

REPORT

Item No:

SUBJECT:	Financial Plan 2018/2019 - Savings Update
TO:	Integration Joint Board
Lead Officer for Report:	Chief Accountable Officer
Author(s) of Report	Chief Financial Officer
DATE:	5 th June 2018

1. PURPOSE OF REPORT

1.1 This paper is coming to the Integration Joint Board (IJB):

For approval	<input checked="" type="checkbox"/>	For endorsement	<input type="checkbox"/>	For noting	<input type="checkbox"/>
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1.2 This report provides details of the 2018/2019 savings identified to address the funding gap of £1.745m in line with the 2018/2019 Financial Plan.

2. ROUTE TO THE INTEGRATION JOINT BOARD:

2.1 This paper has been:

Prepared By; Chief Financial Officer	Reviewed By; Chief Accountable Officer
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3. RECOMMENDATIONS

3.1 The IJB is asked to agree the following recommendation:

- (1) That the proposed savings across health care services of £1.745m for the financial year 2018/2019 outlined on the appendix are approved.

4. BACKGROUND/SUMMARY OF KEY ISSUES

4.1 The 2018/2019 Financial Plan was presented to and approved by the IJB on 27 March 2018. It was noted that efficiency savings options for health care services totalling £1.745m were being further developed as part of the financial strategy in order to achieve a balanced budget for 2018/2019.

4.2 The NHS Lanarkshire Health Board Financial Plan for 2018/2019 was approved on 28 March 2018 and included the requirement to confirm efficiency savings totalling £1.745m in respect of the IJB. No adjustments were identified by the NHS Lanarkshire Health Board following consideration of this report.

5. CONCLUSIONS

5.1 The proposed efficiency savings options across health care services have now been finalised and the IJB is asked to approve the savings proposals detailed in the appendix.

6. 2018/2019 EFFICIENCY SAVINGS

6.1 The financial plan for 2018/2019 was approved by the IJB on 27 March 2018. Cost pressures totalling £20.090m were confirmed which were offset by additional funding of £10.081m leaving net cost pressures of £10.009m.

6. 2018/2019 EFFICENCY SAVINGS (Cont.)

6.2 Savings totalling £7.231m have been identified.

- Base budget adjustments across social care services totalling £0.894m for 2018/2019 were identified.
- The efficiency savings identified for social care services totalling £4.592m were approved by the IJB on 27 March 2018.
- The proposed efficiency savings options totalling £1.745m across health care services are detailed in the appendix for consideration and endorsement.

6.3 The financial plan for 2018/2019 also highlighted that there will be a balance of cost pressures of £2.778m which required to be addressed. The funding strategy agreed includes:

- management actions £1.100m
- the implementation of the transformational change programme £0.278m
- the use of underspends on a non-recurring basis £1.400m

7. IMPLICATIONS

7.1 NATIONAL OUTCOMES

This relates to all nine national outcomes.

7.2 ASSOCIATED MEASURE(S)

The IJB and both partners are required to achieve a balanced budget for each financial year. The identification and implementation of savings is a necessary element of the financial strategy.

7.3 FINANCIAL

This paper has been reviewed by Finance:

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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7.4 PEOPLE

The workforce strategy is an integral part of the medium to long term financial outlook.

7.5 INEQUALITIES

EQIA Completed:

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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The NHSL approach to undertaking EQIAs has been followed in respect of the proposed efficiency savings for the financial year 2018/2019.

7.6 CARBON MANAGEMENT IMPLICATIONS

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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8. BACKGROUND PAPERS

None.

9. APPENDICES

NHSL Savings Proposals

Appendix

10. VARIATIONS TO DIRECTIONS

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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The proposed efficiency savings across health care services will be confirmed to the partner following approval by the IJB as appropriate.



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CHIEF ACCOUNTABLE OFFICER (or Depute)

Members seeking further information about any aspect of this report, please contact Marie Moy on telephone number 01698 453709.

