



Moray Integration Joint Board

Thursday, 28 March 2019

Inkwell Main, Elgin Youth Café

NOTICE IS HEREBY GIVEN that a Meeting of the **Moray Integration Joint Board** is to be held at **Inkwell Main, Elgin Youth Café, Francis Place, Elgin, IV30 1LQ** on **Thursday, 28 March 2019** at **09:30** to consider the business noted below.

AGENDA

- | | | |
|----------|---|----------------|
| 1 | Welcome and Apologies | |
| 2 | Declaration of Member's Interests | |
| 3 | Minute of Meeting dated 31 January 2019 | 5 - 8 |
| 4 | Action Log of Meeting dated 31 January 2019 | 9 - 10 |
| 5 | Chief Officers Report | 11 - 12 |
| | Report by the Chief Officer | |
| 6 | Revenue Budget 2019-20 | 13 - 28 |
| | Report by the Chief Financial Officer | |
| 7 | Standards Officer and Depute Officer Reappointment | 29 - 32 |
| | Report by the Chief Officer | |
| 8 | Review of Financial Regulations | 33 - 56 |
| | Report by the Chief Financial Officer | |

9	Ministerial Strategic Group - Local Indicators 2019-20	57 - 62
	Report by the Chief Financial Officer	
10	Minute of Clinical and Care Governance Committee Meeting dated 30 August 2018	63 - 66
11	Extension of Free Personal Care for People Under 65	67 - 72
	Report by the Head of Adult Social Care Services	
12	Prescribing Budget Requirements 2019-20	73 - 80
	Report by Sandy Thomson, Lead Pharmacist	
13	Revenue Budget Monitoring Quarter 3 for 2018-2019	81 - 100
	Report by the Chief Financial Officer	
14	Items for the Attention of the Public	

Item which the Board will consider with the Press and Public excluded

- | | |
|-----------|---|
| 15 | Operational Management Arrangements for Health and Social Care Moray |
|-----------|---|
- Information relating to staffing matters;

MORAY INTEGRATION JOINT BOARD

MEMBERSHIP

Councillor Shona Morrison (Chair)	Moray Council
Mr Jonathan Passmore (Vice-Chair)	Non-Executive Board Member, NHS Grampian
Councillor Tim Eagle	Moray Council
Councillor Louise Laing	Moray Council
Mr Sandy Riddell	Non-Executive Board Member, NHS Grampian
Mrs Susan Webb	Executive Board Member, NHS Grampian

NON-VOTING MEMBERS

Ms Tracey Abdy	Chief Financial Officer, Moray Integration Joint Board
Mr Ivan Augustus	Carer Representative
Ms Elidh Brown	tsiMORAY
Mr Sean Coady	Head of Primary Care, Specialist Health Improvement and NHS Community Children's Services, Health and Social Care Moray
Mr Tony Donaghey	UNISON, Moray Council
Ms Pamela Gowans	Chief Officer, Moray Integration Joint Board
Mrs Linda Harper	Lead Nurse, Moray Integration Joint Board
Mr Steven Lindsay	NHS Grampian Staff Partnership Representative
Ms Jane Mackie	Chief Social Work Officer, Moray Council
Dr Malcolm Metcalfe	Deputy Medical Director, NHS Grampian
Dr Graham Taylor	Registered Medical Practitioner, Primary Medical Services, Moray Integration Joint Board
Mrs Val Thatcher	Public Partnership Forum Representative
Dr Lewis Walker	Registered Medical Practitioner, Primary Medical Services, Moray Integration Joint Board

Clerk Name: Caroline Howie
Clerk Telephone: 01343 563302
Clerk Email: caroline.howie@moray.gov.uk



MINUTE OF MEETING OF THE INTEGRATION JOINT BOARD

Thursday, 31 January 2019

Inkwell Main, Elgin Youth Café, Francis Place, Elgin, IV30 1LQ

PRESENT

Ms Tracey Abdy, Mr Ivan Augustus, Ms Elidh Brown, Tony Donaghey, Councillor Tim Eagle, Ms Pam Gowans, Councillor Louise Laing, Mr Steven Lindsay, Ms Jane Mackie, Dr Malcolm Metcalfe, Councillor Shona Morrison, Mr Jonathan Passmore, Dr Graham Taylor, Mrs Val Thatcher, Dr Lewis Walker, Mrs Susan Webb

APOLOGIES

Mr Sean Coady (NHS), Mr Sandy Riddell

IN ATTENDANCE

Ms Jeanette Netherwood, Corporate Manager; Ms Heidi Tweedie, tsiMoray; and Mrs Caroline Howie, Committee Services Officer as Clerk to the Meeting.

1 Chair of Meeting

The meeting was chaired by Councillor Shona Morrison.

2 Welcome and Apologies

The Chair welcomed everyone to the meeting. She advised that an 'Open Space' was to take place from 9.00am to 9.30am prior to future Board meetings to allow discussion between Members.

3 Declaration of Member's Interests

There were no declarations of Members' Interests in respect of any item on the agenda.

4 Minute of Meeting dated 29 November 2018

The Minute of the meeting of the Moray Integration Joint Board dated 29 November 2018 was submitted for approval.

Mr Passmore advised he was listed under 'Present' and also under 'In Attendance'. The clerk apologised for the oversight and undertook to remove the second listing prior to publishing the Minute.

With this change the Minute was approved.

5 Action Log of Meeting dated 29 November 2018

The Action Log of the Moray Integration Joint Board dated 29 November 2018 was discussed and it was noted that all items due had been completed.

6 Moray Integration Joint Board Meeting Dates 2019.20 Update

Under reference to paragraph 9 of the Minute of the meeting dated 30 August 2018 a report by the Chief Officer advised the Board of the intention to amend the schedule of meetings for the Board; the Audit, Performance and Risk Committee; and the Clinical and Care Governance Committee for 2019/20.

The Chief Officer advised she had been alerted to the fact that the proposed meetings listed for 3 October would clash with a meeting of NHS Grampian and proposed the meetings concerned be moved to the last Thursday of October.

As no one was otherwise minded the Board agreed to change the 3 October meetings to 31 October and approve the remaining meeting dates proposed.

7 Review of Committee Appointments

A report by the Legal Services Manager (Litigation & Licensing), Moray Council, asked the Board to consider its Committee Membership in light of changes in Board membership.

The Chief Officer advised she had been in discussion with the NHS Members of the Board who had proposed the following changes. Mr Sandy Riddell be appointed as a member of the Audit, Performance and Risk (APR) Committee and Mrs Susan Webb be appointed to Chair of the APR; Mrs Webb to step down from the Clinical and Care Governance (CCG) Committee and Mr Riddell be appointed as a member of the CCG Committee and assume the role of Chair of the CCG.

As no one was otherwise minded the proposals for Committee Appointments were agreed and the Clerk was asked to provide the updated meeting schedule to the six voting Members to allow them to update their diaries.

Thereafter the Board agreed to:

- i. appoint Mr Riddell as a member of the APR;

- ii. appoint Mrs Webb as Chair of the APR;
- iii. appoint Mr Riddell as a member and Chair of the CCG; and
- iv. ask the Clerk to provide the updated meeting schedule to the six voting Board Members.

Councillor Eagle entered the meeting at this juncture.

8 Reserves Policy - Review

Under reference to paragraph 12 of the Minute of the meeting dated 31 March 2016 a report by the Chief Financial Officer sought approval for the Board's Reserves Policy.

Discussion took place on the Reserves Policy and the implications of the amendment that reduces the reserves from 3% to 2%.

Mr Passmore stated that in line with paragraph 3.1 of the report it was clear that reserves were not there to alleviate core overspend.

The Chief Financial Officer agreed this was the case however although reserves were to be held to provide security against unexpected cost pressures they also could not be held if they were needed to ensure statutory work was carried out.

Thereafter the Board agreed to:

- i. approve the Reserves Policy as detailed in Appendix 1 of the report; and
- ii. the next review of the Policy taking place no later than March 2012.

9 Minute of Meeting of Audit, Performance and Risk Committee dated 27 September 2018

The Minute of the meeting of the Audit, Performance and Risk Committee dated 27 September 2018 was submitted and noted.

10 Items for the Attention of the Public

Under reference to paragraph 10 of the Minute of the meeting of the Board dated 26 October 2017 the Board agreed that there were no items on the agenda that required to be brought to the attention of the public.

11 Shopmobility Moray

Under reference to paragraph 15 of the Minute of the meeting dated 26 April 2018 a confidential report by the Head of Service, Strategy and Commissioning updated the Board on the review completed on Shopmobility Moray.

Following lengthy discussion the Board agreed to:

- i. note the actions taken to review funding options;
- ii. continue to support the service for a further 12 months; and
- iii. seek a further report by January 2020 within the context of grants made to third sector groups and the associated benefits in relation to the delivery of the Strategic Plan.

Mrs Webb entered the meeting during discussion of this item.

12 Moray Handyperson Services

Under reference to paragraph 16 of the Minute of the meeting dated 26 April 2018 a confidential report by the Head of Service, Strategy and Commissioning updated the Board on the review completed on Moray Handyperson Services.

Following lengthy discussion the Board agreed to:

- i. note the actions taken to review funding options;
- ii. continue to support the service for a further 12 months;
- iii. seek an annual report from the service detailing how the funding is used and how the service supports the strategic aims of Health and Social Care Moray; and
- iv. seek a further report by January 2020 within the context of grants made to third sector groups and the associated benefits in relation to the delivery of the Strategic Plan.



MEETING OF MORAY INTEGRATION JOINT BOARD

ITEM 4

THURSDAY 31 JANUARY 2019

ACTION LOG

ITEM NO.	TITLE OF REPORT	ACTION REQUIRED	DUE DATE	ACTION BY
1.	Minute of Meeting of the Moray Integration Joint Board dated 29 November 2018	Remove Mr Passmore from 'In Attendance'.	January 2019	Clerk
2.	Moray Integration Joint Board Meeting Dates 2019/20 Update	Amend dates for Board meeting and Development Session from 3 October to 31 October.	February 2019	Jeanette Netherwood
3.	Review of Committee Appointments	Issue meeting dates to the six voting members of the Board.	February 2019	Clerk
4.	Reserves Policy – Review	Next review to be discussed no later than March 2021.	March 2021	Tracey Abdy
5.	Shopmobility Moray and Moray Handy Person Services	Provide a further report in January 2020 within the context of grants made to third sector groups and the associated benefits in relation to the delivery of the Strategic Plan.	January 2020	Tracie Wills

CHIEF OFFICER'S REPORT TO THE MORAY INTEGRATION JOINT BOARD 28 MARCH 2019

Moray Childrens Services Inspection

A report containing the progress review findings of the joint inspection of children and young people's services in Moray was published on the 12th March 2019. Following the initial 2 year process of post inspection improvement, the collaborative effort of all partners and achievements noted. Work continues under the established governance of the Multi-Agency Chief Officers Group to continue the effort in the coming years to deliver the best outcomes for the children of Moray. The report can be found at

<http://www.careinspectorate.com/images/documents/4842/Progress%20review%20of%20services%20for%20children%20and%20young%20people%20in%20Moray%20March%202019.pdf>

IJB Strategic Commissioning Plan 2019 onwards

Following on from the significant engagement work undertaken last year to gather intelligence in relation to the population needs and views in Moray, the Strategic Planning and Commissioning Group are overseeing the development of the revised plan. A first draft of this plan has been established and focussed work is now underway to refine and establish clear statements of strategic commissioning intent for the next 3 years. A further development session in April 2019 with the IJB will see the refinement and agreement of the draft plan with a process of wider consultation following. This plan will return to the IJB for final approval in June 2019.

As part of this plan we will be seeking to set out the associated workforce requirements and our medium term financial strategy towards a sustainable system of health and care in Moray.

In this period we will also seek to review our Organisational Development Plan and approach to implementation, our Communication and Engagement Plan and our Equalities outcomes. All of these plans require to link directly to our Strategic Commissioning Plan.

Critical to all of our ambition is our approach to redesign and as such we will set out the status of the Moray Alliance work to date and the impact of the approaches tested out. The Moray Alliance, the mechanism by which we bring the cross system stakeholders together to consider the future of care across specific pathways reports to the Strategic Planning and Commissioning Group. Initial areas of focus include Care of the Elderly Pathway and the establishment of Integrated Teams, Women

and Children's Services – Obstetrics and Paediatrics, Diabetes Care and Mental Health.

Keith Health Centre Initial Agreement

The Project Manager for this piece of work has been appointed. Susan Pellogram, former Practice Manager in Keith Health Centre and the author of the Strategic Needs Assessment commissioned by NHS Grampian and Health and Social Care Moray has taken up this post and is now setting out the scope and process for this piece of work. This will require significant engagement and scrutiny in agreeing the future population requirements and subsequent desired model of care for the population of Keith. A report will be presented at a future IJB.

Retirement

Jennie Williams, Service Manager, NHS Community Health Services has retired after many years dedicated to working in the NHS. Jennie joined the Moray team in 2007 and has worked tirelessly with many partners across Moray and Grampian. We wish Jennie well in her new adventure.



REPORT TO: MORAY INTEGRATION JOINT BOARD ON 28 MARCH 2019

SUBJECT: REVENUE BUDGET 2019/20

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1. To agree the Moray Integration Joint Board's (MIJB) revenue budget for 2019/20.

2. RECOMMENDATION

2.1. It is recommended that the MIJB:

- i) note the funding allocations proposed by NHS Grampian and Moray Council, detailed at 4.2;
- ii) note the underlying overspend forecast for the 2018/19 financial year and the financial risk inherent in the Recovery Plan detailed at 4.6;
- iii) agree to the proposals to conduct a series of service reviews during the year to ensure priorities are aligned to the Strategic Plan and within the available funding;
- iv) formally approve the Revenue Budget for 2019/20 as detailed at APPENDIX 1; and
- v) approve Directions for issue as set out at Appendices 2 and 3 respectively to NHS Grampian and Moray Council.

3. BACKGROUND

- 3.1. Since April 2016, the MIJB has faced reductions in its financial resources whilst experiencing increasing demands for services and striving to make progress in relation to the aims of the policy objectives surrounding the Public Bodies (Joint Working) (Scotland) Act 2014.

- 3.2. The MIJB has to consider its budget in the context of the funding settlements from Scottish Government to its two funding Partners, NHS Grampian and Moray Council.
- 3.3. The Scottish Government announcement made on 12 December 2018 made reference to NHS payments to Integration Authorities needing to deliver a real terms uplift in baseline funding, before the provision of funding for pay awards, over the 2018/19 cash levels. In addition, the indicative allocation for the 2019/20 budget highlighted that there should be an additional investment in social care of £160 million across Scotland. £120 million of this was to be transferred from the Health Portfolio and be routed through Local Authorities to ensure the continued commitment to the Living Wage and for the uprating of free personal care. The remaining £40 million was included directly in the Local Government settlement to support the continued implementation of the Carers (Scotland) Act 2016 and extending free personal care to under 65's.
- 3.4. The £160 million was presented as being additional to each Council's 2018/19 recurrent spending on social care and not substitutional. On 14 February, Scottish Government wrote to Local Authority Chief Executives following an announcement by the Cabinet Secretary for Finance, Economy and Fair Work on 31 January, regarding a further package of funding measures which provided Local Authorities with the flexibility to offset their adult social care allocations to Integration Authorities by up to £50 million (2.2% of social care allocations) in 2019-20 compared to 2018/19, based on local needs. The budget approved by Moray Council on 27 February 2019 does not include the option to utilise this flexibility and accordingly the core budget remains at the 2018/19 level. This supportive approach highlights the growing strength in partnership working between the MIJB and Moray Council.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

4.1 BUDGET SETTLEMENT

- 4.1.1 On 27 February 2019, Moray Council approved its revenue budget for the forthcoming financial year based on a one year settlement. The Moray Council budget has had to be considered in a continued period of reduced funding from Scottish Government. Cuts to local government funding had been anticipated and the 2019/20 budget had been considered over an extended period of time. In total, Moray Council has approved savings amounting to £10 million against the 2019/20 revenue budget. Moray Council has made savings totalling £42 million since 2010/11.
- 4.1.2 The report presented to the special meeting of Moray Council on 27 February highlighted the new burdens arising from legislation in relation to the Carers' Act and Free Personal Care (FPC) for the under 65's although at the time of reporting, FPC allocations at authority level had not been announced. In addition to this, the Scottish Government settlement also made provision for growth in health and social care services, which translated to a potential additional allocation for Moray of £1.942 million. Moray Council took the decision to fund MIJB at this level on the basis that inflationary growth (pay award, National Care Home Contract and transitioning children) is covered by this sum. Members will note that in previous years, whilst reductions in

funding to the MIJB had been applied by Moray Council, there had been agreement through a budget protocol where certain elements of inflation had been financially supported.

- 4.1.3 At a meeting of NHS Grampian's Budget Steering Group on 25 February 2019, a balanced revenue budget was approved for submission to the NHS Grampian Board, agreeing contributions to the 3 Grampian IJB's. Funding the 3 Grampian IJB's accounts for around 40% of the total NHS Grampian revenue budget.
- 4.1.4 The NHS Grampian baseline uplift for 2019/20 is 2.6%. Previously, budget uplifts to IJB's were based on historic budget share, however, the proposal going forward is that this has changed and will now be based on the National Resource Allocation Committee (NRAC) share, which is an adjusted population based formula. The outcome of this for Moray does not present a material change and the Chief Financial Officers of all 3 IJB's were part of the discussions leading to this change in approach. The 2.6% uplift based on the NRAC share provides an increased funding allocation on the recurring budget of £1.524 million.

