



PERTH & KINROSS INTEGRATION JOINT BOARD

WEDNESDAY 23 MARCH 2016

FINANCIAL ASSURANCE

Report by Chief Finance Officer

PURPOSE OF REPORT

This report sets out the budgets to be devolved to the partnership, the outcome of the financial assurance process thereon and the implications for the partnership as at 1 April 2016.

1. BACKGROUND

- 1.1 On 1 April 2016, budgets will be formally delegated to the Integrated Joint Board (IJB) by Perth & Kinross Council and NHS Tayside to support implementation of the IJB's Strategic Plan. These resources must be formally accepted by the IJB following a formal process of financial assurance.

Both Perth & Kinross Council and NHS Tayside have set out their proposed budget offers as part of their 2016/17 Budget Setting Process. These have been considered in the context of the detailed financial assurance work which has been undertaken and a view has now been taken on the transparency, fairness and sufficiency of the budgets proposed. This report sets out the outcome of this financial assurance process on each component of the delegated resources, the opinion of the Chief Finance Officer (CFO) on the fairness and sufficiency of the budgets and the overall state of readiness of the IJB to proceed on 1 April 2016.

2. RECOMMENDATIONS

It is recommended that the IJB:

- 2.1 Notes the content of this report.
- 2.2 Notes the opinion of the Chief Finance Officer as to the transparency, proportionality and adequacy of the financial resources proposed to be delegated by Perth & Kinross Council to the IJB for 2016/17 including any remaining risks associated with these resources.
- 2.3 Notes the opinion of the Chief Finance Officer as to the transparency, proportionality and adequacy of the financial resource proposed to be delegated by NHS Tayside to the IJB for 2016/17 including any remaining risks associated with these resources.
- 2.4 Notes the indicative budget for Large Hospital set aside and the intention to bring a paper to the next meeting of the IJB setting out the due diligence undertaken, the methodology supporting the budget allocation and the underlying financial risks to the IJB.
- 2.5 Accepts the level of budgeted resources calculated by Perth & Kinross Council as relating to delegated services for 2016/17, subject to the caveats noted in section 3.2 and based on the risk sharing agreement as set out in the Integration Scheme.

- 2.6 Notes and adopts the savings proposals associated with resources to be delegated to the IJB for 2016/17 as agreed by Perth & Kinross Council.
- 2.7 Notes the challenges and risks associated with the resources proposed to be delegated to the IJB within the NHS Tayside 2016/17 budget framework as agreed by NHS Tayside Board, subject to the caveats noted in section 3.3 and based on the risk sharing agreement as set out in the Integration Scheme and accepts this on an interim basis pending further development of the NHS Tayside Budget.
- 2.8 Notes that in addition to a 5.5% efficiency target applied to budgeted resources by NHS Tayside, a further equivalent 1% reduction in actual expenditure is required by delegated services to alter spend patterns on supplementary pay costs.
- 2.9 Instructs the Chief Officer and Chief Finance Officer to work in partnership with NHS Tayside to develop and present a robust financial recovery plan to the IJB by June 2016 in relation to the resources delegated by NHS Tayside.

Notes that the NHS Tayside budget proposed for hosted services is indicative at this stage pending finalisation of a number of issues and subject to the agreement of the IJB to the Memorandum of Understanding being developed for Hosted Services.

- 2.10 Note the overall summary of key risks and the intention to bring back a fully updated risk register to the IJB at the next meeting setting out the management arrangements, actions and controls that will be implemented to robustly manage the significant financial risks.

3. PROPOSED RESOURCES FOR 2016/17

- 3.1 The Integration Scheme lays out the functions that have been delegated to the IJB. The budgets to be devolved in respect of these functions have four component parts:-
- The Perth & Kinross Council budgets for adult social care;
 - The core NHS Tayside budgets for Community Health Services (including General Medical Services (GMS) and GP Prescribing);
 - An agreed share of the budget for NHS Tayside 'hosted services' that have been delegated;
 - An agreed share of acute services budgets for those functions that are delegated to the IJB (Hospital Set Aside)

The proposed budget settlements for 2016/17 are summarised in Table 1 below. The opening budget for the IJB would be £191,175k comprising of a payment of £173,503k with a further indicative £17,672k set aside by NHS Tayside.

Table 1 Summary of overall resources

	£000
Perth & Kinross Council	50,910
NHS Tayside Core & Hosted Services	116,053
Social Care Fund	6,540
Sub-total	173,503
NHS Tayside Large Hospitals	17,672
Total	191,175

The outcome of the formal due diligence exercise including historical budget and actual performance is contained in Appendix 2. The assessment of this information in the context of the 2016/17 Budget Proposition for each component is set out in the sections below.

3.2 PERTH & KINROSS COUNCIL

- 3.2.1 Perth & Kinross Council agreed a three year revenue budget on 11 February 2016. As part of the budget setting process, a proposed budget has been laid out for the IJB which is summarised in Table 2 below.

Table 2 Summary of Perth & Kinross Council Budget Proposition

	£000
Opening budget at 1 st April 2016	51,421
Expenditure Pressures	7,123
Savings Target	(1,094)
Gross Budget Proposed	57,269
Less Social Care Funding assumed	6,540
Net Budget proposed	50,910

Although the Perth & Kinross Council proposal totals £57.2m, this assumes a contribution of £6.54m from the Social Care Fund which is discussed in more detail below. As this decision is within the remit of the IJB, the proposed budget has been adjusted to give a total funding allocation anticipated from Perth & Kinross Council of £50.9m. The Scottish Government allocated this funding to meet social care pressures. This will flow through NHS Tayside and section 3.5 provides more detail.

- 3.2.2 The outcome of the formal due diligence process on all budgets is set out at Appendix 2. For the budgets to be devolved by Perth & Kinross Council, a number of underlying pressures were identified and have been previously reported to the IJB. All material underlying pressures identified at that time have been addressed within the 2016/17 proposed budget above.

However during January and February a further significant pressure has emerged in respect of demand for care home placements. Until two years ago, the council has been able to increase investment in community services with a parallel reduction in care home placements thus shifting the balance of care in line with national strategy. However the need for placements has risen over the last two years and the challenge for the partnership is to respond to this trend.

This cost is not currently specifically recognised in the proposed settlement. However within expenditure pressures, as a result of the allocation of Social Care Funding, it has been possible to set aside a general recurring provision for additional demographic growth of £929k. A further £123k has also been set aside for older people's demographic growth as part of the wider budget setting process. Both provisions will now require to be aligned to fund this emerging care home capacity pressure, with the balance subject to further discussion with Perth & Kinross Council around availability of non-recurring flexibility within 16/17 social care budgets and within wider Perth & Kinross Council non-recurring reserves.

- 3.2.3 Obtaining reassurance that the proposed recurring budget from Perth & Kinross Council accurately represents the total forecast recurring costs for 2016/17 is key to being able to confirm that this budget should be accepted by the IJB. It is likely that sufficient resources can be identified although this may be non-recurring in part.
- 3.2.4 A number of saving proposals were agreed as part of the budget approved by Perth & Kinross Council. Delivery of Social Care Savings Plans this will be key to the IJB delivering financial balance in 2016/17. These are set out at Appendix 1 for adoption by the IJB.

3.2.5 **The CFO's assessment of the resources proposed to be delegated by Perth & Kinross Council to the IJB is currently as follows:-**

Transparency

In relation to transparency, there is a clear progression between the level of budgeted resources in previous financial years and the baseline 2016/17 revenue budget and a clear understanding of the budget adjustments, including efficiency savings targets and plans which shape the proposed budget. In this regard, the CFO is satisfied that this requirement has been met.

Proportionality

In relation to proportionality, the resources are proportionate to previous years budgeted levels. In this regard the CFO is satisfied that this requirement has been met.

Adequacy

In relation to adequacy, the underlying pressures identified in the due diligence process as set out at Appendix 1 are fully reflected in the settlement proposed. However a further significant cost pressure for 16/17 has emerged in respect of care home capacity. Whilst no other high risk areas remain, this is considered to be material. Discussions have concluded that there is sufficient growth funding and non-recurring flexibility to offset this. Therefore the CFO is satisfied that this requirement has been met.

3.3 NHS TAYSIDE DIRECT & HOSTED SERVICES

3.3.1 On 10 March 2016, NHS Tayside Board agreed a Financial Framework for 2016/17 – 2020/21. This sets out an unprecedented level of financial challenge, with a significant number of cost pressures expected within 2016/17 in particular in addition to the need to resolve historical underlying cost pressures (legacy issues) and a significant gap on delivery of recurring savings. In total, this financial framework reflects a £50.4m efficiency savings target, equating to around 5.5% of service budgets. In addition, a further £8m of changes to spend profile are required to reduce the financial burden of costs not budgeted for, particularly in relation to supplementary pay costs (e.g. use of agency, overtime and the nurse bank). The expected reduction in these costs not budgeted for within Perth & Kinross IJB is approximately £858k.

3.3.2 As part of the NHS Tayside Financial Framework, a proposed budget has been laid out for the direct services being devolved to the IJB and for the services being hosted by Perth & Kinross IJB.

However whilst the Chief Officer will be responsible for the operational delivery of particular hosted services, the IJB will have responsibility for the strategic planning of its share of each NHS Tayside hosted service and therefore it is a share of each hosted service that should be delegated to the IJB.

Further urgent work has therefore been done to restate the budget proposition from NHS Tayside to reflect the appropriate sum for hosted services. This has been done on a population share basis based on the Draft Memorandum of Understanding that has been developed in respect of hosting arrangements. For Perth & Kinross IJB, this equates to a 33% of all hosted services budgets. A paper will be brought for approval to the next meeting of the IJB to seek approval of the proposals within the Memorandum of Understanding.

3.3.3 The budget proposition set out below for direct services and for the IJB's share of hosted services can only be regarded as indicative at this stage. It will be subject to a more detailed budget setting process and will be subject to re-alignment in respect of hosted services. In addition, it is recognised that there are still a number of issues within the budget allocation process which have still to be refined, including the allocation of former CHP Management costs, and outstanding issues within Mental Health and Learning Disabilities. Once these allocations have been finally resolved, the CFO will bring back a further financial assurance update.

Table 3 Summary of NHS Tayside Indicative Budget Proposition

	£000
Opening budget at 1st April 2016	111,806
Pressures and uplift	5,184
Savings Target	(4,356)
Sub-total	112,634
Partnership Funding	3,419
Indicative Budget Proposed	116,053
Large Hospitals	17,672
Total budget proposed	133,725

3.3.4 The outcome of the formal due diligence process on all budgets is set out at Appendix 2. For the budgets to be devolved by NHS Tayside for direct and hosted services, a number of underlying pressures were identified and have been previously reported to the IJB. These are set out at Appendix 1 along with their current status in the context of the NHS Tayside proposed budget for 2016/17. The decision by NHS Tayside to fund a significant number of underlying cost and to re-instate budget to offset a significant historic gap on delivery of recurring savings means that a large number of Perth & Kinross underlying pressures identified in the due diligence process have been resolved within the 2016/17 proposed budget above and this is set out in Appendix 2. Those material pressures remaining are summarised along with new and emerging pressures at Appendix 3.

However the result of this approach has been the need for a very significant savings target across NHS Tayside. For Perth & Kinross IJB a savings target of £4.4m has been set. There is currently no fully developed savings plan readily available to provide the IJB with the assurance that the savings targets applied are achievable. This leads to a high level of risk associated with the indicative budgeted resource proposed to be transferred to the IJB from NHST. In relation to the prescribing budget, while a number of savings proposals are currently being developed, the level of savings being applied is far greater than any savings achieved previously within the prescribing budget. The savings proposals fall short of the efficiency target and also carry a high level of risks that these are not achievable.

3.4 LARGE HOSPITAL SET ASIDE

Previous Due Diligence updates to the IJB have noted that information was still required regarding Large Hospital resources. In recent discussions with NHS Tayside an indicative position has been reached that allows, using an agreed methodology, the quantification of Large Hospital resources for Perth & Kinross IJB. The value of the set aside for the consumption of resources by the Perth & Kinross population is calculated as being £17.7m. At this stage this can only be regarded as indicative and a paper will be brought to the next meeting setting out the due diligence work that has been undertaken in respect of these budgets, the risks identified and the implications for the IJB.

3.5 SOCIAL CARE FUND

- 3.5.1 The new social care fund is a crucial element of the IJB financial plan. A fund of £250m to enhance social care will be passed to the NHS for onward distribution to IJBs. The guidance for use of this fund is laid out in the formal offer letter to Scottish Local Authorities dated 27 January 2016 from Mr John Swinney.

Of the £250m, £125m (first tranche) is provided to support additional spend on expanding social care to support the objectives of integration, including through making progress on charging thresholds for all non-residential services to address poverty. This additionality reflects the need to expand capacity to accommodate growth in demand for services as a consequence of demographic change.

The balance of £125m (second tranche) is provided to help meet a range of existing costs faced by local authorities in the delivery of effective and high quality health and social care services in the context of reducing budgets. This includes an aspiration to deliver the Living Wage for all social care workers as a key step in improving the quality of social care. The allocation of this resource will enable councils to ensure that all social care workers including in the independent and third sectors are paid £8.25 an hour from 1 October 2016. This assumes that private and third sector providers will meet their share of the costs. In 2016-17, Councils can allocate up to £125m of their 2015-16 costs of providing social care services to Integrated Joint Boards including the up rating of staff to the Living Wage.

The allocation of the national £250m additional resources for Perth & Kinross IJB is £6.54m. Of this, £3.25m is available to invest in services to meet demographic pressures and advance the objectives of the Strategic Plan while amending charging thresholds as required to reduce the burden of social care charges for those on low incomes.

The balance of £3.25m is required to fund the commitment to pay the living wage, estimated to cost around £1.2m in 2016/17 with around £2.1m of the allocation used by Perth & Kinross Council to adjust the IJB budget allocation to reflect social care pressures as described in the agreement between the Scottish Government and COSLA.

Due to the discussions that are ongoing with Perth & Kinross Council in relation to the emerging shortfall in capacity for care home places in 2016/17, it is not possible at this stage to set out a final proposal for the utilisation of the funds for approval by the IJB. This will be brought forward to the next meeting.

- 3.5.2 **The CFO's assessment of the resources proposed to be delegated by NHS Tayside to the IJB is currently as follows:-**

Transparency

In relation to transparency, recognising the complexities of disaggregating the NHS Tayside budget to its constituent parts, the Director of Finance has demonstrated to the CFO a clear process of disaggregation and subsequent aggregation of resources to develop the 2016/17 revenue budget and has provided sufficient detail of the budget adjustments, including investment to cover cost pressures and other legacy issues and efficiency savings targets which shape the proposed budget. Further work is however required to appropriately re-align the budgets to be devolved to reflect the appropriate share of NHS Tayside Hosted Services.

Proportionality

In relation to proportionality, the resources are proportionate to previous years budgeted levels. Efficiency savings targets applied are consistent with other NHS Tayside services with

a 5.5% target applied across all services. However there is concern that this uniform approach does not attempt to recognise the strategic resource shifts expected from secondary care to community resources and is applied equally regardless of ability to generate sufficient savings, such as prescribing budgets. In recognising however that with the scale of the financial challenges being faced, a more targeted approach is unlikely to be achieved in the short term, in this regard the CFO is satisfied that this requirement has been met.

Adequacy

In relation to adequacy, while resources have been directed towards meeting various cost pressures and previous years savings shortfalls within the 2016/17 budget framework, the resultant efficiency savings target of 5.5% represents a significant challenge given it is set at a level which has never been achieved by services to be delegated to the IJB. This includes the target being applied to prescribing budgets. Of great concern is the lack of a developed and robust savings plan to deliver savings across these services which at this stage of the year, leads to an extremely high risk of the required savings not being met. In this regard, the CFO cannot recommend to the IJB that the resources to be delegated are adequate.

However, in order to ensure that the IJB can confidently approve the Strategic Plan ensuring the IJB can operate legally from 1 April 2016, it is proposed that the CO and CFO work in partnership with NHS Tayside to develop a financial recovery plan for former NHS resources and present this to the IJB at the end of June 2016. This should include actions to address remaining risks and development a robust savings programme. Should this financial recovery plan fall short of addressing remaining risks and the challenging savings target, the IJB will require to invoke the risk sharing agreement as outlined in the Integration Scheme, whereby responsibility for meeting overspends in the first 2 years lies with the partner delivering the service (in this case NHS Tayside) and advise NHS Tayside accordingly.

- Appendix 1 Perth & Kinross Council Savings Plans for Community Care
- Appendix 2 Due Diligence Risk Assessment Summary
- Appendix 3 Summary of Financial Risks 2016/17

Contact Officer: Jane Smith, Chief Finance Officer
Email: janemsmith@nhs.net

Address of Service: Pullar House, 35 Kinnoull Street, Perth, PH1 5DG

Date of Paper: 23 March 2016

PERTH & KINROSS COUNCIL SAVINGS PLANS FOR COMMUNITY CARE

	2016/17 £000	2017/18 £000	2018/19 £000
Procurement Reform	107	270	270
Review of Workforce/Productivity Projects	113	tbc	
Targeted Reduction in Budgets	222		
Non-Residential Care Contributions Policy – Increased Income	200		
OT / Joint Equipment: Installations and Delivery: Increased Income	63		
Housing with Additional Support – Residential Placements.	80	80	
Communities First Initiative	72	522	
Funding to External Providers / 3 rd Sector	56		
Additional SG Delayed Discharge	181		
Mainstream Care at Home to External Providers		188	645
Review of Community Care Day Services		239	463
Review of Older Peoples Residential Care Services			696
Review of Community Care Packages for Adults			150
Recommissioning of Supported Living Service for LD Clients		234	
Total	1,094	1,533	2,224

DUE DILIGENCE RISK ASSESMENT SUMMARY

A key part of the Due Diligence process is to allow the IJB to ensure that financial risks are identified and are managed effectively. From the more detailed Due Diligence Annexes previously presented to the Board, a summary of financial risks has been collated below. The Integration Joint Board requires to consider the current status of these financial risks in the context of the budgetary discussions with NHS Tayside and Perth & Kinross Council. This report includes a "Current Status for 2016/17" after budget discussions. The material unresolved risks below have been summarised in Appendix 3 along with new and emerging risks. This high level summary of outstanding risks will now form the basis of the IJB's risk register and the necessary executive leadership and management actions and controls to manage these risks will be set out at the next IJB Board meeting.

Summary Key Financial Risks local to Perth & Kinross directly delegated budgets

Ex Community Care Resource (Perth & Kinross Council)					
Category of Risk	Service	Value	Lead Officer	Comment	Current Status for 2016/17
Pressure	Care at Home Activity	£728k	HoCC	Consideration being given to funding within P&KC budget setting process	Included in budget proposals
Pressure	Older People Residential and Nursing Placements	£400k	HoCC		
Pressure	Older People Respite	£41k	HoCC	Demand pressures being reviewed	Included in budget proposals.
Pressure	Learning Disabilities Respite	£16k	HoCC		
Pressure	Learning Disabilities Supported Living	£20k	HoCC		
Pressure	Mental Health Placements and Care Packages	£25k	HoCC		
Savings	Unmet Care at Home Saving 2015/16	£236k	HoCC	Delivery of saving ongoing	Included in budget proposals

Ex Perth CHP Resource (NHS Tayside)					
Category of Risk	Service	Value	Lead Officer	Comment	Current Status for 2016/17
Savings	CHP 2015/16 Recurring Savings Targets	£427k	DoC ILO	Director of Communities and PCHP Interim Lead Officer progressing savings initiatives.	Undelivered 15/16 savings reversed as part of 16/17 budget proposal
Savings	CHP Non Recurring Savings Targets	£35k	DoC ILO		
Cost Pressure	Review of Nurse staffing, skill mix and service delivery	TBC	DoC ILO	CHP to review further.	No increase to nurse

	models.		ADN		establishment approved.
Cost Pressure	Medicine for the Elderly	£300k	DoC ILO	Includes operational pressures related to absence and recruitment.	For community hospitals and medicine of the elderly a material pressure remains to be managed in respect of supplementary staffing costs
Cost Pressure	Prisoner Healthcare Services	£275k	DoC ILO		
Cost Pressure	Community Hospitals – South	£100k	DoC ILO		
Cost Pressure	Community Hospitals - North	£100k	DoC ILO		
Cost Pressure	Community Loan Equipment	£20k	DoC ILO	Demand pressures being reviewed	Included in budget proposals.

Partnership Funding Risks					
Category of Risk	Fund	Value	Lead Officer	Comment	Current Status for 2016/17
Partnership Funding	Change Fund	£2.6m	DoC ILO HoCC	Partnership to develop exit strategies or confirm sustainability through Strategic Plan.	All agreed ongoing commitments now resolved through Integrated Care Fund
Partnership Funding	Integrated Care Fund	£2.6m	DoC ILO HoCC		Now assumed Scottish Government funding will be permanent.
Partnership Funding	Delayed Discharge Fund	£921k	DoC ILO HoCC		No ongoing commitments.
Partnership Funding	Integration Transitional Funding	Unknown	DoC ILO HoCC		

Summary of shared Tayside Wide Key Financial Risks

The financial risk associated with these services is shared across the Tayside IJB's based on a proposed allocation of hosted services budgets. The proposed share to each IJB is considered within the Financial Assurance Report.

General Medical Services (NHS Tayside)					
Category of Risk	Service	Value	Lead Officer	Comment	Current Status for 2016/17
Cost Pressure	Growth in Enhanced Services reflecting General Practice patient needs	£480k	AMD	To be managed through GMS Governance arrangements	Included in budget proposals.
Cost Pressure	Premises (3-5 yearly rent reviews)	Unknown	AMD		
Category of Risk	Service	Value	Lead Officer		
Cost Pressure	Health Board Funds (Golden Hellos/Shared paternal leave)	Unknown	AMD		
Cost Pressure	Enhanced Services (GP recruitment issues)	Unknown	AMD		
Cost Pressure	New immunisation costs (Men B)	Unknown	AMD		

Ex Mental Health Resource (NHS Tayside)					
Category of Risk	Service	Value	Lead Officer	Comment	Current Status for 2016/17
Savings	MH&LD Directorate 2015/16 Recurring Savings Targets	£419k	DoMH	Director of Mental Health progressing savings initiatives.	Included in budget proposals
Savings	MH&LD Directorate 2014/15 Unmet Recurring Savings Targets	£326k	DoMH		
Savings	MH&LD Directorate 2015/16 Non Recurring Savings	£65k	DoMH		
Cost Pressure	Resettlement costs associated with Mental Health In Patients	£1.52m	DoMH	Considered required through in strategic planning mechanisms.	Not reflected in proposals – to be considered further via NHST.
Cost Pressure	Review of nurse staffing, skill mix and service delivery models.	TBC	DoMH ADN	Directorate to review further.	Not reflected but assumed no further implementation. Agreed by Director of Nursing.

Ex Mental Health Resource (NHS Tayside) - cont					
Category of Risk	Service	Value	Lead Officer	Comment	Current Status for 2016/17
Cost Pressure	Dundee GAP Senior Medical	£200k	DoMH	Consideration required through strategic planning mechanisms.	Not reflected in budget proposals as seen as short term and resolvable.
Cost Pressure	Learning Disability - Tayside	£100k	DoMH		Included in budget proposals.

Prescribing (NHS Tayside)					
Category of Risk	Service	Value	Lead Officer	Comment	Current Status for 2016/17
Savings	Prescribing 2015/16 Savings Targets	£3.5m	DoP	Initiatives in place and to be developed to bring NHS Tayside cost per patient in line with the Scottish average.	Budget growth of c£6m included in budget proposals for Tayside however, growth still is a factor.
Cost Pressure	Methadone spend exceeding budget	£100k	DoP		
Cost Pressure	Increase in unit prices	Unknown	DoP		
Cost Pressure	Item growth exceeding budget	Unknown	DoP		
Cost Pressure	Item shortages exceeding budget	Unknown	DoP		
Cost Pressure	Patient expiry	Unknown	DoP		

Other Services (NHS Tayside)					
Category of Risk	Service	Value	Lead Officer	Comment	Current Status for 2016/17
Savings	Communities Directorate 2015/16 Recurring Savings Targets	£143k	DoC	Pressures related to recruitment issues.	Included in budget proposals.
Savings	Communities Directorate Unmet 2014/15 Recurring Savings	£16k	DoC		
Cost Pressure	Out of Hours – increase in GP rates	£100k	DoC		
Cost Pressure	Forensic Medical Services - increase in GP rates	£130k	DoC		Not reflected in budget proposals
Cost Pressure	Forensic Medical Services - NRAC reduction of annual funding	£70k	DoC		Not reflected in budget proposals – overlap with SG Outcomes framework

General Risks (NHS Tayside)					
Category of Risk	Service	Value	Lead Officer	Comment	Current Status for 2016/17
Other	Potential cessation of non recurring funding	Unknown	DoC ILO	Risks to be monitored.	This is an area of increasing risk to P&K IJB and NHST generally due to the recent Scottish Government Budget.
Other	External funding via NHST continuing to flow into P&KC Partnership	Unknown	DoC ILO		NHST has confirmed full Integrated care Fund, Delayed Discharge and Integration funds will flow directly to IJBs.
Other	Impact of NHS Tayside Financial position on Partnership	Unknown	DoC ILO		This issue continues to be managed via NHST and will influence NHST's overall financial planning for future years.
Other	Continued NHST financial support of resources out with P&KC Partnership	Unknown	DoC ILO		This is reflected in arrangements regarding corporate support services.

Lead Officer Abbreviations:

- DoC - Director of Communities
- ILO - Perth & Kinross CHP Interim Lead Officer
- AND - Associate Director of Nursing
- CO - Chief Officer
- HCC - Head of Community Care
- AMD - Associate Medical Director – Primary Care
- DoMH - Director of Mental Health
- DoP - Director of Pharmacy

SUMMARY OF 2016/17 PERTH & KINROSS IJB FINANCIAL RISKS

The material unresolved risks identified in Appendix 2 have been summarised below along with new and emerging risks. This high level summary of outstanding risks will now form the basis of the Finance Section of the IJB's risk register and the necessary leadership arrangements, management actions and internal controls to manage these risks will be set out at the next IJB meeting.

Risk	Area	Owner	Internal Control s	Agreed action and timescale
Older People Residential and Nursing Placements Demand Increase above funded baseline	Social Care			
Homecare Package Demand increase above funded baseline	Social Care			
Delivery of savings less than target	Social Care/Health Care/ Hosted Services			
Staff turnover and sickness rates lead to staffing costs exceeding budget within MOE and Community Hospitals	Health Care			
Prescribing growth assumption underpinning uplift falls short of actual growth levels	Health Care			
Identification of sufficient savings to deliver significant	Health Care/Hosted Services			
Recruitment to Consultant vacancies in Mental Health	Hosted Services			
Potential cessation of non-recurring funding (Drugs and Alcohol Services)	Hosted Services			
Resettlement costs in Learning Disabilities	Hosted Services			

Risk	Area	Owner	Internal Control s	Agreed action and timescale
Leadership/management arrangements for MH/LD/SMS not sufficient to drive forward financial challenge including link to wider strategic plans	Hosted Services			
Impact of NHS Tayside financial position on ability to comply with IJB risk sharing agreement	Health Care and Hosted Services			
Level of financial management support from is insufficient to support financial recovery programme and wider transformation agenda	Health Care and Hosted Services			
Insufficient transformation resource to support redesign plans required for longer term financial	ALL			