



REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 25 October 2018

BY: Chief Finance Officer

SUBJECT: Financial Position 2018/19

1 PURPOSE

- 1.1 This report further updates the IJB on its current financial position in 2018/19, considers the projected year end out-turn, describes the continuing work on the IJB's review of shifting the balance of care and updates on the dialogue with our Partners to balance the financial position in year.

2 RECOMMENDATIONS

- 2.1 The IJB is asked to:
- (i) Note the current financial position
 - (ii) Note the work to-wards a break-even position in 2018/19
 - (iii) Support the initiated dialogue with partners to balance the IJB financial position in year 2018/19.

3 BACKGROUND

- 3.1 At its meeting in September 2018, the IJB received an update on its Quarter 1 forecast for 2018/19. This highlighted a projected underspend within the health budget of the IJB and an overspend within the social care budget of the IJB which is not expected to improve.
- 3.2 The September paper shared that there is clear risks around the GP prescribing budget wherein the current position is underspent which is a considerable improvement on the opening financial plan assumptions. Previous experience regarding this budget has suggested that the GP prescribing position can move significantly in a relatively short period of time.

- 3.3 There are also pressures within Set Aside and the mental health services with REAS and there may be a financial impact from the coming winter depending on how severe it is.
- 3.4 The social care position having reported as unlikely to improve, and whilst more detailed forecasts are still being developed, initial estimates suggest the Council delegated functions will not operate within approved budgets.
- 3.5 The paper in September also considered the provisions within the Integration Scheme regarding projected overspends. To summarise:-
- The partners prepare a recovery plan – that not being considered to be successful
 - The IJB prepares a recovery plan – that not be considered to be successful
 - In the event that there is an underspend in one ‘arm’ of the IJB’s budget and an overspend in the other, the IJB may move resources from one ‘arm’ to the other. That requires the support of the underspent partner. That not being considered to be successful
 - That additional resources are made available by the partner(s).

Year to date financial position as at August 2018

- 3.6 The IJB financial position as at the end of August 2018 is £506k overspent.

East Lothian IJB Financial Performance - August 2018

	Year to Date Outturn		Q1 Forecast Outturn
	£k		£k
AWB	-549		-1,200
Health	43		773
	-506		-427

- 3.7 There continues to be an underspend on the health budget of the IJB and an overspend in the social care budget of the IJB. The Quarter 1 forecast position is also included above and highlights an overall projected overspend for the IJB. This position will be updated as part of the Quarter 2 forecast, work on this has started and the updated forecast will be reported in due course.

Financial recovery actions

- 3.8 The above position and financial projections highlights the need to put in place financial recovery actions and as a result the Partnership are in

the process of developing financial recovery plans for this financial year and assessing the impact these will have on the 2018/19 financial position for the IJB. As we move into reporting the Quarter 2 financial forecast position shortly these forecasts will include such recovery actions.

Shifting the balance

- 3.9 As reported previously there is work underway to review the social care activity and assess the impact of the transfer of care from institutional based (hospital and care home beds) into community settings. This means a reduction in the use of acute beds (that is beds in the Royal Infirmary of Edinburgh and the Western General Hospital) and the IJB and the Partnership have been developing this work over the past few years. Investments in step down beds, hospital to home, hospital at home and the care home team have improved the community infrastructure and created capacity in the community system to both keep people out of the acute hospitals and to reduce their length of stay if they are admitted.
- 3.10 The exercise will establish how the use of hospital beds (especially acute beds) has changed over the past few years and analyse the social care activity and the associated budgets and spend related to that activity.

Resolution to the 2018/19 projected financial pressure

- 3.11 East Lothian Council has already indicated that there is unlikely to be any additional resources available in the current financial year above those currently allocated to the IJB. That said, it is equally clear that there is a financial pressure in the IJB's 2018/19 budgets and that the IJB now needs to address this.
- 3.12 East Lothian Council are preparing as part of their Quarter 2 forecast an updated projected outturn position for the social care services delegated to the IJB for 2018/19. This will allow an understanding of the actions needing to be taken forward in year.
- 3.13 The Chief Officer and Chief Finance Officer have initiated formal correspondence with NHS Lothian to start like dialogue of balancing the IJBs financial position in 2018/19. The reported underspend in the health services delegated to the IJB and the potential for this resource to be made available to the IJB to underpin its overall financial position. This action was undertaken at the end of 2017/18 albeit this was agreed after the end of the financial year.

4 ENGAGEMENT

- 4.1 The IJB holds its meetings in public and makes its papers and report available on the internet.

5 POLICY IMPLICATIONS

5.1 There are no new policies arising from this paper.

6 INTEGRATED IMPACT ASSESSMENT

6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

7 RESOURCE IMPLICATIONS

7.1 Financial – discussed above

7.2 Personnel – none

7.3 Other – none

8 BACKGROUND PAPERS

8.1 IJB's financial strategy and out-line financial plan – February 2018 IJB meeting.

8.2 Financial Update – September 2018 IJB meeting.

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