

Meeting of South Ayrshire Health and Social Care Partnership	Integration Joint Board	
Held on	24th of March 2021	
Agenda Item:	6	
Title:	IJB BUDGET 2021-22	
Summary:		
To provide detail on the delegated funding to the IJB, service budget pressures and savings proposals for approval to set a balanced budget for 2021-22.		
Author:	Lisa Duncan, Chief Finance Officer	
Recommendations:		
It is recommended that the Integration Joint Board		
<ul style="list-style-type: none"> i. Approves the proposed Integrated Budget for 2021-22 for South Ayrshire Health and Social Care Partnership in Appendix 1; ii. Agrees the proposed pressures included in Appendix 2; iii. Agrees the savings proposals included in Appendix 3; iv. Approves the proposed increase to providers to the pay the Living Wage in Section 4.9.4; v. Notes the transformation programme in Appendix 4; vi. Notes the Set Aside resources delegated to the IJB £28.311m; vii. Notes the Chief Finance Officer will provide detailed Directions to South Ayrshire Council and NHS Ayrshire and Arran based on the approved budget proposals and viii. Note the Medium-Term Financial Forecast will be presented for approval later in the year following clarity on specific financial uncertainties 		
Route to meeting:		
Finance and Performance DMT – 4 th March 2021		
Three Way Meeting – 5 th March 2021		
IJB Budget Working Group – 9 th March 2021		
Directions:		Implications:
1. No Directions Required <input type="checkbox"/>		Financial <input type="checkbox"/>
2. Directions to NHS Ayrshire & Arran <input type="checkbox"/>		HR <input type="checkbox"/>
3. Directions to South Ayrshire Council <input type="checkbox"/>		Legal <input type="checkbox"/>
4. Directions to both SAC & NHS <input type="checkbox"/>		Equalities <input type="checkbox"/>
		Sustainability <input type="checkbox"/>
		Policy <input type="checkbox"/>
		ICT <input type="checkbox"/>

IJB BUDGET 2021-22

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide detail on the delegated funding to the IJB, service budget pressures and savings proposals for approval to set a balanced budget for 2021-22.

2. RECOMMENDATION

2.1 It is recommended that the Integration Joint Board:-

- i. Approves the proposed Integrated Budget for 2021-22 for South Ayrshire Health and Social Care Partnership in Appendix 1;**
- ii. Agrees the proposed pressures included in Appendix 2;**
- iii. Agrees the savings proposals included in Appendix 3;**
- iv. Approves the proposed increase to providers to the pay the Living Wage in Section 4.9.4;**
- v. Notes the transformation programme in Appendix 4**
- vi. Notes the Set Aside resources delegated to the IJB £28.311m and**
- vii. Notes the Chief Finance Officer will provide detailed Directions to South Ayrshire Council and NHS Ayrshire and Arran based on the approved budget proposals.**
- viii. Note the Medium-Term Financial Forecast will be presented for approval later in the year following clarity on specific financial uncertainties**

3. BACKGROUND INFORMATION

- 3.1 The Health Board and Local Authority will delegate function and make payments to the Integrated Joint Board (IJB) in respect of those functions as set out in the Integration Scheme. In addition, the Health Board will also “set aside” an amount in respect of acute services.
- 3.2 The IJB is a legal entity in its own right and is expected to operate under public sector best practice governance arrangements. The budget delegated by the Parties is used by the IJB to direct the two partner organisations to deliver health and social care services on behalf of the IJB. Whilst the principles of funding made available by the Parties is set out in the Integration Scheme, utilisation of the funding delegated by the Parties to the IJB is a matter of the IJB itself to determine in line with its Strategic Priorities as set out in the Strategic Plan.
- 3.3 The Strategic Plan has been reviewed this year and will be presented to IJB for approval on the 24th of March. The Strategic Plan sets out the ambition for the HSCP that brings together the contribution of all of our services and partners who together can make a difference to the physical and mental wellbeing of the people of South Ayrshire. It has a focus on prevention, place and wellbeing and looks to reflect progressive thinking around public service commissioning and service planning. New strategic priorities have been developed based on the

engagement and conversations we've had with our partners and the community. The priorities defined for approval are :

