



Agenda item: 7.

Integration Joint Board

Date of Meeting: 27 June 2018.

Subject: Revenue Expenditure Monitoring Report.

1. Summary

1.1. The creation of the Integration Joint Board, known as Orkney Health and Care, means that a single legal entity will have responsibility for the strategic planning, resourcing and operational oversight of delegated health and social care functions.

2. Purpose

2.1. To advise Members of the financial position of Orkney Health and Care.

3. Recommendations

The Integration Joint Board is invited to note:

3.1. The Revenue Expenditure Report, attached as Appendix 1 to this report.

3.2. The financial position of Orkney Health and Care as at 31 March 2018, as follows:

- A year end overspend of £478,000.

3.3. That NHS Orkney made an additional payment regarding the overspend to achieve a break-even position for financial year 2017/18.

3.4. That Orkney Islands Council made an additional payment of £184,000 regarding the shortfall within Children Placed Outwith Orkney.

3.5. That a savings target of £1,444,000 has been applied for financial year 2018/19.

4. Background

4.1. Within the Integration Scheme it states that throughout the financial year the Board shall receive comprehensive financial monitoring reports. The reports shall set out information on actual expenditure and budget for the year to date and forecast outturn against annual budget together with explanations of significant variances and details of any action required.

4.2. Any potential deviation from a break-even position should be reported to the Board, Orkney Islands Council and NHS Orkney at the earliest opportunity.

4.3. Where it is forecast that an overspend shall arise then the Chief Officer and Chief Finance Officer of the Board, in consultation with NHS Orkney and Orkney Islands Council, shall identify the cause of the forecast overspend and prepare a recovery plan setting out how they propose to address the forecast overspend and return to a breakeven position.

4.4. The Board may also consider issuing further Directions to NHS Orkney or Orkney Islands Council. The recovery plan shall be approved by the Board.

4.5. A recovery plan shall aim to bring the forecast expenditure of the Board back in line with the budget within the current financial year. Where an in-year recovery cannot be achieved then any recovery plan that extends into later years should ensure that over the period of the strategic plan forecast expenditure does not exceed the resources made available. Any recovery plan extending beyond in year shall require approval of Orkney Islands Council and NHS Orkney in addition to the Board.

4.6. Where such recovery plans are unsuccessful and an overspend occurs at the financial year end, and there are insufficient reserves to meet the overspend, then the partners will be required to make additional payments to the Board.

5. Contribution to quality

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

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

6. Resource implications and identified source of funding

6.1. The financial position of Orkney Health and Care as at 31 March 2018 is showing:

- A year end overspend of £478,000.

6.2. The savings target for 2018/19 is as follows:

Partner.	£000.	% of Baseline Budget.
Orkney Islands Council.	384.	2.2.
NHS Orkney.	1,060.	5.0.
Total.	1,444.	

7. Risk and Equality assessment

7.1. The Board is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded; properly accounted for; and used economically, efficiently and effectively.

8. Direction Required

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

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

9. Conclusion

9.1. Demand is rising significantly whilst in real terms, available public spending is reducing. Over the next few years the Integration Joint Board will require to balance its ambitious commissioning decisions to support change alongside a decommissioning strategy that enables NHS Orkney and Orkney Islands Council to deliver year on year efficiencies to sustain priority services.

10. Author

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

11. Contact details

11.1. Email: pat.robinson@orkney.gov.uk, telephone: 01856 873535 extension 2601.

12. Supporting documents

12.1. Appendix 1: Revenue Expenditure Monitoring Report.