NHSL Savings Proposals

Ref	Description	2018/19 Saving £m	F.T.E.
1	<p>Mental Health Services: Complex Care Repatriation</p> <p>In line with the NHSL local strategy and the bed modelling plan to reduce the overall number of beds, it is proposed to repatriate contracted care beds for Mental Health Complex Care Services. In order to implement this strategy, existing contractual arrangements will require to be reviewed and there may also be an “invest to save” associated with refurbishment costs. There is expected to be no reduction on quality, safety or legislative responsibilities. The strategy will be implemented over a two year period. The full year effect of this proposal is £0.561m however only £0.297m has been identified as the initial target for 2018/2019 with the balance of £0.264m being implemented in future years.</p>	0.297	N/A
2	<p>Admin & Clerical Support: Reduce By 2% across Health Services within the North partnership</p> <p>A project group has been established to review admin and clerical support. The reduction will be achieved via skill mix and economies of scale being achieved through the creation of locally managed administrative teams. The proposed new model introduces an improved local supervisory structure to support local admin teams. This includes line management duties for skill mixed teams. The skill mix will not reduce the overall number of staff and the admin support to clinical teams will not be diminished.</p>	0.188	TBC
3	<p>Podiatry Services: Decontamination Savings and Wound Formulary</p> <p>Within the current decontamination contract , a saving of £0.034m can be achieved. The decontamination of nail nippers cane be removed and replaced with single use items to achieve a saving of £0.015m. A new wound formulary is in place with potential savings of £0.010m.</p>	0.059	N/A
4	<p>Dietetics Services: Contract Savings</p> <p>It is proposed to reduce the overall budget for Dietetics Services by 2% through a reduction in the enteral feeding supplies costs.</p>	0.100	N/A

Ref	Description	2018/19 Saving £m	F.T.E.
5	<p>Review Of Integrated Care Fund In North, the Integrated Care Fund continued to be managed as a Project Fund, despite being made recurring. There are 35 projects in total, 16 led by NHSL, 11 jointly led by NHSL/NLC and 8 led by NLC. Following the Contribution Analysis Programme review, savings have been identified from the NHSL led projects.</p> <ul style="list-style-type: none"> ▪ Remove Miscellaneous budget £0.073m ▪ Remove Nurse Consultant vacancy £0.041m ▪ Remove Pharmacy programme £0.056m ▪ Remove Project Evaluation £0.034m ▪ Remove ICF Programme Admin Support £0.016m ▪ Remove Locality Modelling budget £0.087m ▪ Remove Anticipatory Care Planning budget £0.057m ▪ Remove Uncommitted Funds £0.187m ▪ Reduce Local Enhanced Service for Social Work Intermediate Care £0.026m ▪ Reduce GP involvement budget by £0.012m 	0.589	TBC
6	<p>Speech and Language Therapy Staffing Levels and Skill Mix Changes The service is currently reviewing the supplies and travel budgets in order to reduce costs. Staffing levels across all teams are also being reviewed as a result of retirements and vacancies.</p>	0.034	TBC
7	<p>Addiction Services – Management Arrangements It is proposed to review the management arrangements within Addictions Services and absorb the current workforce into localities for management purposes. It is anticipated this will release a post.</p>	0.069	1
8	<p>Addiction Services – Staffing Levels It is proposed to review the staffing levels within Addictions Services. It is anticipated this will release 1.5 posts. The travel budget will also be reduced by £0.003m.</p>	0.053	1.5
9	<p>Non-Pay Budgets: Reduction of 1% A review of all stock ordering and management processes across the 6 North Localities is being progressed. Based on previous experience, this is expected to reduce non-pay budgets across selected areas.</p>	0.069	N/A

Ref	Description	2018/19 Saving £m	F.T.E.
10	<p>Multi Functional Devices</p> <p>The Multi Functional Devices (MFD) contract was renewed in 2017. As a result of an ongoing review of the suitability of MFD based on printer usage and also by raising awareness of printer costs, it is expected that savings will be achieved. Functionality not currently used on MFD will be removed and printer costs will be monitored via site user representatives.</p>	0.015	N/A
11	<p>Paediatrics Services – Management Arrangements</p> <p>It is anticipated that a service review and merging of roles will release 1 post from the management structure.</p>	0.058	1
12	<p>Blood Borne Virus Services</p> <p>The option to implement savings of £0.032m is currently being considered.</p>	0.032	TBC
13	<p>Contenance Services</p> <p>Through the new national product contracts, recurring savings of £0.120m can be released from the service budget.</p>	0.120	N/A
14	<p>Health Promotion Area Wide Services</p> <p>Savings options which total £0.106m have been identified across a range of Health Promotion Area Wide Services, of which £0.054m (51%) is attributable to the North Lanarkshire IJB. The savings identified are as follows:</p> <ul style="list-style-type: none"> ▪ A reduction of £0.029m (51%) by reducing a post within Integrated Children's Services as a result of retirement (£0.015m), a reduction in hours within the First Steps programme (£0.004m) and the reduction in the clerical support service (£0.010m) ▪ A reduction of £0.025m (51%) across non-pay costs by reducing expenditure on information resources, consumables, staff learning and development within Gender Based Violence services, reducing the non-pay allocation to the Health Improvement Fund (North) and reducing the funding available for commissioning tobacco control programmes in line with the new Tobacco Control Strategy. 	0.054	1
Total		1.745	Min 4.5 (TBC)