4.2 MIJB FUNDING 2019/20

- 4.2.1 The MIJB has a responsibility under the Public Bodies (Joint Working) (Scotland) Act 2014 to set its revenue budget by 31 March each year. The funding of the MIJB revenue budget in support of the delivery of the Strategic Plan is delegated from NHS Grampian and Moray Council. The allocated funding is summarised below:

	£'000
NHS Grampian (recurring 2018/19)	73,888
NHS Grampian 2.6% uplift on Core	1,524
NHS Grampian – Set Aside Services	10,593
Moray Council*	39,376
Moray Council – Improvement Grants**	925
Moray Council – Additionality per SG settlement	2,632
TOTAL MIJB FUNDING 2019/20	128,938

* Moray Council will, prior to the end of the 2018/19 financial year be increasing the base budget to take account of the additional impact of the recently agreed pay award.

** Improvement Grants includes £0.425m which requires to be ring-fenced as it relates to council house tenants.

4.3 HOSTED SERVICES

- 4.3.1 Within the scope of services delegated to the MIJB are hosted services. Budgets for hosted services are primarily based on the NRAC basis. Hosted services are operated and managed on a Grampian-wide basis. Hosting arrangements mean that one IJB within the Grampian Health Board area would host the service on behalf of all 3 IJB's. Strategic planning for the use of the hosted services is undertaken by the IJB's for their respective populations.

The 2019/20 budget for Moray's share of all hosted services is £3.842m as detailed below.

	£'000
Hosted by Aberdeen City IJB	
Intermediate Care	774
Sexual Health Services	363
Hosted by Aberdeenshire IJB	
Marie Curie Nursing	123
Heart Failure Service	46
Continence Service	113
Diabetes MCN including Retinal Screening	162
Chronic Oedema Service	38
HMP Grampian	397
Police Forensic Examiners	148
Hosted by Moray IJB	
GMED Out of Hours	1,576
Primary Care Contracts	102
TOTAL MORAY HOSTED SERVICES	3,842

4.4 LARGE HOSPITAL SERVICES (SET ASIDE)

- 4.4.1 Budgets for Large Hospital Services continue to be managed on a day to day basis by the NHS Grampian Acute Sector and Mental Health Service, however the MIJB has an allocated set aside budget, designed to represent the consumption of these services by the Moray population. The MIJB has a responsibility in the joint strategic planning of these services in partnership with the Acute Sector and Mental Health Service. The Information Services Division (ISD) has recently provided health boards with 2017/18 activity data for use in updating set aside budgets. At the time of writing this report this information is being processed to provide updated set aside figures. The current Set Aside budget is detailed below:

	£'000
General Medicine	6,974
Geriatric Medicine	32
Rehabilitation Medicine	86
Respiratory Medicine	266
Palliative Care	22
A & E Inpatient	92
A & E Outpatient	2,428
Learning Disabilities	218
Psychiatry of Old Age	77
General Psychiatry	398
TOTAL SET ASIDE BUDGET	10,593

4.5 BUDGET PRESSURES AND NEW BURDENS

- 4.5.1 Budget pressures are a major consideration for the MIJB and are an intrinsic part of the budget setting process. The additional funding highlighted in the Scottish Government budget for health and social care is welcomed and will go some way to address the expected growth and inflation in addition to meeting the legislative commitments arising from free personal care for the under 65's, the Carers Act (Scotland) 2016 and the continuation of payment of the Living Wage. Cost pressures are based on estimates and so is an ongoing consideration in financial planning. The table below outlines the anticipated budget pressure the MIJB needs to address in the forthcoming financial year:

	£'000
BUDGET PRESSURES	
Pay Inflation & Staffing	1,598
Transitioning Children	738
Contractual Inflation & Scottish Living Wage	1,085
Prescribing (increased costs)	45
NEW BURDENS	
Continuation of Carers Act Implementation	189
Free Personal Care <65's	501
TOTAL BUDGET PRESSURES	4,156

- 4.5.2 In addition to the pressures highlighted above, The Scottish Public Pension Agency, who administer the NHS superannuation and pension schemes have proposed increases to employer pension contribution rates effective from 1 April 2019. The Scottish Government have expressed to Chief Financial Officers through the national network that planning for this should be based on an increase in funding levels to meet the additional costs.

4.6 CORE OVERSPEND AND RECOVERY PLAN

- 4.6.1 As the 2019/20 financial year approaches, the financial challenge continues, and whilst a balanced budget is being presented, this is not without significant risk in relation to sustainability and achievement in meeting the objectives as set out in the strategic plan.
- 4.6.2 When the 2018/19 MIJB budget was presented to this Board on 29 March 2018 it presented a budget shortfall of £4.596m (para 8 of the minute refers). At this point £1.060m savings had been identified. The MIJB accepted this indicative position and tasked the Chief Officer, Chief Financial Officer and Senior Managers with identifying further savings, continuing to pursue alternative methods of service delivery in driving the pace of change, whilst ensuring safe levels of care for the people of Moray. An improved position was subsequently presented to the Board for approval on 28 June 2018 (para 6 of the minute refers) where the budget shortfall had been reduced to £3.293m based on further efficiencies that had been identified and the utilisation of all remaining reserves.

- 4.6.3 The financial reporting position has remained consistent and in a separate report to this meeting, is the quarterly budget monitoring as at end December 2019 (quarter 3), the MIJB is forecasting an overspend on core services for the 2018/19 financial year of £3.1m which is reduced to £1.5m following consideration of strategic funds.
- 4.6.4 The MIJB Integration Scheme sets out the requirement for the Chief Officer and Chief Financial Officer of the MIJB to agree a recovery plan with the Director of Finance, NHS Grampian and Section 95 Officer of Moray Council where an overspend is being forecast and corrective action is unlikely to resolve the position. This was developed and a report outlining the position was presented to the Board on 29 November 2018 (para 18 of the minute refers). Half way through the 2018/19 financial year, the forecast to the end of the year was reported as an overspend of £3.024m on core services, this being reduced to £1.438m following the consideration of slippage on strategic funds.
- 4.6.5 The recovery plan sets out the high level proposals to address the core overspend, together with the inherent risks in relation to dependency on non-recurring slippage of strategic funds. In addition, it refers to the challenge around the longer term service sustainability whilst striving for major system redesign. The MIJB have considered the major themes of the recovery plan and will closely monitor progress during the next financial year. The themes are presented below:

	2019/20
	£ 000's
Projected Overspend 2018/19 (Forecast)	(3,100)
Projected Savings 2019/20	
Mental Health Strategy – Phase 4	300
In-House Provided Care	500
Community Hospital Redesign	100
Externally Commissioned Services	350
GP Prescribing – Medicines Management	200
Slippage on Strategic Funds	1,500
Accountancy driven efficiencies	150
Total Projected Savings	3,100

- 4.6.6 In order to address the financial challenge with regard to the increasing demand on services and the legacies that exist from previous funding settlements, it is essential to consider the recovery plan and total financial resource in conjunction with the prioritisation of the services we deliver to achieve the required financial savings whilst continuing to prioritise outcomes for the Moray population ensuring services continue to meet their needs.
- 4.6.7 For the MIJB to fully address the underlying challenges it is facing, it is necessary to conduct a series of service reviews. A service review is a process of determining whether the existing means for delivering a service remains the most efficient, effective and appropriate means of delivering that service. Conducting service reviews successfully can realise benefits from financial cost savings and more efficient use of resources in addition to

improved services and relationships with partner bodies, service users, patients and wider stakeholders. There is opportunity to build trust and confidence and create a better understanding of available options by identifying alternative means for service delivery.

4.6.8 A service delivery review should be viewed as an opportunity to improve the delivery of services to meet the continuing demands of the population whilst remaining consistent with strategic objectives and legislative requirements and within the funding available.

4.6.9 It is timely to carry out service reviews as the second iteration of the strategic plan develops. The medium term financial strategy will be aligned to the strategic plan and outline the financial framework to deliver our services. A robust process will ensure consistency with strategic priorities whilst addressing the anticipated financial challenge and demand in growth and complexity.

4.7 BUDGET OVERVIEW

4.7.1 The MIJB Revenue Budget for 2019/20 is £128.938 million (including £10.593 million Set Aside). The detail is provided in **Appendix 1** and summarised below:

	£'000
BUDGET	
Recurring Budget	112,509
Strategic Funds	1,680
Budget Pressures and New Burdens	4,156
Set Aside	10,593
TOTAL BUDGET	128,938
FUNDING	
NHS Grampian Recurring (inc Set Aside)	86,005
Moray Council (inc Improvement Grants)	40,301
Scottish Government Funding for Additionality	2,632
TOTAL FUNDING	128,938

4.8 FINANCIAL OUTLOOK AND OVERVIEW

4.8.1 Following engagement by the Chair and Vice-Chair and Chief Officer and Chief Financial Officer of the MIJB to the budget setting conversations of the Partners ahead of the 2019/20 budget being presented for approval, the financial outlook is focussed on the recurring overspend on MIJB core services. The outturn position for the 2018/19 financial year is forecast to be £3.1m. The recovery plan and proposals around service reviews have been considered by the Senior Management Team of Health and Social Care Moray and planning is underway to ensure the desired outcomes are achieved.

4.8.2 Health and Social Care in Scotland continues to experience increasing demands for services in times of challenging financial settlements. This was

the focus of the Scottish Government Medium Term Financial Framework (which can be found at <https://www.gov.scot/binaries/content/documents/govscot/publications/publication/2018/10/scottish-government-medium-term-health-social-care-financial-framework/documents/00541276-pdf/00541276-pdf/govscot%3Adocument>) published in October 2018 where it was highlighted that the health and social care system would require expenditure of £20.6 billion across Scotland if the system did nothing to change using 2016/17 as the starting point with costs of £14.7 billion. The level of investment into Health and Social Care for the forthcoming year is welcomed, however the recently published Audit Scotland Report Update on Progress report (which can be found at http://www.audit-scotland.gov.uk/uploads/docs/report/2018/nr_181115_health_socialcare_update.pdf) recommends that Scottish Government should commit to continued additional pump-priming funds to facilitate new ways of working which progress integration

- 4.8.3 The MIJB is acutely aware of the ongoing financial challenge it faces and is developing a Medium Term Financial Strategy that will be aligned to the new Strategic Plan and brought to a future meeting of the Board.

5 SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

The approval of a balanced budget for the MIJB is key to the delivery of health and social care services in Moray in accordance with the Strategic Plan.

(b) Policy and Legal

In accordance with the Public Bodies (Joint Working) (Scotland) Act 2014, MIJB is subject to the audit and accounts regulations and legislation of a body under Section 106 of the Local Government (Scotland) Act 1973 and is classified as a local government body for accounts purposes by the Office for National Statistics.

(c) Financial implications

The 2019/20 revenue budget (excluding Set Aside) as detailed in **Appendix 1** is **£118.345m**.

The funding allocated to the MIJB by Moray Council and NHS Grampian totals **£118.345m** (excluding Set Aside).

The notional Set Aside budget for Moray's share of the Large Hospital Services is currently **£10.593m** which is subject to change following the update of 2017/18 activity data as provided by ISD. The Set Aside budget is provided by NHS Grampian.

(d) Risk Implications and Mitigation

The revenue budget for 2019/20 is subject to the following risks:

- Existing Deficit on Core Services – at quarter 3 in the 2018/19 financial reporting cycle, the MIJB is forecast to overspend on its core services by £3.1 million. A Recovery Plan has been agreed with Partners which includes a high degree of risk in respect of timescales and dependency on non-recurring slippage on strategic funds. Failure to deliver on the Recovery Plan increases the risk of the MIJB exceeding its funding allocation.
- GP Prescribing – represents around 14% of the total MIJB budget. It is well documented that the Prescribing budget can be extremely volatile in nature with volume and price increases potentially leading to substantial adverse variances. A separate report on Prescribing is being presented to this meeting.
- Growth and demand in the system, together with service users with complex care needs are attracting additional financial challenge. These issues require to be managed within the overall resource of the MIJB.
- The operational management arrangements for Health and Social Care Moray are subject to a separate report of this meeting. The associated financial implications have been included within the budget pressures anticipated for 2019/20.
- This report highlights the known budget pressures at 4.5 at the time of writing this report; however, it will be necessary to note that budget pressures may exceed allocation. This will be closely monitored and reported accordingly to the MIJB.

(e) Staffing Implications

There are no staffing implications directly relating to this report other than the reference to pay awards and pension contributions.

As the MIJB continues to address the recovery plan, potential impacts on staffing will be kept under close review and reported back to this Board as appropriate.

(f) Property

None arising directly from this report

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not required because there are no changes to policy arising from this report.

(h) Consultations

Consultations have taken place with the Senior Management Team, the Head of Financial Services and the Legal Services Manager (Moray Council) and the Deputy Director of Finance, NHS Grampian who are in agreement with this report with regard to their respective responsibilities.

6 CONCLUSION

- 6.1 Legislation requires the MIJB to set its Revenue Budget for the forthcoming year by 31 March each year. The budget presented displays a balanced position. The Section 95 Officer as Chief Financial Officer to the Board recommends the budget as presented at Appendix 1**
- 6.2 Close monitoring of the Recovery Plan and service review progress will be required in order to ensure the MIJB can remain within the funding allocation proposed by NHS Grampian and Moray Council.**

Author of Report: Tracey Abdy, Chief Financial Officer
Background Papers: with author
Ref:

MORAY INTEGRATION JOINT BOARD
PROPOSED REVENUE BUDGET 2019/20

		Annual Net Budget £000's 2019-20
Community Hospitals		5,057
Community Nursing		3,326
Learning Disabilities		6,287
Mental Health		7,210
Addictions		1,177
Adult Protection & Health Improvement		151
Care Services provided in-house		15,528
Older people & PSD - Assessment & Care		16,468
Intermediate Care & OT		1,942
Care Services provided by External Contractors		9,558
Other Community Services		
Allied Health Professionals		3,510
Dental		1,906
Public Health		372
Pharmacy		262
Specialist Nurses		851
Admin & Management		1,615
Primary Care Prescribing		16,399
Primary Care Moray		15,454
Hosted Services		3,842
Out of Area Placements		669
Improvement Grants		
General Services		500
Housing Revenue Account (Ring-fenced)		425
Total Moray IJB Core		112,509
Strategic Funds		1,680
Identified Budget Pressures & New Burdens		4,156
Total Budget for 2019/20		118,345
Funding Available MIJB Services		
NHS Grampian		75,412
Moray Council		40,301
SG funding for Additionality		2,632
Total Available Budget for 2019/20		118,345
SET ASIDE BUDGET		10,593

MORAY INTEGRATION JOINT BOARD

DIRECTION

ISSUED UNDER S26-28 OF THE PUBLIC BODIES (JOINT WORKING) (SCOTLAND) ACT 2014

GRAMPIAN HEALTH BOARD is hereby directed to deliver for the Board, the services noted below in pursuance of the functions noted below and within the associated budget noted below.

Services will be provided in line with the Board's Strategic Plan.

Services: All services listed in Annex 1, Part 2 and Annex 4 of the Moray Health and Social Care Integration Scheme.

Functions:- All functions listed in Annex 1, Part 1 of the Moray Health and Social Care Integration Scheme.

Associated Budget:- £63.5 million, of which £4million relates to Moray's share for services to be hosted and £17 million relates to primary care prescribing.

An additional £10.5 million is set aside for large hospital services.

This direction is effective from 1 April 2019.

MORAY INTEGRATION JOINT BOARD

DIRECTION

ISSUED UNDER S26-28 OF THE PUBLIC BODIES (JOINT WORKING) (SCOTLAND) ACT 2014

MORAY COUNCIL is hereby directed to deliver for the Board, the services noted below in pursuance of the functions noted below and within the associated budget noted below.

Services will be provided in line with the Board's Strategic Plan

Services: All services listed in Annex 2, Part 2 of the Moray Health and Social Care Integration Scheme.

Functions:- All functions listed in Annex 2, Part 1 of the Moray Health and Social Care Integration Scheme.

Associated Budget:- £54.8 million, of which £0.5 million is ring fenced for Housing Revenue Account aids and adaptations.

This direction is effective from 1 April 2019.

REPORT TO: MORAY INTEGRATION JOINT BOARD ON 28 MARCH 2019

**SUBJECT: STANDARDS OFFICER AND DEPUTE OFFICER
REAPPOINTMENT**

BY: CHIEF OFFICER

1. REASON FOR REPORT

- 1.1 To ask the Board to consider the reappointment of its Standards Officer and one Depute, whose current terms of appointment are due to expire in April 2019 and note the resignation of one of the previous Deputes.

2. RECOMMENDATION

2.1 It is recommended that the Moray Integration Joint Board (MIJB) :

- i) formally nominates for approval by the Standards Commission, Alasdair McEachan, Head of Legal and Democratic Services, Moray Council, as the Standards Officer of the MIJB, for a further period of 18 months until October 2020;**
- ii) formally nominates for approval by the Standards Commission, Aileen Scott, Legal Services Manager Moray Council, as Depute Standards Officer of the MIJB, for a further period of 18 months until October 2020;**
- iii) note the resignation of Margaret Forrest, Depute Standards Officer for the MIJB, on 29 January 2019; and**
- iv) tasks the Chief Officer with writing to the Standards Commission with the relevant information.**

3. BACKGROUND

- 3.1 At its meeting on 26 October 2017, the Board agreed to nominate its current Standards Officer and two deputies for the approval by the Standards Commission (para 9 of minute refers). Again this was for a period of 18 months. At the time it was noted that the Board would require to consider the longer term arrangements for this post and it was envisaged that a report would come to a future meeting outlining various options in this regard. The

Board agreed that having the Standards Officer as a Member could lead to possible conflicts of interest. Subsequent to the meeting in October 2017, approval from the Standards Commission was obtained for the appointments.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1 The 18 month appointment period for the Standards Officer and deputies is due to expire at the end of April 2019. The Standards Officer post is a statutory requirement and further nominations are required.
- 4.2 As for the original appointments, the Standards Commission has to approve the appointments. Following the Board's decision on this matter, the Chief Officer will write to the Standards Commission with the appropriate information.
- 4.3 It is proposed that the interim arrangements continue for a further 18 months to enable the Board to consider its longer term arrangements for this post.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

Good governance arrangements will support the Board to fulfil its objectives. An appointment of a Standards Officer is one aspect of good governance.

(b) Policy and Legal

The Ethical Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Regulations 2003 (Scottish Statutory Instrument 2003/135) requires the Board to appoint a Standards Officer. The Standards Commission has to approve the appointment of the Standards Officer. Any individual appointed requires to be suitably qualified and experienced.

(c) Financial implications

None arising directly from this report.

(d) Risk Implications and Mitigation

Elements of the work of the Standards Officer are requirements of the 2003 Regulations. The Board is required to comply with these Regulations and make an appointment. An appointment of a Standards Officer will help assist members with compliance with the Code of Conduct.

(e) Staffing Implications

Alasdair McEachan and Aileen Scott are employed by the Moray Council. Once reappointed, they will continue to be employed by the

Moray Council. Duties for the Board will continue to be added to what are already full remits. This arrangement will need to be reviewed to determine whether it will be a reasonable long term proposition.

(f) Property

None arising from this report.

(g) Equalities/Socio Economic Impact

The individual appointed requires to be an existing Monitoring or Standards Officer. As referred to previously within this report, the proposed arrangement will be for an 18 month period and the Board will require to consider future long term arrangements.

(h) Consultations

Consultation on this report has taken place with the Chief Officer; the Chief Financial Officer; Alasdair McEachan, Head of Legal and Democratic Services, Moray Council; Aileen Scott, Legal Services Manager, Moray Council; and Caroline Howie, Committee Services Officer, Moray Council; who are in agreement with the contents of this report as regards their respective responsibilities.

6. CONCLUSION

6.1 The previous appointments of Standards Officer and deputies are due to expire and further appointments are necessary to meet statutory requirements.

Author of Report: Pam Gowans, Chief Officer
Background Papers:
Ref:



REPORT TO: MORAY INTEGRATION JOINT BOARD ON 28 MARCH 2019

SUBJECT: REVIEW OF FINANCIAL REGULATIONS

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1. To seek the approval of the Moray Integration Joint Board (MIJB) to update the Financial Regulations in line with the proposed amendments contained within **APPENDIX 1**.

2. RECOMMENDATION

2.1. It is recommended that the MIJB:

- i) approves the proposed changes to the MIJB Financial Regulations as set out in APPENDIX 1; and**
- ii) agrees that the next review will be no later than March 2020.**

3. BACKGROUND

- 3.1. Section 95 of the Local Government (Scotland) Act 1973 requires integration authorities to have adequate systems and controls in place to ensure the 'proper administration of their financial affairs', including the appointment of an officer with full responsibility for their governance. The MIJB Financial Regulations detail those responsibilities.
- 3.2. The statutory guidance produced by the Scottish Government for integration authorities stipulates the requirement for the Chief Financial Officer of the MIJB to develop Financial Regulations to include a minimum set of controls. These were developed and approved at a meeting of this Board on 31 March 2016 (para 11 of the minute refers).
- 3.3. The Financial Regulations were subsequently reviewed and presented to a meeting of this Board for approval on 25 January 2018 (para 6 of the minute refers).

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1. It is necessary to review the Financial Regulations at regular intervals to ensure they continue to reflect policy and practice adopted by the MIJB. The updated Regulations are attached at **APPENDIX 1** and proposed changes have been highlighted in red for ease of reference.
- 4.2. It is proposed that the Financial Regulations continue to be reviewed on an annual basis to reflect the pace of change and support good governance practices surrounding the MIJB financial processes.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

Effective governance arrangements will support the MIJB in providing services in line with stated priorities as outlined in its Strategic Plan.

(b) Policy and Legal

Approved Financial Regulations form part of the constitutional documents that provide reasonable assurance in that the decision making of the MIJB is legal, clear and accountable.

Failure to observe Financial Regulations may be regarded as a breach of trust and potentially lead to disciplinary action or dismissal.

(c) Financial implications

None arising directly from this report.

(d) Risk Implications and Mitigation

Regular updating of Financial Regulations provides a reference point for staff working under the remit of the MIJB and supports the mitigation of risk in relation to inappropriate use of funds.

Financial Regulations constitute an element of the governance arrangements of the MIJB, the absence of which would result in a lack of clarity regarding roles and responsibilities.

(e) Staffing Implications

None arising directly from this report.

(f) Property

None arising directly from this report.

(g) Equalities/Socio Economic Impact

An equality Impact Assessment is not needed because there is no change to policy as a result of this report.

(h) Consultations

The Deputy Director of Finance, Assistant Director of Finance and Finance Manager NHS Grampian; the Head of Financial Services and Principal Accountant Moray Council and the MIJB Chief Internal Auditor have been consulted and their comments incorporated into the updated Financial Regulations.

6. CONCLUSION

- 6.1. Financial Regulations support the Chief Financial Officer in ensuring the proper administration of the financial affairs of the MIJB. They are also an essential point of reference for service managers in assisting day-to-day operations.**

Author of Report: Tracey Abdy, Chief Financial Officer
Background Papers: with author
Ref:



MORAY INTEGRATION JOINT BOARD

FINANCIAL REGULATIONS

<u>Date Created</u>	<u>Date Implemented</u>	<u>Next Review Date</u>
<u>February 2016</u>	<u>April 2016</u>	<u>March 202019</u>

<u>Developed By</u> <u>Chief Financial Officer</u>	<u>Reviewed By</u> <u>Internal Audit</u>	<u>Approved By</u> <u>Moray IJB</u>
	<u>January 2018</u>	<u>January 2018</u>

VERSION ~~2~~3.1

MORAY INTEGRATION JOINT BOARD

FINANCIAL REGULATIONS

INDEX

1. INTRODUCTION and INTERPRETATION

2. CORPORATE GOVERNANCE

3. ROLES and RESPONSIBILITIES

4. FINANCIAL PLANNING and MANAGEMENT

4.1 ANNUAL REVENUE BUDGET

4.2 CAPITAL PLANNING

4.14.3 CAPITAL EXPENDITURE

4.24.4 ACCOUNTING POLICIES

4.34.5 BUDGET MANAGEMENT & CONTROL

4.44.6 BUDGET MONITORING

4.54.7 VIREMENT

4.64.8 FINAL ACCOUNTS PREPARATION

4.74.9 TREASURY MANAGEMENT

4.84.10 RESERVES

4.94.11 GRANT FUNDING APPLICATIONS

5. FINANCIAL SYSTEMS and PROCEDURES

5.1 INCOME

5.2 AUTHORITY TO INCUR EXPENDITURE

5.3 PROCUREMENT & COMMISSIONING

5.4 IMPRESTS

6. FINANCIAL ASSURANCE

6.1 AUDIT COMMITTEE

6.2 EXTERNAL AUDIT

6.3 INTERNAL AUDIT – RESPONSIBILITY

6.4 INTERNAL AUDIT– AUTHORITY

6.5 FRAUD, CORRUPTION & BRIBERY

6.6 INSURANCE

6.7 VAT

6.8 GIFTS and HOSPITALITY / REGISTER of INTERESTS

7. REVIEW OF FINANCIAL REGULATIONS

1. INTRODUCTION and INTERPRETATION

- 1.1 The Public Bodies (Joint Working) (Scotland) Act 2014 was passed by the Scottish Parliament on 25 February 2014 and provides a framework for the effective integration of adult health and social care services. The Act required the submission of a partnership agreement, known as the Integration Scheme for approval by the Scottish Government. Following a detailed consultation process, the scheme was submitted for approval in December 2015. Following approval by the Cabinet Secretary for Health, Wellbeing and Sport an Order was laid before the Scottish Parliament on 8 January 2016 and the Moray Integration Joint Board ([MIJB](#)) was established as an autonomous legal entity with effect from 6 February 2016.
- 1.2 Moray Council and NHS Grampian recognise that they each have continuing financial governance responsibilities and operate under their own Financial Regulations / Standing Financial instructions in the operational delivery of services. As this service delivery will continue to be carried out within the Council and the Health Board, these Financial Regulations relate specifically to the affairs of the ~~Moray Integration Joint Board~~[MIJB](#) and are therefore limited and focussed in scope.-
- 1.3 The main objective of these Financial Regulations is to detail the financial responsibilities, ~~and~~ policies and procedures that govern the ~~Moray Integration Joint Board~~[MIJB](#). Representatives and Committees of ~~Moray Integration Joint Board~~[MIJB](#) must comply with these Financial Regulations ~~in whilst~~ dealing with the financial affairs of ~~Moray Integration Joint Board~~[MIJB](#).
- 1.4 ~~The Moray Integration Joint Board will appoint a~~ Chief Officer will be appointed who will be the accountable officer of the ~~MIJB-Integration Joint Board~~ in all matters except finance where there will be joint accountability with the Chief Financial Officer.
- 1.5 ~~The Moray Integration Joint Board will appoint a~~ Chief Financial Officer will be appointed who will be the proper officer for the purposes of Section 95 of the Local Government (Scotland) Act 1973. The Chief Financial Officer has a statutory duty to ensure that proper financial administration of the financial affairs of ~~Moray Integration Joint Board~~[MIJB](#) is maintained. The ~~Moray Integration Joint Board~~[MIJB](#) will have regard to the current CIPFA guidance on the role of the Chief Financial Officer in Local Government.

<http://www.cipfa.org/policy-and-guidance/reports/the-role-of-the-chief-financial-officer-in-local-government>

- 1.6 Should any difficulties arise regarding the interpretation or application of these financial regulations, individuals must seek advice from the Chief Financial Officer before any action is taken.
- 1.7 The ~~Moray Integration Joint Board~~MIJB will commission services from Moray Council and NHS Grampian. The management of services within each of these organisations will continue to be governed by the existing Standing Financial Instructions, Financial Regulations, Schedule of Reserved Decisions, Operational Scheme of Delegation and any other extant financial procedures approved by their respective Governance structures. –
- 1.8 Any breach or non-compliance with these Regulations must, on discovery, be reported immediately to the Chief Officer or the Chief Financial Officer of ~~Moray Integration Joint Board~~MIJB who, in consultation with others as appropriate shall decide on what action should be taken.
- 1.9 For the avoidance of doubt the breach of 1 or non-compliance with these Regulations may result in disciplinary action being taken against the relevant individuals in line with the policies of the employing organisation.

2. CORPORATE GOVERNANCE

- 2.1 Corporate Governance is about the structures and processes for decision making, accountability, controls and behaviour throughout the ~~M~~IJB~~oray Integration Joint Board~~. The basic principles of corporate governance are as follows:
 - 2.1.1 **Openness** – Anyone with an interest in the affairs of the ~~Moray Integration Joint Board~~MIJB should have confidence in the decision making and management processes and the individuals involved in them. This confidence is gained through openness in its affairs and providing full, accurate and clear information which leads to effective and timely action and scrutiny.
 - 2.1.2 **Integrity** – There should be honesty, selflessness, objectivity and high standards of conduct in how the ~~Moray Integration Joint Board's~~MIJB's funds and affairs are managed. Integrity depends on the effectiveness of the control framework and on the personal standards and professionalism of members and officers involved in the running of its affairs.
 - 2.1.3 **Accountability** – There needs to be a clear understanding by everyone involved in the ~~Moray Integration Joint Board's~~MIJB's affairs of their roles and responsibilities. There should also be a process which provides appropriate independent examination of the decisions and actions of those involved in the ~~Moray Integration Joint Board's~~MIJB's affairs, including how the funds ~~are~~ and performance are managed.

- 2.2 These Financial Regulations are an essential part of the corporate governance of the ~~Moray Integration Joint Board~~MIJB.

3. **ROLES and RESPONSIBILITIES**

3.1 **INTEGRATION JOINT BOARD MEMBERS RESPONSIBILITY**

- 3.1.1 The Board are responsible for ensuring that proper accounting records are kept, which disclose at any time, the true and fair financial position and enable the preparation of financial statements that comply with the applicable Code of Practice. The Board are also responsible for ensuring that procedures are in place to ensure compliance with all statutory obligations.

3.2 **CHIEF OFFICER RESPONSIBILITIES**

- 3.2.1 The Chief Officer has a direct line of accountability to the ~~Moray Integration Joint Board~~MIJB. The Chief Officer is responsible for ensuring that progress is being made in achieving the national outcomes and ~~that for~~ any locally delegated responsibilities for health and wellbeing and for measuring, monitoring and reporting on the underpinning measures and indicators (including financial) that will demonstrate progress.
- 3.2.2 The Chief Officer is responsible for ensuring that the decisions of the ~~Board~~MIJB are carried out.
- 3.2.3 The Chief Officer shall ensure that the Financial Regulations and all associated procedure manuals and documents are made known to appropriate staff members and shall ensure full compliance with them.
- 3.2.4 The Chief Officer shall prepare budgets following consultation with the Chief Financial Officer. The Chief Officer is also responsible for the preparation of Service Plans and relevant business cases relating to the Services. The Chief Officer shall ensure that the Chief Financial Officer is informed of financial matters that will have a significant impact on the Services, seeking financial advice where necessary.

~~23.3~~ **CHIEF FINANCIAL OFFICER RESPONSIBILITIES**

- ~~23.3.1~~ The Chief Financial Officer is responsible for governance of the ~~Board's~~MIJB's financial resources, ensuring the Partners utilise these in accordance with the Strategic Plan and ~~the D~~irections ~~issued~~ and that the Strategic Plan delivers best value.
- ~~23.3.2~~ The Chief Financial Officer shall ensure that suitable accounting records are maintained and is responsible for the preparation of the ~~Board's~~MIJB's Financial

Statements following the Code of Practice on Local Authority Accounting in the UK.

- 23.3.3 The Chief Financial Officer shall ensure that these Financial Regulations are reviewed and kept up to date.
- 23.3.4 The Chief Financial Officer shall provide the Chief Officer and the ~~Board~~ MIJB with an annual governance statement.
- 23.3.5 The Chief Financial Officer shall be entitled to report upon the financial implications of any matter coming before ~~Moray Integration Joint Board~~ the MIJB. To allow the Chief Financial Officer to fulfil this obligation, the Chief Officer will consult with the Chief Financial Officer on all matters involving a potential financial implication that is likely to result in a report to the ~~Board~~ MIJB.
- 23.3.6 The Chief Financial Officer shall ensure that arrangements are in place to properly establish the correct liability, process and accounting for VAT.

4. **FINANCIAL PLANNING and MANAGEMENT**

4.1 ANNUAL REVENUE BUDGET

- 4.1.1 The Chief Financial Officer will report to ~~Moray Integration Joint Board~~ the MIJB each year on the process, timetable, format and key assumptions in drafting the annual budget.
- 4.1.2 The Chief Financial Officer of ~~Moray Integration Joint Board~~ MIJB, Section 95 Officer of Moray Council and the Director of Finance of NHS Grampian will agree a timetable for preparation of the annual budget of ~~Moray Integration Joint Board~~ MIJB and the exchange of information between ~~Moray Integration Joint Board~~ MIJB, Moray Council and NHS Grampian. This ensures that required deadlines set out within the ~~Intere~~ Integration Scheme are met.
- 4.1.3 The ~~Moray Integration Joint Board~~ MIJB will approve a Strategic Plan which sets out arrangements for planning and directing the functions delegated to it by Moray Council and NHS Grampian. The Strategic Plan will cover a three-year period and will determine the budgets required to deliver operational services in-line with the Plan, recognising the need to be indicative in years two and three.
The Strategic Plan will be aligned to, and presented with alignment to the Medium Term Financial Strategy.
- 4.1.4 The Chief Officer and the Chief Financial Officer will develop a case for the Integrated Budget based on the Strategic Plan and present it to Moray Council and NHS Grampian for consideration and agreement as part of the annual budget setting process.

- 4.1.5 The Chief Financial Officer will prepare and issue guidance, instructions and a timetable to all involved in the preparation of the annual budget.
- 4.1.6 The method for determining the final payment i.e. the initial base budget as at 1 April will be contingent on the respective financial planning processes of Moray Council and NHS Grampian. The Integration Scheme stipulates that the baseline payment to the Board will be formally advised by the Partners by 28th February each year.
- 4.1.7 Following agreement of the Strategic Plan by the ~~Board~~MIJB, and confirmation of the Integrated Budget by the Partners, the Chief Officer will provide the ~~Board's~~ MIJB's Directions in writing to the Partners regarding operational delivery of the Strategic Plan. The Directions will include the functions that are being directed, how they are to be delivered and the resources to be used in delivery of the ~~De~~direction in accordance with the Strategic Plan. Directions will be confirmed by the Chief Officer by 31 March of the financial year proceeding the financial year under Direction. ~~Any amendments to~~Updated Directions ~~will~~may be issued throughout the year.
- 4.1.8 The Chief Officer will hold an operational role in both Moray Council and NHS Grampian, for the management of the operational delivery of services as directed by the ~~Moray Integration Joint Board~~MIJB and a line of accountability to the Chief Executives of both organisations for the financial management of operational budgets.

4.2 CAPITAL PLANNING

- 4.2.1 It is unlikely that the MIJB will be empowered to own capital assets, and accordingly the management of assets remains the responsibility of the Partner organisation. There is a need to ensure clear planning, scrutiny and governance of assets to ensure the appropriate assets are in place to allow for the delivery of the delegated functions.
- 4.2.2 The MIJB has in place an Infrastructure Programme Board who's membership includes key officers from MIJB, NHS Grampian and Moray Council. The Infrastructure Programme Board reports to the Strategic Planning and Commissioning group.

4.3 CAPITAL EXPENDITURE

- 4.3.1 The MIJB does not receive a capital funding allocation. Capital projects are funded by either Moray Council or NHS Grampian and expenditure will be controlled in accordance with their respective financial regulations / standing financial instructions.

4.24 ACCOUNTING POLICIES

- 4.42.1 The MIJB is subject to the audit and accounts provisions of a body under section 106 of the Local Government (Scotland) Act 1973. The Chief Financial Officer is responsible for the preparation of the Board's MIJB's Financial Statements following the Code of Practice on Local Authority Accounting in the UK.

4.35 BUDGET MANAGEMENT & CONTROL

- 4.53.1 Budget holders/managers within Moray Council and NHS Grampian will be accountable for all budgets within their control as directed by the Moray Integrated Joint Board MIJB in line with its Strategic Plan. The Moray Integration Joint Board MIJB will ensure appropriate arrangements are in place to support good financial management and planning.
- 4.35.2 It is the joint responsibility of the Chief Officer and Chief Financial Officer of the Moray Integration Joint Board MIJB to report regularly and timeously on all budgetary control matters, comparing projected outturn with the approved financial plan to the Moray Integration Joint Board MIJB.
- 4.35.3 The NHS Grampian Director of Finance and the Section 95 Officer of Moray Council shall, along with the Moray Integration Joint Board MIJB Chief Financial Officer put in place a system of budgetary control which will provide the Chief Officer with management accounting information for both arms of the operational budget and for the Integration Joint Board MIJB in aggregate.

4.46 BUDGET MONITORING

- 4.46.1 It is the joint responsibility of the Chief Officer and the Chief Financial Officer ~~of the Moray Integration Joint Board~~ to report to the Board MIJB regularly, timeously and accurately on all matters of budget management and control. The reports should include projections for the full financial year and any implications for the following financial years. These reports will include recovery action or corrective measures proposed where a year end budget variance is identified.
- 4.64.2 The Director of Finance, NHS Grampian and the Section 95 Officer, Moray Council will provide the Chief Financial Officer of the Moray Integration Joint Board MIJB with information on a monthly basis regarding the costs incurred for the services directly managed by them. Information should be provided in an agreed format.
- 4.46.3 The Director of Finance, NHS Grampian will provide the Chief Financial Officer of Moray Integration Joint Board MIJB with financial information on a monthly basis regarding the hosted services. Information should be in an agreed format and produced timely to enable inclusion in the financial monitoring reports.
- 4.46.4 The Director of Finance, NHS Grampian will provide the Chief Financial Officer of Moray Integration Joint Board MIJB with information regarding the use of the

amounts set aside for hospital services. Reporting updates will be provided in line with the provision of activity information from NHS Information Services Division~~A frequency will be formally agreed but as a minimum, information will be provided on a quarterly basis.~~

4.64.5 The Chief Financial Officer will report monthly to the Chief Officer on the financial performance and position. These reports will be timely, relevant and reliable and will include information, analysis and explanation in relation to:

- Reviewing budget savings proposals
- Actual income and expenditure
- Forecast outturns and annual budget
- Explanations of significant variances
- Reviewing action required in response to significant variances
- Identifying and analysing financial risks
- Use of reserves
- Any adjustments to the annual budget (e.g. new funding allocations)

4.64.6 The Chief Financial Officer will work with the Section 95 Officer of Moray Council and Director of Finance of NHS Grampian to ensure managers are provided with monthly financial reports that are timely, relevant and reliable. These reports will include information and analysis in relation to:

- Budget available to managers
- Actual income and expenditure
- Forecast outturns.

4.46.7 The Chief Financial Officer will be consulted on all reports being submitted to the Board MIJB to ensure that any financial implications arising have been considered. Each Board MIJB report should include a Financial Implications section.

4.46.8 It is a requirement of the Public Bodies (Joint Working) (Scotland) Act 2014 that an annual performance report is presented to the Board MIJB and the financial contents therein should comply with the requirements as set out in the Act.

4.57 VIREMENT

4.57.1 Virement is the process of transferring budget between budget headings with no change to the overall net budget.

4.57.2 The Chief Officer is expected to deliver the agreed outcomes within the total delegated budget. Any virement must not create additional overall budget liability.

4.57.3 Any proposal for virement involving a new policy, or variation of existing policy, which will impact upon the strategic plans of the Moray Integration Joint Board MIJB, will be subject to the approval of the Moray Integration Joint Board MIJB.

4.57.4 Virement can be used in the following situations and with reference to the flow chart at **APPENDIX A**;

- The Chief Financial Officer has been notified; and
- The virement does not create an additional financial commitment into future financial years.

4.57.5 The virement process cannot be used in the following situations:

- for transfers between IJB and non-IJB budgets;
- for expected savings on finance costs or recharges;
- for recurring items of expenditure in place of non-recurring savings;
- for staffing changes that would increase the establishment;
- for property items such as rates and utilities;
- any savings against a property which has been declared surplus under the Council's or NHS's surplus asset procedure;
- to reinstate an item deleted by the ~~Integration Joint Board~~MIJB during budget considerations unless approved by the ~~Integration Joint Board~~MIJB.

4.57.6 The Chief Financial Officer must maintain separate budgets for any hosted services managed on behalf of Grampian wide partners. Virement to and from these to Integration Joint Boards requires authorisation of all the three Integration Joint Boards before being implemented.

4.57.7 To the extent that any virement would transfer budget between Partners the Chief Financial Officer is required to notify the Partner bodies.

4.68 FINAL ACCOUNTS PREPARATION

4.68.1 The Public Bodies (Joint Working) (Scotland) Act 2014 requires that the ~~Moray~~ ~~Integration Joint Board~~MIJB is subject to the audit and accounts provisions of a body under Section 106 of the Local Government (Scotland) Act 1973 (Section 13). This will require audited annual accounts to be prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014, and so far as is compatible with that legislation, in accordance with proper accounting practices with the reporting requirements specified in the relevant legislation and regulations (in Section 12 of the Local Government in Scotland Act 2003 and regulations under Section 105 of the Local Government (Scotland) Act 1973).

4.68.2 Financial statements will be prepared to comply with the Code of Practice on Local Authority Accounting and other relevant professional guidance.

4.68.3 The ~~draft unaudited~~ annual accounts ~~and final accounts~~ shall be submitted to the External Auditors and to those members charged with governanceBoard for their ~~scrutiny and review~~consideration in accordance with the statutory regulations.

4.86.4 The audited annual accounts shall be submitted to those charged with governance~~MIJB~~ for their consideration and approval and the Auditors report

thereon shall be submitted to the MIJB for consideration in accordance with the statutory regulations

- 4.68.45 The timetable for audit and publication of ~~Moray Integration Joint Boards~~MIJB's annual accounts shall be agreed in advance with the external auditors of Moray Council and NHS Grampian. ~~Audited annual accounts shall be signed and published in line with statutory deadlines.~~

4.79 TREASURY MANAGEMENT

- 4.79.1 The ~~Moray Integration Joint Board~~MIJB will not undertake any cash transactions but rather these will be on a notional basis through the Direction of expenditure undertaken by the Partners. Any cash correction arising as a result of the direction by the ~~Board~~MIJB will be undertaken directly between the Partners.

- 4.79.2 The ~~Moray Integration Joint Board~~MIJB will not operate a bank account.

4.810 RESERVES

- 4.810.1 The Public Bodies (Joint Working) (Scotland) Act 2014 empowers the Integration Joint Boards to hold reserves, which should be accounted for in the financial accounts and records of ~~Moray Integration Joint Board~~MIJB. ~~Moray Integration Joint Board~~MIJB has a Reserves Policy that is held outwith these Financial Regulations and is reviewed regularly.

- 4.810.2 Unless otherwise agreed, any unspent budget will be transferred into the reserves of the ~~Moray Integration Joint Board~~MIJB at the end of each financial year.

~~4.8.3 A separate policy on reserves has been prepared by the Chief Financial Officer and approved by the Moray Integration Joint Board~~MIJB. ~~The policy will be reviewed annually.~~

4.911 GRANT FUNDING APPLICATIONS

- 4.911.1 Where opportunities arise to attract external funding, relevant officers shall consider the conditions surrounding the funding to ensure they are consistent with the aims and objectives of ~~Moray Integration Joint Board~~MIJB and the Strategic Plan.

- 4.911.2 All grant funding to be secured by the ~~Moray Integration Joint Board~~MIJB from external bodies is required to receive approval from the ~~Moray Integration Joint Board~~MIJB prior to an application being made by the accountable body to ensure financial implications and match funding requirements are considered.

- 4.911.3 The Chief Financial Officer shall ensure that arrangements are in place to:-

- receive and properly record such income in the accounts of the accountable body;

- ensure the audit and accounting arrangements are met; and
- ensure the funding requirements are considered prior to entering into any agreements, both in the present and the future.

5. **FINANCIAL SYSTEMS and PROCEDURES**

5.1 **INCOME**

- 5.1.1 There is no income to the ~~Moray Integration Joint Board~~ MIJB by way of cash transactions. Transfer of resources will be made by NHS Grampian and Moray Council in respect of the agreed delegated functions. Payment will then be made by the ~~Moray Integration Joint Board~~ MIJB for the delivery of these services. The accounting for these transactions will be via book entries in the ledgers of NHS Grampian and Moray Council.

5.2 AUTHORITY TO INCUR EXPENDITURE

- 5.2.1 The Chief Officer shall have the authority to incur expenditure within the approved delegated resources from ~~Moray Integration Joint Board~~MIJB to Moray Council and NHS Grampian in-line with any supplementary budget that has been approved by the ~~Moray Integration Joint Board~~MIJB, and subject to the provisions of these Financial Regulations.
- 5.2.2 Expenditure shall be aligned with the Strategic Plan. The ~~Chief Officer~~ and ~~Chief Finance Officer~~ will make sure that MIJB only commits to expenditure that it is legally able to commit to and is within scope of the approved Integration Scheme and Strategic Plan. Where this is not clear they will consult with the section 95 Officer of the Council and the Director of Finance of NHS Grampian and seek appropriate legal advice.

5.3 PROCUREMENT and COMMISSIONING

- 5.3.1 The Public Bodies (Joint Working) (Scotland) Act 2014 provides that the ~~Moray Integration Joint Board~~MIJB may enter into a contract with any other person in relation to the provision to the ~~Moray Integration Joint Board~~MIJB of goods and services for the purposes of carrying out functions conferred on it by the Act.
- 5.3.2 Procurement activity in relation to operational delivery of services will be undertaken following the procurement procedures approved by the Partner organisations in accordance with the guidance prevailing in the Partner organisation to which ~~the the MIJB~~Board has given operational Direction for the use of financial resources.

5.4 IMPRESTS

- 5.4.1 There will be no facility for petty cash unless authorised by the ~~Moray Integration Joint Board~~MIJB Chief Financial Officer and the necessary security arrangements have been established and have been deemed adequate.
- 5.4.2 Imprest facilities will be operated within NHS Grampian and Moray Council and will be contained within their respective established arrangements.

6. FINANCIAL ASSURANCE

6.1 AUDIT COMMITTEE

6.1.1 ~~Moray Integration Joint Board~~MIJB is required to make appropriate and proportionate arrangements for overseeing the system of corporate governance and internal controls. This has resulted in the establishment of an Audit, Performance & Risk committee. The Audit, Performance & Risk Committee operates in accordance with Financial Reporting Council professional guidance for Audit Committees and has distinct, approved terms of reference set out within the ~~Moray Integration Joint Board's~~MIJB's Scheme of Administration.

6.2 EXTERNAL AUDIT

6.2.1 The Accounts Commission will appoint the external auditors to the ~~Moray Integration Joint Board~~MIJB.

6.2.2 External Audit are required to submit an annual plan to the ~~Moray Integration Joint Board~~MIJB or its Audit, Performance & Risk Committee.

6.2.3 External Audit are required to submit a final report to ~~Moray Integration Joint Board~~MIJB or its Audit, Performance & Risk Committee.

6.2.4 The External Auditor appointed to ~~Moray Integration Joint Board~~MIJB for the purposes of conducting their work, shall:-

- Have a right of access to all records(electronic or manual), assets, personnel and premises, including those of partner organisations in carrying out their duties in relation to MIJB activity.
- Have access to all records (electronic or manual), documents and correspondence relating to any financial and other transactions of the ~~Board~~MIJB and those of partner organisations where it relates to their business with the ~~Board~~MIJB.
- Require and receive such explanations as are necessary concerning any matter under examination.

6.3 INTERNAL AUDIT - RESPONSIBILITY

6.3.1 The role of Internal Audit is to understand the key risks faced by the ~~Moray Integration Joint Board~~MIJB and to examine and evaluate the adequacy and effectiveness of the system of risk management and internal control as in support of the governance arrangements operated by the ~~Board~~MIJB.

6.3.2 The ~~Moray Integration Joint Board~~MIJB shall secure the provision of an internal audit service to provide an independent and objective opinion on the control environment comprising risk management, governance and control of the

delegated resources. The provision of internal audit services should be subject to periodic review.

- 6.3.3 The operational delivery of internal audit services within NHS Grampian and Moray Council will be contained within their respective established arrangements.
- 6.3.4 The Internal Audit Service provided to ~~Moray Integration Joint Board~~MIJB will undertake its work in compliance with the Public Sector Internal Audit Standards.
- 6.3.5 ~~Prior to the start of each financial year the Moray Integration Joint Board~~The MIJB Chief Internal Auditor will prepare and submit a strategic risk based audit plan to the ~~Moray Integration Joint Board~~MIJB or Audit Performance and Risk Committee for approval. It is preferable that this be shared with the relevant Committees of NHS Grampian and Moray Council.
- 6.3.6 The Chief Internal Auditor shall report to the Audit, Performance & Risk Committee throughout the year on the outcomes of audit work completed and on progress towards delivery of the agreed annual audit plan; and provide an annual assurance opinion based on the overall findings from the audit.
- 6.3.7 Such Internal Audit work shall not absolve senior management of the responsibility to ensure that all financial transactions are undertaken in accordance with the Financial Regulations and Standing Orders and that adequate systems of internal control exist to safeguard assets and secure the accuracy and reliability of records.
- 6.3.8 It shall be the responsibility of senior management to ensure that access to relevant officers and explanations requested by the Chief Internal Auditor are provided in a timely manner.
- 6.3.9 The Chief Internal Auditor has the right to report direct to the ~~Moray Integration Joint Board~~MIJB in any instance where he or she deems it inappropriate to report to the Chief Officer, Chief Financial Officer or Audit, Performance & Risk committee.
- 6.3.10 Where recommendations resulting from Internal Audit work have been agreed, the Chief Officer shall ensure that these are implemented within the agreed timescale. Regular progress reports will be sought by the Chief Internal Auditor and it is the responsibility of the Chief Officer to ensure that these are provided when requested along with explanations of any recommendations not implemented within the agreed timescale.

6.4 INTERNAL AUDIT - AUTHORITY

6.4.1 The Chief Internal Auditor or their representatives shall have the authority, on production of identification to obtain entry at all reasonable times to any premises or land used or operated by [Moray Integration Joint Board MIJB](#) in order to review, appraise and report on the areas detailed below:-

- The adequacy and effectiveness of the systems of financial, operational and management control and their operation in practice in relation to the business risks to be addressed.
- The governance arrangements in place by reviewing the systems of internal control, risk management practices and financial procedures.
- The extent of compliance with policies, standards, plans and procedures approved by the [Moray Integration Joint Board MIJB](#) and the extent of compliance with regulations and reporting requirements of regulatory bodies.
- The suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify, measure and report such information.

6.4.2 In addition, the Chief Internal Auditor or their representatives, for the purposes of conducting their work, shall:-

- Have a right of access to all records [\(electronic or manual\)](#), assets, personnel and premises, when carrying out their duties in relation to Moray Integration Joint Board activity.
- Have access to all records [\(electronic or manual\)](#), documents and correspondence relating to any financial and other transactions of the Board and those of partner organisations where it relates to their business with the Board.
- Require and receive such explanations as are necessary concerning any matter under examination.

6.5 FRAUD, CORRUPTION & BRIBERY

6.5.1 Every member of [Moray Integration Joint Board MIJB](#) and its representatives shall observe these Financial Regulations within the sphere of their responsibility. They have a duty to bring to the immediate attention of the Chief Financial Officer/ Chief Internal Auditor any suspected fraud or irregularity in any matter that would contravene these regulations.

6.5.2 There are a range of confidential routes available to the [Moray Integration Joint Board MIJB](#) and its representatives who wish to ask for advice or to report suspected fraudulent activity;

- Your Line Manager

- Your HR Manager
- NHS Counter Fraud Services (CFS) Fraud Hotline on – 08000 15 16 28
- NHS Grampian's Fraud Liaison Officer – Assistant Director of Finance (Financial Services) on 01224 556211
- The MIJB Chief Internal Auditor~~Moray Council's Internal Audit Manager~~ on 01343 563055

All information provided is treated in the strictest of confidence and individuals who raise genuine concerns are protected by law, regardless of the outcome of any investigation that they initiate.

The fraud policies of both NHS Grampian and The Moray Council are available via their respective Intranets.

- 6.5.3 When a matter arises where it is suspected that an irregularity exists in the exercise of the functions of ~~Moray Integration Joint Board~~MIJB, the Chief Financial Officer in conjunction with the Chief Internal Auditor and the Chief Officer, will take such steps as may be considered necessary by way of investigation and report.

6.6 INSURANCE

- 6.6.1 The Chief Officer in conjunction with the Chief Financial Officer will ensure that the risks faced by the ~~Moray Integration Joint Board~~MIJB are identified and quantified and that effective measures are taken to reduce, eliminate or insure against them.
- 6.6.2 As of 1 April 2016 the ~~Moray Integration Joint Board~~MIJB became members of the Clinical Negligence and Other Risks Scheme (CNORIS) scheme. The cover provided is in relation to indemnity for ~~Moray Integration Joint Board~~MIJB Members only. The cover provided is in respect of decisions made by Members in their capacity on the ~~Board~~MIJB. All other cover required should be provided by NHS Grampian and Moray Council.
- 6.6.3 The Chief Officer is responsible for ensuring that there are adequate systems in place for the prompt notification in writing to the Chief Financial Officer of any loss, liability, damage or injury which may give rise to a claim, by or against the ~~Board~~MIJB.
- 6.6.4 The Chief Officer in conjunction with the Chief Financial Officer shall annually or at such other period as may be considered necessary, review all insurances. Any required changes should be reported to ~~Moray Integration Joint Board~~MIJB.
- 6.6.5 The Chief Officer in conjunction with the Chief Financial Officer of ~~Moray Integration Joint Board~~MIJB will review the requirement for membership of the Scottish Government (CNORIS) on an annual basis.

6.7 VAT

- 6.7.1 HMRC have confirmed that there is no VAT registration requirement for Integration ~~Authorites~~Joint Boards under the VAT act 1994 as it will not be delivering any services that fall within the scope of VAT.
- 6.7.2 Should the activities of the ~~Board~~MIJB change in time and it becomes empowered to provide services, then it is essential the VAT treatment of any future activities or services delivered are considered in detail by the Chief Financial Officer to establish if there is a legal requirement for the Integration ~~Authorities~~Joint Boards to register for VAT.
- 6.7.3 The Chief Officer and Chief Financial Officer must remain cognisant of possible VAT implications arising from the delivery of the Strategic Plan. The Partner organisations should be consulted in early course on proposals which may have VAT related implications for them.

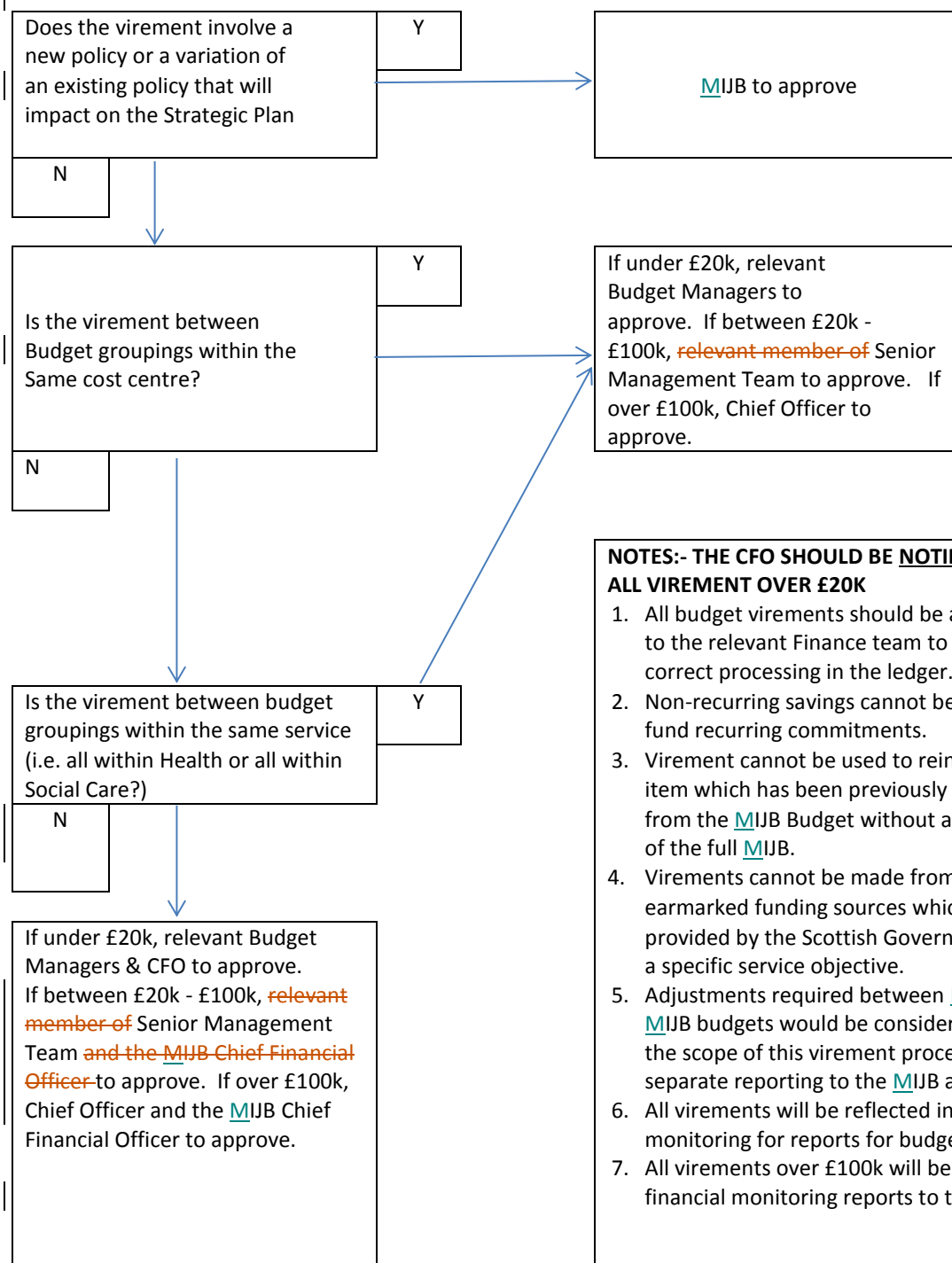
6.8 GIFTS and HOSPITALITY / REGISTER of INTEREST

- 6.8.1 Members and employees should comply with their respective codes of conduct when offered gifts, gratuities and hospitality.
- 6.8.2 A central register of gifts and hospitality will be maintained by the ~~Moray~~Integration Joint BoardMIJB. For the offers of any hospitality or gift, approval must be sought from the relevant line manager prior to acceptance and for offers exceeding £30 details must be intimated in writing for including in the register. Reference should be made to the respective codes of conduct.
- 6.8.3 A separate Register of Interests for members is maintained by the Clerk to the ~~Moray Integration Joint Board~~MIJB.

7 REVIEW OF FINANCIAL REGULATIONS

- 7.1 These Financial Regulations shall be subject to review on a ~~regular~~ongoing basis, and ~~at~~ a minimum of every ~~two~~-years by the ~~Moray Integration Joint Board~~MIJB Chief Financial Officer and where necessary, subsequent amendments will be submitted to ~~Moray Integration Joint Board~~MIJB for approval. Financial Regulations should be considered alongside other Governance documents.

APPENDIX A – MIJB VIREMENT APPROVAL RESPONSIBILITY CHART





REPORT TO: MORAY INTEGRATION JOINT BOARD ON 28 MARCH 2019

**SUBJECT: MINISTERIAL STRATEGIC GROUP – LOCAL INDICATORS
2019/20**

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1. To inform the Board of the updated position in relation to performance against the six Ministerial Strategic Group (MSG) indicators and to seek approval to submit local objectives for the forthcoming financial year, 2019/20 to the MSG for Health and Community Care.

2. RECOMMENDATION

2.1. It is recommended that the Moray Integration Joint Board:

- i) **approve the local objectives for the six MSG integration indicators as set out in APPENDIX 1;and**
- ii) **directs the Chief Officer to submit the local objectives to the MSG for Health and Community Care.**

3. BACKGROUND

- 3.1. The MSG for Health and Community Care was established at a national level in 2017 and is chaired by the Cabinet Secretary for Health, Wellbeing and Sport. Membership of the group comprises representatives from agencies and professions involved in the delivery of integration.
- 3.2. A report was presented to the MIJB at its meeting on 23 February 2017, highlighting the request from the MSG for Integration Authorities to measure objectives demonstrating progress against six key indicators (unplanned admissions, occupied bed days for unscheduled care, A&E performance, delayed discharges, end of life care and the balance of spend across institutional and community services). The Board agreed to measure performance against these six indicators (para 17 of the minute refers).

- 3.3. At the end of 2017 the MSG requested Integration Authorities to submit local objectives for each of the 6 integration indicators. These were submitted to MSG and a report to the MIJB on 29 March 2018 acknowledged this (para 16 of the minute refers).

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1. The MSG wrote to all Integration Authorities in December 2018 requesting continued support in providing updates on the six indicators following agreement by the IJB's. Updated 2019/20 local objectives are now due for submission.
- 4.2. Information has been requested by the MSG in a standard format and the template has been completed for Moray in relation to the local objectives for 2019/20. These are detailed in **Appendix 1**. The baseline year for each of the six indicators is 2017/18 to allow for analysis of full year data and consistency of approach. Information Services Division (ISD) data has been provided up to September 2018 (except for where data is only updated annually) and this has been considered when developing objectives for the forthcoming year.
- 4.3. A performance support group has met to consider the local objectives for 2019/20. It was noted that the objectives for 2018/19 had in most cases been over ambitious, given this early stage of integration and some of the wider contributing factors that impact on progress. The support group considers the proposals identified in **Appendix 1** realistic when considered against the pace of change and changing demographics. In addition, the 2019/20 objectives have been considered by the Operational Management Team and narrative in relation to how the objectives will be achieved is also included within the submission to MSG.
- 4.4. It is likely that the MSG will continue to monitor against the six indicators and it is essential that the Moray IJB remains engaged in this process through representation on the national working group and submission of data

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

The MSG focuses on assessment of the six indicators aims to support the progress being made on integration. There are direct links to the achievement of the Strategic Plan and delivery on the national health and wellbeing outcomes.

(b) Policy and Legal

Performance monitoring and managements is an integral part of the Moray Integration Scheme and is consistent with the legislation in respect of the Public Bodies (Joint Working) (Scotland) Act 2014.

(c) Financial implications

None directly related to this report.

(d) Risk Implications and Mitigation

The MIJB has a duty to produce and report meaningful data in order for an assessment against integration to be made and to identify areas for future focus to assist improvement.

(e) Staffing Implications

None directly related to this report.

(f) Property

None directly related to this report

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not needed because there are no changes to policy arising from this report.

(h) Consultations

Consultation has taken place with the MIJB Chief Officer, Operational Management Team and Senior Management Team, Health and Social Care Moray and representatives from performance and intelligence from Moray Council, NHS Grampian and ISD who are in agreement with the content of this report with regard to their areas of responsibility.

6. CONCLUSION

6.1. The MIJB are asked to consider the local objectives for 2019/20 in relation to the MSG six indicators and direct the Chief Officer to submit these on behalf of the Moray IJB.

Author of Report: Tracey Abdy, Chief Financial Officer and Jeanette Netherwood, Corporate Manager

Background Papers: with author

Ref:

Template for MSG 2019/20 objectives

Health and Social Care Partnership: Moray
Age Group for indicators 1 to 3: 18+

Item 9
Appendix 1

	1. Emergency admissions				2. Unplanned bed days				3. A&E attendances				4. Delayed discharge bed days (18+)				5. Percentage of last 6 months of life spent in community (all ages)				6. Proportion of 65+ population living at home (supported and unsupported)					
Objective	Baseline year	Baseline total	% change	Expected 2019/20 total	Acute	Baseline year	Baseline total	% change	Expected 2019/20 total	Baseline year	Baseline total	% change	Expected 2019/20 total	All reasons	Baseline year	Baseline total	% change	Expected 2019/20 total	Baseline year	Baseline percentage	Percentage point change	Expected 2019/20 %	Baseline year	Baseline percentage	Percentage point change	Expected 2019/20 %
	2017/18	6,823	2% increase	6,960		2017/18	62,521	Maintain	62,521	2017/18	18,050	Maintain	18,050		2017/18	11,487	Maintain	11,487	2017/18	89.5%	Maintain	89.5%	2017/18	96.8%	Maintain	96.8%
					Geriatric Long Stay	Baseline year	Baseline total	% change	Expected 2019/20 total					H&SC/patient and family related reasons	Baseline year	Baseline total	% change	Expected 2019/20 total								
						N/A	N/A	N/A	N/A						Baseline year	Baseline total	% change	Expected 2019/20 total								
					Mental Health	Baseline year	Baseline total	% change	Expected 2019/20 total	Code 9	Baseline year	Baseline total	% change	Expected 2019/20 total												
2017/18	9,388	Maintain	9,388	2017/18																						
How will it be achieved	Formation of the Moray Alliance and workstreams with a focus on "the front door".				Development of E Frailty workstream				Formation of the Moray Alliance and workstreams with a focus on " the front door".				maintain and develop the weekly huddle meetings that focus on person-centre discharge				development of ACU housing facilities to support palliative care				reviewing reablement agenda and independent living team to support a reablement approach.					
	Development of E Frailty workstream				Further development of older persons pathway in Moray				Review patient pathways in Moray				Seek to optimise opportunities for supported discharges through the Pitgavenny and Reablement teams				Participation in Palliative Care Commission for Grampian				Development of the E Frailty workstream					
Notes	Moray has seen a continual increase in unplanned admissions, the actual outturn for 2017/18 was much higher than any previous increase and therefore our projections and target measured on this will not be met. Therefore we are proposing an increase of 2% on baseline figure for unplanned admissions, which will be less of an increase than the projected growth in 65+ population, which is forecast to increase by 7% by 2020. In addition the population of Moray is forecast to increase by 4.6% by 2027, part of this is the introduction of new squadrons to RAF Lossiemouth in the next two years. By the year 2036, it is forecast that the 65 + population of Moray will increase by 47%. (National Records of Scotland)				The outturn in the second half of 2017/18 for acute bed days was 23% higher than anticipated, therefore the target set of a 5% reduction in 2018/19 may not be achieved. Therefore we are proposing to maintain the number of Unplanned Bed Days against the projected growth in the 65+ population. (from a baseline 2016 there was an population increase of 3.6% in the 65+ age group to 2018). No Geriatric Long Stay bed days in Moray. Psychiatric assessment beds currently managed by community psychiatrists.				target set last year was for a 1% reduction however this will not be achieved, with the projected outturn for 2018/19 being an increase on previous year. In line with comparator HSCP we have experienced increases in attendance, so would propose a target to maintain the level. There are many factors that contribute to this indicator, and we will seek to develop our understanding of linkages and areas in which we can impact and those that are outwith our control.				Bed days in Moray have reduced from the highest number seen in 2016/17, however after a 11% reduction in 2017/18 numbers are rising again and it is anticipated the continued 2% reduction will not be achieved in 2018/19. Therefore we propose maintaining figures at baseline of 2017/18 (which will in effect be a reduction against the final figures for 2018/19) with a view to reducing the target in future years.				Performance in this indicator is fairly static and any increases are likely to be very small. Target is to maintain level.				Performance for this indicator is fairly static and any increases are likely to be very small. (This figure includes those supported, unsupported and in care homes). Target is to maintain					

Example:-



MINUTE OF MEETING OF THE INTEGRATION JOINT BOARD

CLINICAL AND CARE GOVERNANCE COMMITTEE

Thursday, 30 August 2018

Inkwell Main, Elgin Youth Café, Francis Place, Elgin, IV30 1LQ

PRESENT

Councillor Tim Eagle, Ms Pam Gowans, Mrs Linda Harper, Ms Jane Mackie, Dr Graham Taylor, Mrs Val Thatcher, Mrs Susan Webb

APOLOGIES

Mr Ivan Augustus, Dr Malcolm Metcalfe

IN ATTENDANCE

Ms Jeanette Netherwood, Corporate Manager, Health and Social Care Moray and Mrs Caroline Howie, Committee Services Officer as Clerk to the Meeting.

1 Declaration of Member's Interests

There were no declarations of Members' interests in respect of any item on the agenda.

2 Minute of Meeting dated 31 May 2018

The minute of the meeting of the Moray Integration Joint Board Clinical and Care Governance Committee dated 31 May 2018 was submitted and approved.

3 Action Log of Meeting dated 31 May 2018

The Action Log of the Moray Integration Joint Board Clinical and Care Governance Committee date 31 May 2018 was discussed and it was noted that all items due, other than the following, had been completed.

