed £000's
Midlothian Council	2,900	1,400	1,500
NHS Lothian			
Core	1,103	1,103	0
Hosted	10	54	-44
Set Aside	834	244	590
	4,847	2,801	2,046

It should be noted that these values remain projections and are based on the current financial plans. The financial position will change as the year progresses and the IJB will be updated on those changes.

- 3.3 It is also important to consider where these financial challenges arose. In the case of the social care services there are two underlying elements :-
- 3.3.1 The projected out-turn for 2016/17 for social care is an overspend of c. £1.4m. This is an underlying pressure largely generated by a significant demand on services including high cost care packages for Adults which is in excess of the budgetary resources.
- 3.3.2 Although Midlothian Council uplifted the social care budget by c. £2.1m, the budget proposition also included an efficiency target of £1.7m – a net increase of c. £0.4m. On the premise that all of the uplift is required in 17/18 to manage additional cost pressures, then this 2017/18 efficiency target must be added to the overall social care position.
- 3.4 Within the health element, the key pressure has been the GP prescribing budget. The NHS 2017/18 budget settlement reset the GP prescribing budget and therefore wiped out the historic budgetary pressure, however this settlement does not address the projected cost increase in GP Prescribing for 2017/18. This is the underlying pressure within the NHS IJB budget.
- 3.5 Work continues with NHSiL colleagues to more clearly understand the financial pressures within the set aside budgets.

3.6 Recovery Plans

3.6.1 Social Care.

Since the March report, the Joint Management Team have further developed the recovery plans. The current projection is :-

	Plans	Achievement in 17/18
	£000's	£000's
Services for Older People	1,045	712
Services for Adults	1,607	815
	<u>2,652</u>	<u>1,527</u>

Plans have been developed for £2.6m. However, there is a potential gap in 2017/18 which reflects the timing of the delivery of these plans.

The plans that have been developed accelerate the shift to new models of care as outlined at the January IJB meeting under the Realistic Care Realistic Expectations programme.

Key themes in the redesign of services for adults with learning disabilities include:

- Equity of resource allocation through better care package design informed by specialist skills

- Better location planning that enables a collaborative approach and replaces the existing isolated approach to care package delivery.
- Purposeful deployment of social care workforce, who ensure that all engagement is outcome focused.
- Provision of high quality care that makes sure people are safe and they have choice and control over how they live their lives.
- Proactive and innovative management and mitigation of negative risk and enablement of positive risk taking as appropriate including the use of new technology.
- A reviewing team has been established to support the implementation of new models of care. There will be a more robust approach to reviewing care packages in future to ensure that the model of care is appropriate and reflects changing needs.
- A review of day care provision is also underway to ensure that access to service reflects needs and there is a more co-ordinated and consistent approach to provision of transport support.

Within Older Peoples Services, the primary focus is on the review of current models of care at home services to ensure that service delivery is stabilised and costs arising from both the breakdown of care provision and delays in providing care packages are minimised.

Work is also ongoing to increase the efficiency of directly provided services through a programme of service reviews and efficiency measures including the reduction in travel costs and a more robust approach to managing sickness absence.

The Chief Officer and the Chief Finance Officer are in dialogue with Midlothian Council partners as to how the projected 2017/18 gap can be closed. The Chief Officer in her operational role has agreed that the full year effect of these efficiencies (that is in 2018/19) will be delivered in full.

3.6.2 Health Services

The following themes have been agreed by the Joint Management Team to delivery savings and plans are now being developed:-

- Prescribing - de-prescribing and realistic medicine with a strong focus on providing patients with better information on medicines and opportunities for reviewing their medication.
- Increasing efficiencies arising from fully integrated service delivery.
- Anticipatory care planning in order to reduce episodic interventions and provide better co-ordinated care.
- Prevention – continuing to incorporate a preventative approach into all interventions including better planning of care, supporting self management, recovery, reablement and peer support models in service delivery.

Hosted

It can be seen from the analysis that the projected hosted pressures are quite modest. The IJB will work with colleagues to finalise a position here.

Set Aside

The IJB requires further information on the proposals around set aside. The NHS Lothian financial plan for 2017/18 is not yet in balance and this is reflected in the set aside position. Discussions are underway to further understand this position.

Although the health and social care aspects of the IJB's recovery programmes are discussed separately above, all of this work is being delivered on a whole system basis. Especially within the partnership, the operational management teams are working very closely together to deliver a balanced financial position.

3.7 Planning for 2018/19

It is important to recognise that recovery plans and efficiency programmes are not simply an issue in one financial year. However the implementation of new models of care provides the foundations for further service developments as the learning from new models are captured and the models are further developed. The challenges of future years will be greater and the efficiency and recovery programmes discussed above must not only be delivered in the full year but also be the basis for future plans.

- 3.8 Although full details are not yet available, there does not appear to be any efficiency or recovery plans that will impact on the ability of the IJB to deliver its strategic plan.

4 Policy Implications

- 4.1 There are no further policy implications arising from any decisions made on this report.

5 Equalities Implications

- 5.1 There are no implications for health inequalities or general equality and diversity issues arising directly from the issues and recommendations in this paper. However, as services are redesigned as discussed above equality impacts will require to be undertaken.

6 Resource Implications

- 6.1 The resource implications are laid out above.

7 Risk

7.1 The issue of financial sustainability is already identified in the IJB's risk register.

8 Involving people

8.1 This report is based on the IJB's Strategic Plan which itself has been consulted on with both the general population and staff.

9 Background Papers

9.1 None

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Appendices:

