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Agenda Item: 6.

## **Integration Joint Board**

Date of Meeting: 12 May 2020.

Subject: Integration Joint Board Budget for 2020/21 – Update.

### **1. Summary**

1.1. This report gives an update on the budget position of the Integration Joint Board within which the Joint Strategic Commissioning Implementation Plan 2020/21 should be delivered.

### **2. Purpose**

2.1. To present the budget update for financial year 2020/21.

### **3. Recommendations**

The Integration Joint Board is invited to:

3.1. Note that a significant savings target, in the sum of £4.2 million, has been applied from both partners, to be achieved within the next three financial years.

3.2. Note that the 2020/21 budget, which includes the IJB element, has no identified date to be presented to NHS Orkney Board for approval.

3.3. Note the rapidly developing situation in response to the COVID 19 pandemic, which may result in a need to consider emergency budget measures as part of the additional costs this will incur.

3.4. Note that, in accordance with the decision of the IJB on 9 April 2020, the Chief Finance Officer has written to NHS Orkney regarding the further work required in respect of unscheduled care.

## 4. Background

4.1. On 9 April 2020, the Board resolved to receive the budget for financial year 2020/21 as follows;

<b>Partner.</b>	<b>Budget. £000.</b>
NHS Orkney.	26,381.
Orkney Islands Council.	20,343.
<b>IJB Baseline Budget 2020/21.</b>	<b>46,724.</b>

4.2. The Board also received the budget, taking into consideration the significant savings target, in the sum of £4.2 million which has been applied for financial years 2020/21 to 2022/23. This amounts to £1.4 million recurring savings per year.

4.3. Unfortunately, due to the Covid-19, NHSO had been unable to approve its budget for 2020/21 and therefore the IJB element has not yet been approved by the NHS Board. There is no date yet identified for the 2020/21 budget to be presented to the Board for approval.

## 5. Savings Proposals

5.1. At a meeting with the partners it was agreed that there should be a three year savings target applied so as this would give the IJB a set figure to work towards over a three year period. In total there is a savings target of £4.2 million to be achieved by the end of 2022/23.

5.2. The budget proposals for 2020/21 are presented on the basis of “business as usual”, however we now know that this is not the case due to Covid-19.

5.3. It must be recognised that there are high financial and economic impacts of COVID-19 which represents a significant additional risk to the IJB, and the wider public sector going forward for the foreseeable future. For accounting purposes, these costs are being recorded separately in the Local Mobilisation Plans Financial Return which is submitted to the government by NHS Orkney. There is an assumption that costs will be covered by partners, and ultimately by government.

5.4. Within the integration scheme it states “where it is forecast that an overspend shall arise then the Chief Officer and Chief Financial Officer of the Board shall identify the cause of the forecast overspend and prepare a recovery plan setting out how they propose to address the forecast overspend and return to a breakeven position. The Chief Officer and Chief Financial Officer of the Board shall consult the Section 95 Officer of Orkney Islands Council and Director of Finance of NHS Orkney in preparing the recovery plan. The recovery plan shall be approved by the Board.”

5.5. Within this financial year there has been recurring savings identified of £144k which can be found at Annex 1.

5.6. However, it must be recognised that to date there have been no significant decommissioning or transformation of services which will deliver cash savings on a recurring basis to date to achieve the overall three year target of £4.2 million.

5.7. Over the next few years the Integration Joint Board will require to balance its ambitious commissioning decisions to support change alongside decommissioning decisions that enables NHSO and OIC to deliver year on year efficiencies to sustain priority services.

5.8. The main “business as usual” significant risk is that there will be a failure to deliver the outcomes of the Strategic Commissioning Implementation Plan in relation to the financial resources that are available. Failure to breakeven within the financial year means the IJB will remain dependent upon additional payments from both partners which can then reduce funding in future years.

## 6. Unscheduled Care Budget (Set Aside)

6.1. In recognition of the unscheduled care budget (set aside) not being formally delegated, on 9 April 2020 the Board resolved that the Chief Finance Officer should write to NHS Orkney seeking progress with setting out a timescale for progressing delegation of the budget for unscheduled care to the IJB, in accordance with the six steps in the statutory guidance.

## 7. Contribution to quality

Please indicate which of the Council Plan 2018 to 2023 and 2020 vision/quality ambitions are supported in this report adding Yes or No to the relevant area(s):

<b>Promoting survival:</b> To support our communities.	Yes.
<b>Promoting sustainability:</b> To make sure economic, environmental and social factors are balanced.	Yes.
<b>Promoting equality:</b> To encourage services to provide equal opportunities for everyone.	No.
<b>Working together:</b> To overcome issues more effectively through partnership working.	Yes.
<b>Working with communities:</b> To involve community councils, community groups, voluntary groups and individuals in the process.	No.
<b>Working to provide better services:</b> To improve the planning and delivery of services.	Yes.
<b>Safe:</b> Avoiding injuries to patients from healthcare that is intended to help them.	Yes.
<b>Effective:</b> Providing services based on scientific knowledge.	Yes.
<b>Efficient:</b> Avoiding waste, including waste of equipment, supplies, ideas, and energy.	Yes.

## 8. Resource implications and identified source of funding

8.1. The proposed budgets for the IJB for 2020/21 Is £46.724 million as detailed at section 4.1.

8.2. There is a savings target of £4.2 million which is to be achieved by the end of 2022/23. Within this financial year there have been no decommissioning or transformation of services which will deliver cash savings on a recurring basis.

## 9. Risk and Equality assessment

9.1. Over the next few years the Integration Joint Board will require to balance its ambitious commissioning decisions to support change alongside decommissioning decisions that enables NHSO and OIC to deliver year on year efficiencies to sustain priority services.

9.2. The main “business as usual” significant risk is that there will be a failure to deliver the outcomes of the Strategic Commissioning Implementation Plan in relation to the financial resources that are available. Failure to breakeven within the financial year means the IJB will remain dependent upon additional payments from both partners.

## 10. Direction Required

Please indicate if this report requires a direction to be passed to:

NHS Orkney.	No.
Orkney Islands Council.	No.
Both NHS Orkney and Orkney Islands Council.	No.

## 11. Escalation Required

Please indicate if this report requires escalated to:

NHS Orkney.	No.
Orkney Islands Council.	No.
Both NHS Orkney and Orkney Islands Council.	No.

## 12. Author

12.1. Pat Robinson (Chief Finance Officer), Integration Joint Board.

## 13. Contact details

13.1. Email: [pat.robinson@orkney.gov.uk](mailto:pat.robinson@orkney.gov.uk), telephone: 01856873535 extension 2601.

## **14. Supporting documents**

14.1. Annex 1: Budget Savings.

## Annex 1: Budget Savings 2021/2023

	£000's.	£000's.
<b>Savings Target</b>		<b>4,200.</b>
Baseline Budget Savings.		
Removal of Lunch Club Grants.	-37.	
Removal of Sleep-in Payments at Care Homes	-77.	
Orkney Health & Care Savings.	-30.	
	<hr/>	<b>-144.</b>
<b>Unidentified Savings</b>		<hr/> <b>4,056.</b> <hr/>