Item 1 – Action log – Updated Clinical and Care Governance Operational

Arrangements – not yet completed, to be presented to the next meeting in November.

Item 2 – Health and Social Care Standards – bespoke sessions to be held in September to develop and implement ways of working. Further report to be presented in February 2019.

Item 3 – Large Scale Investigation – not yet completed, report to be presented in February 2019, including lessons learned.

4 Mental Welfare Commission for Scotland

A report by the Chief Officer informed the Committee of the Mental Welfare Commission for Scotland Visit and Monitoring Report - Themed Visit to People with Dementia in Community Hospitals.

Discussion took place on the suitability of community hospitals for those with dementia. It was advised that not all community hospitals are dementia friendly and work is on going to understand requirements and thereafter make recommendations for change.

Following further discussion it was agreed to seek an update report to Committee in February 2019 to identify good practice in addition to areas for improvement. It was further agreed the management team would review the proposed action plan and prioritise actions within the context of the Integration Joint Board (IJB) priorities and identify lessons learned applicable to the system.

Thereafter the Committee agreed to:

- i. note the content of the report;
- ii. note the content of the Mental Welfare Commission for Scotland visiting and monitoring report and the recommendations made on page 10 of appendix 1 of the report;
- iii. note the table of actions to address the recommendations of the Commission's report attached as appendix 2 to the report;
- iv. seek an update report in February 2019, which identifies good practice in addition to areas for improvement; and
- v. task the management team with reviewing the proposed action plan and prioritise actions within the context of the IJB priorities and identify lessons learned applicable to the system.

5 Progress Review of Services for Children and Young People in Moray by Care Inspectorate

Under reference to paragraph 6 of the Minute of the meeting dated 10 February 2017 a report by the Chief Officer informed the Committee of the forthcoming progress review for Children and Young People services in Moray due to commence in November 2018.

During discussion it was advised there had been changes made since the previous inspection with a three to five year improvement programme being put in place.

Thereafter, following further discussion the Committee agree to note:

- i. the scope and timing of the forthcoming progress review; and
- ii. action being taken to prepare for the review.

6 Complaints and Adverse Events - Quarter 1

A report by the Chief Officer informed the Committee of Health and Social Care complaints and incidents reported in quarter 1 (April - June 2018).

Following discussion the Committee agreed to note the :

- i. Quarter 1 (April - June 2018) Health and Social Care complaints and adverse events summary; and
- ii. intention to provide contextual information in future reports.



REPORT TO: MORAY INTEGRATION JOINT BOARD ON 28 MARCH 2019

SUBJECT: EXTENSION OF FREE PERSONAL CARE FOR PEOPLE UNDER 65

BY: HEAD OF ADULT SOCIAL CARE SERVICES

1. REASON FOR REPORT

- 1.1. To inform the Board of the extension of free personal care (FPC) for people less than 65 years of age and the potential financial implication of this policy.

2. RECOMMENDATION

- 2.1. **It is recommended that the Moray Integration Joint Board (MIJB) consider and note the extension of free personal care guidance applicable from 1 April 2019 and the potential financial implication of the policy.**

3. BACKGROUND

- 3.1 In 1999 The Royal Commission on Long-Term Care recommended in its report (the Sutherland Report) that personal care should be available after an assessment, according to need and paid for from general taxation. In 2001, the then Scottish Executive responded to the Health and Community Care Committee's report and agreed to take forward the work that ultimately led to the introduction of free personal care for people aged 65 and over.
- 3.2 In December 2016, the Cabinet Secretary for Health and Sport announced that the Scottish Government would undertake a feasibility study looking at the general issue of charging for personal care for people under 65. That feasibility study examined the costs of existing service users receiving their care free, and took on board the views of stakeholders and the general public.
- 3.3 On 5 September 2017, the First Minister announced in the Programme for Government that they would extend FPC to include people under 65 and subsequently on 5 June 2018, regulations were passed entitled Community Care (Personal Care and Nursing Care) (Scotland) Amendment (No.2) Regulations 2018 (otherwise known as 'Frank's Law'). The Scottish Government have now committed to that extension by 1 April 2019. This means all adults who are assessed as needing personal care will be entitled to receive it free of charge regardless of their age.

3.4 The Scottish Government on 21 December 2018 provided guidance for FPC https://www.sehd.scot.nhs.uk/publications/CC2018_03.pdf (CCD3/2018) for those both over and under the age of 65. The guidance does not prescribe how personal care should be calculated as it was found that each local authority's practices and procedures differ and it is intended to enable each local authority to follow and build on its own current local procedures and systems. As the extension is mandatory for all local authorities it will be necessary to revise local charging guidance to reflect the national guidance.

3.5 Personal care is defined as 'anything done for you that is of a personal nature:

- Personal hygiene – bathing, showering, hair washing, shaving, oral hygiene and nail care;
- Continence management – toileting, catheter/stoma care, skin care, continence, laundry and bed changing;
- Food and diet – help with eating, special diets and food preparation;
- Immobility problems – dealing with being immobile or substantially immobile;
- Counselling and support – behaviour management, psychological support and reminding devices;
- Simple treatments – assistance with medication (like eye drops), application of creams and lotions, simple dressings and oxygen therapy; and personal assistance – help with dressing, surgical appliances, prostheses, mechanical and manual aids, help getting in and out of bed and using hoists.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

4.1 There are approximately 310 people under 65 who pay towards their care currently. Of this number, 40 people will see their charges cease from 1 April 2019. 68 people will see a reduction in their charges due to having a low level of non- personal care.

The remaining 202 people will not receive any reduction in their contribution due to the costs of their non-personal care being greater than the level of their charges. (A service user is required to contribute the lower of either their financially assessed available income or the actual cost of their chargeable care and support over a 52 week period). There will also be no reduction in contribution for any of the 37 people under 65 years of age, resident in a care home who are currently funded by Health & Social Care Moray.

In respect of those in residential placements who currently fund their own care the guidance states: "People who are self-funders may also decide at any time to apply to local authorities for an assessment of eligibility for free personal care". This will be measured as part of the ongoing monitoring arrangements being developed.

4.2 A short-term working group has been established to co-ordinate the change of policy and ensuring appropriate actions are instigated by 1 April 2019. As part of the group's actions, an implementation plan has been developed, see attached at **APPENDIX 1**.

4.3 People who currently use services are not always aware that they have non-personal care as well and there is a possibility that some people may have interpreted this new policy as meaning that all charges will be removed which

may lead to having some unrealistic expectations as a result of this. The Community Care Finance Team will support service users with their enquiries and this will be outlined within the communication plan being developed.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

This is in line with the nine national health and wellbeing outcomes and also the Moray Integration Joint Board Health and Social Care Strategic Commissioning Plan 2016-2019.

(b) Policy and Legal

Guidance for local authorities is set out in CCD3/2018 which extends free personal care to those under the age of 65, relating to The Community Care (Personal Care and Nursing Care) (Scotland) Amendment (No.2) Regulations 2018.

(c) Financial implications

The Scottish Government has indicated that it will fully fund this change and has worked with Convention of Scottish Local Authorities (COSLA) and local authorities to assess the funding required. Indications are that implementation of this new policy will cost in the region of £30m nationally.

Of the £30m identified nationally to meet this commitment, £0.501m has been allocated to Moray. Currently, service user income in the region of £1.0m is collected annually. It is estimated that lost income as a result of the policy change can be absorbed within the allocation and will be monitored closely throughout the year to ensure this remains the case, paying close attention to emerging applications.

(d) Risk Implications and Mitigation

There is a risk that costs will increase beyond current levels for individuals under 65 years of age. There is an element of undetermined demand as people may seek services that were previously not assessed due to charges. Monitoring arrangements are being devised by the short-term working group.

(e) Staffing Implications

Additional staff time has been arranged to ensure a review of all service users currently paying a contribution towards their personal care costs has been undertaken. These hours and ongoing short-term work is being managed within current staffing resource.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not needed as the extension of free personal care to adults removes the age inequality inherent in the current policy.

(h) Consultations

Consultations have taken place with the following and comments received have been considered in writing the report:-

Chief Officer, MIJB
Chief Financial Officer, MIJB
Corporate Manager, MIJB
Caroline Howie, Committee Services Office, Moray Council
Legal Services Manager, Moray Council

6. CONCLUSION

- 6.1 The extension to FPC for the under 65's becomes effective on 1 April 2019. Appropriate resource has been allocated to ensure this change can be implemented efficiently and effectively.**
- 6.2 The majority of people who use these services will see no reduction in their charges. This is because the cost of their non-personal care is more than their available income.**

Author of Report: Catherine Quinn, Interim Community Care Finance Manager
Background Papers: with author
Ref:

EXTENDING FREE PERSONAL CARE TO UNDER 65s: IMPLEMENTATION PLAN

This implementation plan describes the actions required to implement guidance CCD3/2018 relating to the extension of FPC to those under 65 years of age.

The detail of the plan describes the actions to be undertaken prior to 1 April 2019 and ongoing compliance, including:

- Accurately identify the number of service users currently paying a contribution for their personal care;
- Review current service user contributions and categorise i) number of service users <65 who will cease to pay a contribution/pay a reduced contribution from 1 April 2019; and ii) number of service users <65 whose contribution will not change at 1 April 2019;
- Calculate loss of income as a result of extension of Free Personal Care (FPC) to under 65s;
- Develop a communication plan for all stakeholders;
- Develop and agree clear guidance on what constitutes personal care;
- Implement a process to ensure chargeable and non-chargeable services are easily identifiable on Carefirst;
- Develop and implement performance management arrangements;
- Clients receive support from Community Care that is personalised and able to respond better to individual needs and circumstances;
- The business systems and processes that support Self Directed Support are efficient and effective.

ISSUE	ACTIONS	RESPONSIBILITY	UPDATE	TIMESCALE
Financial reviews	Ensure all service users who will cease to pay a contribution or reduced contribution from 1 April 2019 are identified. PRIORITY 1.	CCF Team	Review has been undertaken and all service users identified.	COMPLETE
	Ensure all service users who will continue to pay a contribution from 1 April 2019 are identified. PRIORITY 2.	CCF Team	Service users identified and will be reviewed as per review date.	COMPLETE
	Letters to service users regarding their personal budgets.	CCF Team	Letters drafted for both Priority 1 and Priority 2 service users.	w/e 8 March 2019
	Ensure teams notified of all service users (43) who require a financial assessment.	CCF Team	List of service users to be sent to teams for review.	w/e 8 March 2019
Practice guidance	Ensure definitions of personal care is clear for all staff and consistently applied.	Advanced Practitioners	Meeting to be held on 14 March 2019.	Review 20 March 2019
Paperwork & guidance	Update relevant paperwork on Carefirst.	R Huggan	R Huggan to speak to Craig Bernard, Information Systems	Review 20 March 2019
Communication	Agree communication briefing for stakeholders.	Short-term working group.	Review at next meeting on 20 March 2019.	Review 20 March 2019
Implementation oversight	Short-term working group to meet as required to review implementation.	Short-term working group.	Next meeting will be held on 20 March 2019.	



REPORT TO: MORAY INTEGRATION JOINT BOARD ON 28 MARCH 2019

SUBJECT: PRESCRIBING BUDGET REQUIREMENTS FOR 2019/20

BY: SANDY THOMSON, LEAD PHARMACIST

1. REASON FOR REPORT

1.1. To inform the Board of the predicted budget resource requirements for 2019/20.

2. RECOMMENDATION

2.1. It is recommended that the Moray Integration Joint Board:

- i) consider the recommendations made in this report with regard to volume, costs, risks and the net predicted need for budget resource of £17.315m as part of the overall Health and Social Care Moray (HSCM) budget setting process for 2019/20;
- ii) note the estimated budget requirements linkage to the Locally Enhanced Services / Service Level Agreements (SLAs) with general practice level allocations and financial monitoring to be facilitated in a timely manner; and
- iii) tasks the Chief Financial Officer and Lead Pharmacist to ensure that final prescribing budget allocations are notified to corporate finance and pharmacy teams to enable practice level allocations and financial monitoring to be facilitated in a timely manner.

3. BACKGROUND

- 3.1. Current forecasting indicates Moray will end the 2018/19 year with a deficit of £992K in the prescribing budget largely due to the absence of any uplift provision for 2018/19 and the application of an additional efficiency target.
- 3.2. Resource assessment for prescribing has been undertaken for 2019/20 using the approach adopted in previous years which estimates growth in volume and spend in the coming year and offsets these with generic savings and approved efficiency plans. The key themes and data presented here are taken from the

more comprehensive 'Health and Social Care Prescribing Budget Supporting Information and Data for 2019/20' which has been scrutinised and approved by the multidisciplinary / cross sector Grampian Medicines Management Group. A breakdown of the components of the requested budget for 2019/20 is provided in **Appendix 1**.

- 3.3. During 2018/19 there has been no real growth in the volume of prescriptions being dispensed in Grampian. Volume growth for 2019/20 has been based on anticipated impacts of demographic changes in Moray on medicines use.
- 3.4. Previous years have seen a reduction in cost per item as a number of significant medicines lost patent protection and generic equivalents became available. Competition in the generic market also helped to drive costs down. Latterly generic prices have risen again, frequently as a function of supply shortages. Use of new branded medicines has also started to drive up the cost per item. Cost per item peaked in Q3 2017 but have been dropping since then and throughout 2018/19. At the start of the 2018 financial year the average cost per item for NHS Grampian was £11.16 falling to a low of £10.89 in September and an in year average estimated to be £11.05.
- 3.5. New drugs moving into primary care are predicted to have minimal impacts in 2019/20 with Erenumab for migraine the only significant new product identified from national horizon scanning documents with a budget impact of around £40K in 2019/20.
- 3.6. Drugs coming off patent in 2019/20 are likely to contribute around £35K of savings during the financial year.
- 3.7. During 2018/19 FreeStyle Libre® (used for blood glucose monitoring) was introduced. It is important to note that the full year impact of this introduction is yet to be realised but will be in 2019/20 with the year 2018/19 starters having additional net costs of £16K and the 2019/20 starters having in year net costs of £36K.
- 3.8. The various medicines efficiencies undertaken in 2018/19 to reduce the use of drugs with low therapeutic value has delivered a minimum saving of £729K in year across Grampian, around £146K for Moray. Plans for a new efficiency programme in 2019/20 already approved by the IJBs of Grampian are in place to deliver a further net £172K in 2019/20 across Moray.
- 3.9. The community hospital budgets in Moray will require additional funding in 2019/20 with a 0.1% uplift on out-turn requested.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

The following are the main financial risks which are not included in the recommended uplifts summary:

- 4.1. The risk that the future prices for generic medicines, and associated reimbursement levels set within the Scottish Drug tariff, remain difficult to predict. Scottish Government has committed to rebalancing community pharmacy contractor payments by reducing the emphasis on margin share and moving these payments to within the guaranteed global sum. This was

exemplified in the approach to pregabalin pricing whereby £20M across Scotland was removed from the drug tariff with the benefit being used by Scottish Government to pay contractors rather than accruing to local prescribing budgets.

- 4.2. The global supply chain remains fragile. Shortages in supply continue to be a significant problem for community pharmacy and dispensing doctor practices with the most recent example being the high volume, low cost non-steroidal inflammatory naproxen. Such shortages can lead to unpredictability in the cost per item during the year. Brexit has the potential to significantly worsen shortages in the coming year both directly through border disruption causing delays to delivery and indirectly through potential delivery disruption within the UK.
- 4.3. The growth in consumption of medicines has been stabilising. Anecdotally this has been linked to the end of Quality Outcomes Framework (QOF), strengthened approaches to medication review and associated reductions in polypharmacy. There remains a risk that item volume rises greater than currently predicted.
- 4.4. Primary care rebates, the system that provides the NHS in Scotland with post use discounts on spend for specific medicines, has remained generally stable but there remains a risk that these rebates change or are removed. N.B. These discounts accrue to the individual Health and Social Care Partnerships (HSCPs) based on spend.
- 4.5. The introduction of new medicines/new treatment modalities has resource implications above and beyond the costs of just the medicine. While some medicines may replace existing treatments and be easier to manage, the overall effect of new medicines introduction may increase health service resource requirements in order to treat patients safely and effectively e.g. through additional impacts on phlebotomy and laboratory services.
- 4.6. Unmanaged movement of prescribing from secondary care to primary care without appropriate financial resources moving to support such change.
- 4.7. A diminution in the new General Medical Services (GMS) contract support for medicines management activities focussed on the cost effective use of medicines and the transition to pharmacotherapy services between now and 2021.
- 4.8. Macroeconomic effects related to currency fluctuation and broader impacts of Brexit.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

As set out within Moray's Integration Scheme.

(b) Policy and Legal

The MIJB will issue new Directions, identifying resources for service delivery from 1 April 2019 (para 12.4.4 of the 2015 Integration Scheme refers). It will be the responsibility of the organisation receiving the Direction to work with the Chief Officer and Chief Financial Officer to deliver services within the resources identified.

(c) Financial implications

The financial implications are that as at 30 November 2018 there was an anticipated forecast overspend on primary care prescribing at the end of the financial year of £992K.

(d) Risk Implications and Mitigation

There is a risk of financial failure, that demand for medicines outstrips budget and the MIJB cannot deliver priorities, statutory work, and project an overspend. Risk will be mitigated by actions set out in this report to manage the budget, but the key financial risks are highlighted above.

At the time of writing, there is still uncertainty as to whether there will be a 'no deal' Brexit, which could have a negative impact upon medicine supply and costs.

(e) Staffing Implications

There are no workforce implications arising from this report.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

There are no equalities/socio economic implications arising from this report as there has been no resulting change in policy.

(h) Consultations

Consultations have been undertaken with the following partnership members who are in agreement with the content of this report where it relates to their area of responsibility:

- Lead Pharmacist, Health and Social Care Moray
- Chief Financial Officer, MIJB

6. CONCLUSION

6.1. This report recommends the MIJB

- consider the recommendations made in this paper with regard to volume, costs, risks and the net predicted need for budget resource

of £17.315m as part of the overall HSCP budget setting process for 2019/20;

- note the estimated budget requirements linkage to the locally enhanced services / SLAs with general practice level allocations and financial monitoring to be facilitated in a timely manner; and**
- tasks the Chief Financial Officer and Lead Pharmacist that final prescribing budget allocations are notified to corporate finance and pharmacy teams to enable practice level allocations and financial monitoring to be facilitated in a timely manner.**

Author of Report: Sandy Thomson, Lead Pharmacist
Background Papers: with author
Ref:

Tables A, B & C: Estimates for Prescribing

Table a – Growth, Expenditure and Savings – Primary Care Prescribing

Factor	Best case		Best guess		Worst case	
	£000's		£000's		£000's	
	Level of		Level of		Level of	
Less under accrual impact from 2017/18	-78		-78		-78	
Contribution for Organisational and development provision	47		47		47	
Quality Improvement	36		36		36	
Volume growth estimate	153		153		153	
Price movement estimate	-72		0		95	
ScriptSwitch allocation and communications	43		43		43	
Discount income	-4		-4		-4	
New Medicines affecting Primary care	33		33		33	
New generic patent lapsing	-35		-35		-35	
Generic savings	-68		-68		-68	
SLA GP service	-174		-174		-174	
Topslice full year effect Pregabalin changes from 2018/19	63		63		63	
Medical devices	31		31		31	
Total Movements	-27		45		140	

Table B - Overall Moray HSCP Suggested Primary Care Prescribing Budget Requirement 2019/20

Factor	Best case		Best guess		Worst case	
	£000's		£000's		£000's	
Full year Budget 2018-19	16399		16399		16399	
Predicted Year End Out-turn 2018-19	17270		17270		17270	
Total Movements	-27		45		140	
Suggested Total budget 2019-20	17243		17315		17410	
% increase on 2018-19 budget	5.2%		5.6%		6.2%	
% increase on predicted 2018-19 expenditure	-0.2%		0.3%		0.8%	

Table C: Moray HSCP Community Prescribing

	Full Year Budget 2018-19	Predicted Out- turn 2018-19	Suggested Budget 2019- 20	Uplift on 2018-19 Budget	Uplift on 2018-19 Out- turn
Sector	£000's	£000's	£000's	%	%
Moray HSCP Total	341	371	371	6.3%	0.1%



REPORT TO: MORAY INTEGRATION JOINT BOARD ON 28 MARCH 2019

SUBJECT: REVENUE BUDGET MONITORING QUARTER 3 FOR 2018/2019

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 To update the Moray Integration Joint Board (MIJB) on the current Revenue Budget reporting position as at 31 December 2018 and provide an updated forecast position for the financial year.

2. RECOMMENDATION

- 2.1 It is recommended that the MIJB consider and note the:

- i) financial position of the Board as at 31 December 2018 is showing an overspend of £2,758,138;
- ii) provisional forecast position for 2018/19 of an overspend of £3,138,189 on core services;
- iii) progress on savings previously approved; and
- iv) revisions to staffing arrangements dealt with under delegated powers and in accordance with financial regulations for the period 1 October to 31 December 2018 as shown in Appendix 3.

3. BACKGROUND

- 3.1. The financial position for the MIJB services at 31 December 2018 is shown at **APPENDIX 1**. The figures reflect the position in that the MIJB core services are currently over spent by £2,758,138. This is summarised in the table below.

	Annual Budget £	Budget to Date £	Expenditure to Date £	Variance to date £
MIJB Core Service	112,636,014	83,561,427	86,319,565	(2,758,138)
MIJB Strategic Funds	3,532,405	1,541,024	865,181	675,843
Total MIJB Expenditure	116,168,419	85,102,451	87,184,746	(2,082,294)

A list of services that are included in each budget heading are shown in **APPENDIX 2** for information.

- 3.2. The provisional forecast outturn to 31 March 2019 for the MIJB services is included in **APPENDIX 1**. The figures reflect the overall position in that the MIJB core services are forecast to be over spent by £3,138,189 by the end of the financial year. This is summarised in the table below.

	Annual Budget £	Provisional Outturn to 31 Mar 2019 £	Anticipated Variance to 31 Mar 2019 £	Variance against base budget %
MIJB Core Service	112,636,014	115,774,203	(3,138,189)	(3)
MIJB Strategic Funds	3,532,405	1,893,203	1,639,202	46
Total MIJB Expenditure	116,168,419	117,667,406	(1,498,987)	(1)

4. **KEY MATTERS RELEVANT TO RECOMMENDATION**

4.1. **Community Hospitals & Services**

- 4.1.1 There are overspends within community hospitals and services for the four localities Elgin, Buckie, Forres, Keith/Speyside totalling £78,597 to 31 December.
- 4.1.2 Overspends continue to be realised for these services. The main overspends relate to community hospitals in Buckie (£139,000), Keith (£91,000) and community medical staff (£18,000) which are being reduced in part by under spends in Community Admin including impact of service changes in Forres area (£15,000) along with Forres Leancoil (£96,000) Dufftown (£58,000) and Aberlour (£1,000) community hospital underspends. Within community hospitals the task of maintaining staffing cover alongside cumulative prior efficiency targets, continues to present a challenge, however progress is underway through implementation of protocols, implementation of the workforce and professional judgement tools and addressing staff utilisation with the aim of reducing bank costs. Non-financial objectives, including meeting waiting times, patient safety and delayed discharge targets (which are on the increase) still require to be maintained.
- 4.1.3 This budget is forecasted to be £31,833 over spent by the end of the financial year, this is an improved position primarily due to the monitoring of the use of bank staff and rotation of Community hospital staffing, improved vacancy control and utilisation of skill mix (not replacing like for like) and the interim closure of Leancoil hospital which has resulted in the relocation of nursing staff back to Speyside.

4.2. Learning Disabilities

- 4.2.1 The Learning Disability service is currently over spent by £232,086. The overspend is primarily due to the purchase of care for people with complex needs (£159,000), including high cost care packages, start up (one off) costs for Individual service fund (ISF) packages. Other overspends include (£177,000) for day services and other minor underspend variances of £4,000, This is being further reduced by an underspend relating to staff vacancies within Clinical Nursing and other services including Allied Health Professionals (£49,000), Other Psychology staff (£40,000) and Medical staffing (£10,000).
- 4.2.2 This budget is forecasted to be £299,857 over spent by the end of the financial year. Based on the current activity the day care is forecast to be overspent by £255,000, with an underspend within the Residential and Nursing element of £256,000. Domiciliary Care continues to be a pressure as there are complex and high cost care packages and this will result in a forecast overspend of £433,000. The underspends from staffing vacancies are expected to continue to the end of the year, with a forecast underspend of £133,000. Moray Council has a provision of £200,000 for clients transitioning from children's services to adult services, business cases for the individual clients have been made and funding of £178,000 has been released following approval.
- 4.2.3 However, even with this money transferred, the learning disabilities budget will show an overspend. As noted in the previous reports to the MIJB, the level of scrutiny for any resource to be spent remains exceptionally high, with every expenditure authorised at service manager level, through the weekly resource allocation meeting. The service is very clear that only critical and substantial needs will be met, and this understanding is evident from the authorisation process. To reiterate, the Board can have confidence that the money spent is required to be spent, and appropriate, but it is not possible to remove the need people have for on-going support.

4.3. Mental Health

- 4.3.1 Mental Health services are overspent by £461,355. For clinical nursing and other services this includes medical staff including locum staff costs £379,000, Allied Health Professionals, £28,000, other staff including Psychology £27,000 and other overspends, £77,000 relating mainly to unmet prior efficiency offset in part by underspend on nursing £118,000. The external purchasing budget is overspent by £54,000 due to new clients with high cost care packages and client income recovery is below target of £14,000. The overspends on these budgets continue to be monitored by senior managers. All staffing vacancies are being scrutinised and an administrative review has been undertaken by the service.
- 4.3.2 This budget is forecasted to be £619,738 over spent by the end of the financial year. This is a worsening position because in the second half of 2018/19 there have been care packages commissioned under Community Treatment Orders which are high cost and are compulsory under the Mental Health Act.

4.4. Care Services Provided in-house

- 4.4.1 Care services provided in-house are underspent by £566,482. There are numerous variances within this budget heading, the most significant are primarily due to the Care at Home service, which are underspent by £322,000 partly due to the implementation of the change management plan and recruitment. There is an underspend of £202,000 for Woodview due to start-up of new clients whom have moved in part way through the year. Waulkmill adult services has an underspend of £37,000 due to staffing and other minor underspends totalling £56,000 which is being reduced by £50,000 relating to a prior year savings target that has not yet been achieved.
- 4.4.2 This budget is forecast to be £750,475 under spent by the end of the financial year. The Care at Home services are forecast to underspend by £504,000 primarily due to staffing relating to recruitment issues. Woodview is forecast to underspend by £229,000 due to staffing budget for a full year and the clients moving in part of the way through the year, again issues around recruitment are being experienced. This underspend is not expected to continue into 2019/20 where the full year effect of all the tenancies will be in place. Waulkmill Adult services is forecast to be underspent by £54,000 and other minor underspends totalling £13,000 which is being reduced by the prior year savings against Day Care of £50,000 which is not expected to be achieved this financial year.

4.5. Older People and Physical Sensory Disability (Assessment & Care)

- 4.5.1 This budget is over spent by £1,433,688. This primarily relates to expenditure relating to Hanover for the new sheltered housing complexes at Forres and Elgin. The variances within this overall budget heading reflect the shift in the balance of care to enable people to remain in their homes for longer and for the new models of care piloted by Hanover.
- 4.5.2 This budget is forecast to be £2,023,781 over spent by the end of the financial year. The forecast overspend is primarily in domiciliary care and relates to the Hanover complexes, along with an increase in high cost care packages and is forecast to overspend by £2,084,000. There is also significant growth within the Shared Lives services and this is forecast to overspend by £86,000. Client income is forecast to under recover by £22,000 and client transport for domiciliary care and shared lives is forecast to overspend by £79,000. This is being reduced by the forecast underspend in the Residential and Nursing budget of £250,000 which is a reduction in client numbers and a high level of deferred income being received in the year.
- 4.5.3 A review of the service is underway using user intelligence to generate efficiencies by offering the opportunity to work more efficiently geographically with external providers. The Care at Home strategy is also being reviewed, looking for efficiencies through the focus on internal and external work being split in to the tiers and there is a commissioning process also underway for external home care which would look to streamlining provision of care at home across Moray and efficiency gains as a result. The new provision would also be more person centred.

4.6. Intermediate Care & Occupational Therapy

- 4.6.1 Intermediate Care and Occupational therapy service is currently over spent by £153,013. This is primarily due to the Aids and Adaptations including Community Alarm and telecare equipment budget overspent of £115,000. The other overspend relates to the landlord costs attributable to Jubilee Cottages, The Bungalow and Woodview, £27,000. There is an overspend on the Hanover Varis Court Augmented Care Units (ACU) of £15,000, which is being reduced by client income of £5,000 above budget. Weekly monitoring of high end equipment expenditure is in place due to the existing pressure on the budget. Service users are being supported to live more independently at home and therefore require equipment and adaptations to support this. This is in line with the demographic growth along with the complexities of conditions that service users require to be supported with at home. Also work undertaken this financial year to reduce the waiting time for those requiring Occupational Therapy services has impacted on the budget. As a result of this the waiting list has been reduced from 420 to 111 service users, approx. 73% and is in line with the eligibility criteria for critical and substantial. This also impacts on the budget in relation to provision of equipment and adaptations to meet the needs of these service users to remain at home.
- 4.6.2 This budget is forecasted to be £124,608 over spent by the end of the financial year. The forecast overspend is primarily due to the commitment spend against aids, adaptation, community alarm and telecare equipment £90,000. There will also be an overspend due to landlord expenditure on Jubilee Cottages, The Bungalow and Woodview £33,000. Hanover Varis Court ACU is forecast to overspend by £9,000, and client income to be £7,000 above the budget. With the weekly budget monitoring on high end equipment costs it is anticipated that the budget will be brought under control. The process by which equipment is procured through the Joint Equipment store has always historically made it difficult to forecast year end spend. This is because it is not a set order every quarter but a fluid procurement process that changes depending in the volume of service users being assessed and then requiring equipment or adaptations. This changes month to month and therefore not a static spend each quarter. The Board will be asked to consider the ongoing spend for maintaining the Jubilee Cottages at the end of the pilot project, in June 2019. This was the forecasted cost identified from the offset of the project. Work is also underway with housing to look at potential revenue income from the cottages but the exploratory work will form part of the evaluation and any associated income costs possible in 2019/20.

4.7. Care Services provided by External Contractors

- 4.7.1 This budget is overspent by £208,663. This is primarily due to savings targets of £53,000 relating to prior year savings for Older People contracts and £23,000 for 2018/19 savings target that have not yet been achieved. A further overspend relates to the historical Moray Training budget of £151,000, which is being reduced by client income that is above budget by £18,000. The Moray Training function, in line with the legislation will be transferred back to Moray Council by the end of the financial year. The service managers and Commissioning team are currently working with the providers in order to put these savings in place, but this development will happen over an extended period of time as this progresses through the commissioning cycle

4.7.2 This budget is forecasted to be £227,500 over spent by the end of the financial year. Savings targets that will not be achieved relating to prior year of £53,000 and current year of £23,000. Following the decision at MIJB on 31 Jan 2019 (paragraphs 11 and 12 of the draft Minute refer), the £53,000 prior year saving will not be achieved until at least 2022/23. Moray Training budget is forecast to overspend by £214,000. This is reduced by client income expected to be £34,000 above budget and respite contract underspend £25,000.

4.8. Other Community Services

4.8.1 This combined budget is underspent by £9,824. This is due to underspend to date in public health, £52,000 and dental services of £7,000 which is being reduced by overspends in part arising from efficiency applied within allied health professionals £21,000 including a reduction in income and staff costs , pharmacy service £28,000 arising from staff costs,

4.8.2 This budget is forecasted to be £32,918 over spent by the end of the financial year. This is mainly due to the planned delivery of public health services in the later part of the year eliminating the underspend and overspends in allied health professionals, £12,000 and pharmacy service £38,000, which is being offset in part by an underspend of £16,000 in dental services and £1,000 in Specialist Nurses.

4.9. Admin & Management

4.9.1 Admin and Management is currently under spent by £105,209 this is primarily due to NHS Grampian admin and management underspends in Medical and Management pays of £169,000, Moray Council admin and management is underspent by £1,000 and business support services are underspent due to staff vacancies and equipment purchasing being lower than expected, £48,000, which is being reduced by the Sure Start services overspend of £113,000 where funding ended but the service continues.

4.9.2 This budget is forecasted to be £523,196 under spent by the end of the financial year. This is primarily due to the vacancy factor target which is expected to be exceeded by £404,000 and under spend of £72,000 due to NHS Grampian Admin and Management and business support £45,000, as detailed above.

4.10. Primary Care Prescribing

4.10.1 The primary care prescribing budget is reporting an over spend of £781,468 to date. The budget to December includes the full year roll forward budget and a further £100,000 saving approved for 2018/19. This follows the Health & Social Care Prescribing Budget Supporting Information and Data paper which was presented to NHS Grampian, Grampian Medicines Management group on 10 January 2018 and to MIJB on 29 March 2018 (paragraph 10 of the Minute refers), in which an uplift to budget was recommended (£1,200,000). The current overspend reflects this and the movement in prices and volume since April which have been relatively consistent. During this period senior management have undertaken a number of cost management activities to reduce the overspend and achieve additional saving however the underlying cost pressure carried forward from prior years remains.

4.10.2 This budget is forecasted to be £1,037,556 over spent by the end of the financial year reflecting continuance of prescribing volumes and spend in line with current levels. It should be noted that the recommended uplift of £1,200,000 that was identified in the Prescribing Budget paper that was presented to this Board on 29 March 2018 was never actioned due to existing budget constraints. The forecast position for the current year should be considered in this context.

4.11. Primary Care Moray

4.11.1 The Primary Care Moray service is currently over spent by £31,945 mainly due to continuing overspends in Enhanced Services.

4.11.2 This budget is forecast to be under spent by £86,207 by the end of the financial year as final quarter global revised sum payments are confirmed to contractors which offsets the continuing overspends in Enhanced Services.

4.12. Hosted Services

4.12.1 This budget is currently overspent by £173,659. This is mainly due to Grampian Medical Emergency Department (GMED) £142,000, Police Forensic Medical Examiner service £58,000, Marie Curie Nurses £16,000, Continence service £11,000 and other services totalling £6,000 where there are continuing overspends which are being reduced by underspends in other hosted services, including the Prison service of £59,000.

4.12.2 This budget is forecasted to be over spent by £222,538 by the end of the financial year. Work is currently being led by the Chief Officers of the 3 Grampian IJB's in relation to the performance of hosted services. Included within this are options surrounding the GMED service.

4.13. Improvement Grants

4.13.1 This budget is currently underspent by £104,738 this is due to the Improvement grants and the timing of works as the budget is fully committed for 2018/19.

4.13.2 This budget is forecasted to be under spent by £103,666 by the end of the financial year. The Adaptation Governance Board is currently reviewing the processes and related deficiencies in completion of adaptations in a timely manner. The current length of time to complete major adaptations is approx. 9 months and this is due to the complexities of the pathway that span across departments outwith Health and Social Care Moray. Due to this, it is not possible to commit the budget to the required number of adaptation requests within the financial year. In improving the pathway and reducing the timescale for completion, more requests will be committed to, resulting in a fully committed budget

4.14. STRATEGIC FUNDS

4.14.1 Strategic Funds is additional Scottish Government funding for the MIJB, they include:

- Integrated Care Fund (ICF);
- Delayed Discharge (DD) Funds;
- Additional funding received from NHS Grampian during the year which may not been fully utilised during 2018/19, some of which may be needed to be funded in future years; and
- Provisions for earmarked reserves, identified budget pressures, new burdens and savings that were expected at the start of the year.

4.14.2 When the budget for 2018/19 was set by this Board on 29 March 2018 (para 8 of the Minute refers) there was a shortfall to be addressed of £4,596,000. On 28 June 2018 a revised Revenue Budget 2018/19 paper was presented to this Board (paragraph 6 of the minute refers). The 2017/18 out-turn position had resulted in remaining reserves of £846,726 being utilised as part of the 2018/19 budget and further efficiencies had been identified reducing the budget shortfall to £3,293,000. The current forecast position gives an overspend of £1,498,987 to the end of the financial year.

4.14.3 On the basis of the current position and the revised forecast position to the financial year end, the MIJB remain in a deficit position, with the projected deficit being £1,498,987. Based on proportionate funding levels of the partners, Moray Council's share would be 37% of the deficit: £554,625 and NHS Grampian's share would be 63%, £944,362. In February 2019, the MIJB Chair wrote to the Chief Executives of the partner bodies outlining the forecast financial position and made a request for support.

4.14.4 Given the remaining estimated shortfall, services have considered options for bringing the budget into line and a recovery plan was reported to this Board on 29 November 2018 (para 18 of the minute refers), which detailed management action being taken to reduce the current overspend and a plan to address the overspend on core services going forward.

4.15. CHANGES TO STAFFING ARRANGEMENTS

4.15.1 At the meeting of the Board on 25 January 2018, the Financial Regulations were approved (para 6 of the minute refers). An update of these regulations is subject to a separate report on this agenda. All changes to staffing arrangements with financial implications and effects on establishment are to be advised to the Board.

4.15.2 Changes to staffing arrangements dealt with under delegated powers through appropriate Council and NHS Grampian procedures for the period 1 October to 31 December 2018, are detailed in **APPENDIX 3**.

4.16. PROGRESS IN IMPLEMENTING APPROVED SAVINGS

4.16.1 The indicative unbalanced revenue budget for 2018/19 was accepted as a working document at the meeting of this Board on 29 March 2018 (para 8 of the Minute refers). As part of the budget setting process, savings were identified of £1,060,000, and these were implemented during quarter 1. In the budget report approved at the meeting of this Board on 28 June 2018 (para 6 of the Minute refers) further savings were identified of £456,000, and these have been implemented in quarter 2. Progress against implementing all the approved savings is detailed in the table below



4.16.2

Service Area	Description of Saving	£'000	RAG	Comments
Community Hospitals	Process Change and Management	100,000		Saving posted and achieved in part as the service is expected to overspend by £31,833
Community Nursing	Re-alignment of Responsibilities	125,000		Saving posted and achieved
Mental Health	Purchasing Budget Efficiency	52,000		Saving posted and achieved in part as the service is expected to overspend by £27,000
Health Improvement	Re-alignment of Post	46,000		Saving posted and achieved
Care Provided In-House	Re-provision of Respite Services	86,000		Saving posted, and service now closed
External Commissioning	De-commissioning of Accommodated Respite, Service Review & commissioning cycle	816,000		The De-commissioning of Accommodated respite has been achieved and exceeded by £69,000. £23,000 saving although posted will not be achieved in 2018/19
Community Services - Dental	Relocation of Staff and Activity	110,000		Saving posted and achieved
Administration & Management	Increase Vacancy Target	50,000		Vacancy target budget increased £50k and achieved
Prescribing	Medicines Management	100,000		Saving posted and achieved in part as the service is expected to overspend £1,037,556 including impact from prior year spend
Public Health	Uncommitted Budget	31,000		Saving posted and achieved
Total Approved Savings		1,516,000		
Additional Efficiencies Identified	Savings above the target	163,186		Efficiency savings identified during the year and additional to those previously approved by the MIJB

Savings will continue to be monitored for the remainder of the financial year and reported back to this Board with the next budget monitoring report.



4.17. UPDATED BUDGET POSITION

4.17.1 During the financial year, budget adjustments will arise relating in the main to the allocation of non-recurring funding that is received via NHS Grampian. In order to establish clarity of these budget allocations a summary reconciliation has been provided below.

	£'s
Approved Funding 29.3.18	112,268,000
Balance of IJB reserves c/fwd. to 18/19	846,726
Adjustments in Qtr. 1	2,370,879
Revised funding at start of Qtr. 2	115,485,605
Adjustments in Qtr. 2	(120,094)
Revised funding at start of Qtr. 3	115,365,511
Budget adjustments M7-M9	
Primary Care allocations for immunisations	513,355
Energy costs uplift	31,623
Additional pay allocation from NHSG	30,590
Plasma M7-M9	13,210
Public Health additional funding	32,666
Forres running costs M7-M9	59,613
Mental Health Action 15 additional funding for 18/19	55,000
Moray Alliance additional funding	23,068
other adjustments net	10,000
Qtr 2 funding adjustment	(112,000)
Transitions costs from MC	122,783
Carers Act additional allocation	23,000
Revised Funding to Quarter 4	116,168,419

5. **SUMMARY OF IMPLICATIONS**

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

This report is consistent with the objectives of the Strategic Plan and includes 2018/19 budget information for services included in IJB in 2018/19.

(b) Policy and Legal

There are no policy or legal implications in this report.

(c) Financial implications

The financial details are set out in sections 3-4 of this report and in **APPENDIX 1**. For the period to 31 December 2018, an overspend is reported to the Board of £2,758,138.

The staffing changes detailed in **APPENDIX 3** have already been incorporated in the figures reported.

The movement in the 2018/19 budget as detailed in paragraph 4.17 have already been incorporated in the figures reported.

(d) Risk Implications and Mitigation

The most significant risk arising from this report is the control and management of expenditure to provide the Health and Social Care services required for the Moray Area, within budget.

The current overspend is not unexpected but gives cause for concern going forward. The reserves of £846,726 have been utilised to reduce the budget shortfall for the 2018/19 budget. Further savings and a recovery plan has been approved and will require constant attention during the remainder of the current financial year and beyond.

(e) Staffing Implications

There are no direct implications in this report but **APPENDIX 3** summarises staffing decisions that have been implemented through delegated authority.

(f) Property

There are no direct implications in this report.

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not needed because there has been no change to policy as a result of this report.

(h) Consultations

The Chief Officer, the Senior Management Team, Service Managers and the Finance Officers from NHS Grampian and Moray Council have been consulted and their comments have been incorporated in this report.

6. CONCLUSION

- 6.1. The MIJB Budget to 31 December 2018 has an over spend of £2,758,138 and the revised forecast position of £3,138,189 overspend. Senior managers will continue to monitor the financial position closely and to implement recovery plans.**
- 6.2. The finance position to 31 December 2018 includes the changes to staffing under delegated authority, as detailed in APPENDIX 3.**
- 6.3. The financial position to 31 December 2018 reflects the updated budget position.**

Author of Report: D O'Shea Principal Accountant Moray Council & B Sivewright
Finance Manager (NHSG)
Background Papers: Papers held by respective Accountancy teams
Ref: DOS/LJC/

JOINT FINANCE REPORT APRIL 2018 - DECEMBER 2018

		Para Ref	Annual Net Budget £'s 2018-19	Budget (Net) To Date £'s	Actual To Date £'s	Variance £'s	Most recent Forecast £'s	Variance To Budget £'s
	Community Hospitals	4.1	5,359,197	3,994,710	4,073,307	(78,597)	5,391,030	(31,833)
	Community Nursing		3,600,749	2,732,273	2,718,184	14,089	3,601,570	(821)
	Learning Disabilities	4.2	6,122,140	4,284,440	4,516,526	(232,086)	6,421,997	(299,857)
	Mental Health	4.3	7,179,196	5,371,427	5,832,782	(461,355)	7,798,934	(619,738)
	Addictions		1,139,060	693,311	701,189	(7,878)	1,128,755	10,305
	Adult Protection & Health Improvement		148,173	96,177	91,304	4,873	143,329	4,844
	Care Services provided in-house	4.4	14,878,947	10,928,065	10,361,583	566,482	14,128,472	750,475
	Older People & PSD Services	4.5	16,246,193	12,060,339	13,494,027	(1,433,688)	18,269,974	(2,023,781)
	Intermediate Care & OT	4.6	1,867,783	1,484,120	1,637,133	(153,013)	1,992,391	(124,608)
	Care Services provided by External Contractors	4.7	9,227,580	7,088,105	7,296,768	(208,663)	9,455,080	(227,500)
	Other Community Services	4.8	7,120,333	5,360,913	5,351,089	9,824	7,153,251	(32,918)
	Admin & Management	4.9	2,148,801	1,507,731	1,402,522	105,209	1,625,605	523,196
	Primary Care Prescribing	4.10	16,352,103	12,301,868	13,083,336	(781,468)	17,389,659	(1,037,556)
	Primary Care Services	4.11	15,733,507	11,540,115	11,572,060	(31,945)	15,647,300	86,207
	Hosted Services	4.12	3,919,484	2,941,999	3,115,657	(173,659)	4,142,022	(222,538)
	Out of Area		669,268	493,502	494,503	(1,001)	665,000	4,268
	Improvement Grants	4.13	923,500	682,333	577,595	104,738	819,834	103,666
Total Moray IJB Core			112,636,014	83,561,427	86,319,565	(2,758,138)	115,774,203	(3,138,189)
Strategic Funds								
	ICF/DD Funding		1,072,726	596,376	558,114	38,262	708,071	364,655
	Other non-recurring Strategic Funds in the ledger		737,421	242,136	307,066	(64,930)	530,132	207,289
	Provisions		1,722,258	702,512	0	702,512	655,000	1,067,258
	Total Strategic funds	4.14	3,532,405	1,541,024	865,181	675,843	1,893,203	1,639,202

Total Moray IJB (incl. other strategic funds) and other costs not in ledger	116,168,419	85,102,451	87,184,746	(2,082,294)	117,667,406	(1,498,987)
---	-------------	------------	------------	-------------	-------------	-------------

Set Aside Budget	10,593,000	5,296,500	5,296,500	0	10,593,000	0
------------------	------------	-----------	-----------	---	------------	---

Funded By:	
NHS Grampian	75,622,105
Moray Council	39,699,588
Balance of reserves	846,726
	116,168,419
Overspend to be addressed	1,498,987
	117,667,406

Description of MIJB Core Services

1. Community Hospitals related to the five community hospitals In Moray
2. Community Nursing related to Community Nursing services throughout Moray.
3. Learning Disabilities budget comprises of:-
 - Transitions,
 - Staff – social work and admin infrastructure,
 - External purchasing of care for residential & nursing care,
 - External purchasing of care for respite, day care and domiciliary care,
 - Medical, Nursing, Allied Health Professionals and other staff.
4. Mental Health budget comprises of:-
 - Staff social work and admin infrastructure,
 - External purchasing of care for residential & nursing care,
 - External purchasing of care for respite, day care and domiciliary care,
 - In patient accommodation in Buckie & Elgin.
 - Medical, Nursing, Allied Health Professionals and other staff.
5. Addictions budget comprises of:-
 - Staff – social work and admin infrastructure,
 - Medical and nursing staff
 - External purchasing of care for residential & nursing care,
 - External purchasing of care for respite, day care and domiciliary care,
 - Moray Alcohol & Drugs Partnership.
6. Adult Protection and Health Improvement
7. Care Services provided in-house Services budget comprises of:-
 - Employment Support services,
 - Care at Home service/ re-ablement,
 - Integrated Day services (including Moray Resource Centre),
 - Supported Housing/Respite and
 - Occupational Therapy Equipment Store.
8. Older People & Physical Sensory Disability (PSD) budget comprises of:-
 - Staff – social work infrastructure (including access team and area teams),
 - External purchasing of care for residential & nursing care,
 - External purchasing of care for respite, day care and domiciliary care and
 - Residential & Nursing Care home (permanent care),
9. Intermediate Care & Occupational Therapy budget includes:-
 - Staff – OT infrastructure
 - Occupational therapy equipment
 - Telecare/ Community Alarm equipment,
 - Blue Badge scheme

10. The Care Services provided by External Contractors Services budget includes:-
- Commissioning and Performance team,
 - Carefirst team,
 - Social Work contracts (for all services)
 - Older People development,
 - Community Care finance,
 - Self Directed support,
 - Employability services and
 - Moray Training
11. Other Community Services budget comprises of:-
- Community services for each locality (Allied Health Professionals (AHP's), Dental services, Public Health, Pharmacy and other specialist nursing roles).
12. Admin & Management budget comprises of :-
- Admin & Management staff infrastructure
 - Business Support Contribution to the Chief Officer costs
 - Target for staffing efficiencies from vacancies
13. Primary Care Prescribing includes cost of drugs prescribed in Moray.
14. Primary Care Services relate to General Practitioner GP services in Moray.
15. IJB Hosted, comprises of a range of services hosted by IJB's but provided on a Grampian wide basis. These include:-
- GMED out of hours service.
 - Intermediate care of elderly & rehab.
 - Marie Curie Nursing Service – out of hours nursing service for end of life patients
 - Continence Service – provides advice on continence issues and runs continence clinics
 - Sexual Health service
 - Diabetes Development Funding – overseen by the diabetes Network. Also covers the retinal screening service
 - Chronic Oedema Service – provides specialist support to oedema patients
 - Heart Failure Service – provided specialist nursing support to patients suffering from heart failure.
 - HMP Grampian – provision of healthcare to HMP Grampian.
16. Out of Area Placements for a range of needs and conditions in accommodation out with Grampian
17. Improvement Grants managed by Council Housing Service, budget comprises of:-
- Disabled adaptations
 - Private Sector Improvement grants
 - Grass cutting scheme

Other definitions:

Tier 1- Help to help you (information and advice), universal services to the whole community and an emphasis on prevention.

Tier 2- Help when you need it (immediate help in a crisis, re-ablement) and regaining independence.

Tier 3- Ongoing support for those in need through the delivery of 1 or more self-directed support options.

HEALTH & SOCIAL CARE MORAY**DELEGATED AUTHORITY REPORTS - PERIOD OCTOBER 18 – DECEMBER 18**

<u>Title of DAR</u>	<u>Summary of Proposal</u>	<u>Post(s)</u>	<u>Permanent/ Temporary</u>	<u>Duration (if Temporary)</u>	<u>Effective Dates</u>	<u>Funding</u>
Assistant CCO – Access Team	Appoint temporary ACCO for 1 year from vacant G9 post	Temporary ACCO Grade 5	Temporary	1 year	August 18 – August 19	Vacant Grade 9 Social Worker
Winter Pressures	Increase two Grade 3 Social Care Asst for 3 months to grade 5	Grade 3 Social Care Assts	Temporary	3 months		Winter Pressure via NHSG
CLDT	Temporary increase SW hours from 34.00 – 36.25 until September 19. Extend Grade 4 Housing Support Worker Grade 4 to September 19	Grade 9 Social Worker	Temporary	1 year	Sept 18 – Sept 19	Income received for a specific LD client from another LA.
		Grade 4 Housing Support Worker	Temporary	1 year	Sept 18 – Sept 19	
Systems Integration Project Assistants	Extend two x 0.5fte Grade 6 Systems Integration Project Assts to March 19	2 x 0.5fte Grade 6 Systems Integration Project Assistants	Temporary	1 year	March 19	Funding for temporary post drawdown as pressure and carried forward to fund temporary posts
Advanced Practitioner – West Team	Increase post from 29.50 hrs to 36.25hrs utilising Team Manager hours from previously reducing the hours	Grade 10 Advanced Practitioner	Permanent	N/A	N/A	Team Manager had previously reduced her hours and this funding will be vired to fund.
Project Manager Infrastructure & Premises	Temporary post as part of Moray Alliance	Band 7	Temporary	1 year	Sept 18-	Moray Alliance non recurring funding

APPENDIX 3

Community Nurse	New post as agreed with Service Manager for increased workflow- team stability	Band 5	Permanent	n/a	Oct 18-	Primary Care funding within GP practice
Dental Health Care Support Worker	To further support Child Smile initiative	Band 3	Permanent	n/a	Oct 18-	Dental Directorate Funds available for Child Smile
Staff Nurses	Forres ACU project development	Band 5 (150 hours)	Permanent	n/a	Nov 18-	Funding within overall Forres redesign and report to IJB on 29/11/18.
Senior Analyst	Temporary post as part of Moray Alliance	Band 6	Temporary	11 months	Nov 18	Moray Alliance non recurring funding