- We focus on prevention and tackling inequality
- We nurture and are part of communities that care for each other
- We work together to give you the right care in the right place
- We build communities where people are safe
- We are an ambitious and effective Partnership
- We are transparent and listen to you
- We make a positive impact beyond the services we deliver

3.4 The budget for 2021-22 has been created following financial review of spending profiles, and forecasting what the future financial impact will be following the Covid-pandemic. During the last year there has been many changes to service delivery as detailed in our Remobilisation Plans. Some of these changes have accelerated the pace of change and move towards creating more community capacity through use of technology and redirecting funding to community based services.

3.5 The budget proposals have been developed through collaboration with the IJB Budget Working Group, Finance and Performance Directorate Management Team (DMT) meetings, Senior Management Team (SMT) and meetings of both the Council and NHS. There has been full oversight of the proposals in this paper by the IJB Budget Working Group and presentation of draft proposals to the Council Budget Working Group and to the Three Way Meeting.

4. REPORT

4.1 This report details the allocations from South Ayrshire Council and NHS Ayrshire and Arran for the following financial year. The report states the financial pressures facing the Health and Social Care Partnership (HSCP), and the evident budget gap along with efficiency proposals to ensure a balanced budget for 2021-22. The budget for South Ayrshire Council was set on the 4th of March 2021, and delegated funding approved. NHS Ayrshire and Arran will set their budget on the 29th of March 2021. Any changes that affect the Partnership budget as a result of the NHS budget setting or changes to the final approved Scottish Government allocation will need to be reviewed and where necessary, the IJB Budget will be revised.

4.2 **National Position – Scottish Government**

4.2.1 The Scottish Government published their programme for Government "Protecting Scotland Renewing Scotland" in September 2020, setting out clear priorities in dealing with the economic, health and social care crisis that the Covid pandemic has brought us. While the pandemic has brought many challenges to health and social care it has also led to a number of opportunities for changes in service delivery. The HSCP has responded at speed to these challenges and changed our ways of working to meet the needs of the people in South Ayrshire.

4.2.2 Pre-budget scrutiny from the Health and Sport Committee highlighted the importance of understanding and addressing the impact of Covid-19 on the health and care system, on those it serves and on how care is delivered.

The immediate priority of this years' budget is to support our response to the pandemic and take forward the key ambitions set out in the Programme for Government. The three themes set in the Programme for Government include a mission for new, good and green jobs, promotion of lifelong health and wellbeing and promoting equality and helping young people grasp their potential.

4.3 Finance Settlement 2021-22

4.3.1 The Scottish Government local finance settlement was announced on the 28th of January, with an indicative allocation for Health Boards. Currently these allocations are only provisional and may require to be updated to reflect the UK Government's Budget on the 3rd of March. Any changes to the budget following the UK Budget allocations and final approval of the Scottish Government's budget will be reported to the IJB in due course.

4.3.2 The level of funding delegated to Integrated Joint Boards in 2021-22, came with the following requirements:-

- NHS payments to Integrated Authorities for delegated health functions must deliver an uplift of at least 1.5% over 2020-21 agreed budgets;
- In additional £72.6m is to be transferred from the Health Portfolio to Local Authorities for investment in adult social care and integration. The additional £72.6m is to support delivery of the Living Wage (£34m), continued implementation of the Carers Act (£28.5m) and uprating of free personal care (£10.1m);
- The funding allocated to Integration Authorities should be additional and not substitutonal to each Council's 2020-21 recurring budgets for adult social care services that are delegated.

4.3.3 The budget has also set aside additional funding of £869m to support the ongoing response to the pandemic.

4.3.4 Our latest Remobilisation Phase 3 plan was submitted to the Scottish Government on the 28th of February. This detailed the expected financial impact in responding to the pandemic in the financial year 2021-22 with the current estimated spend for South Ayrshire HSCP as £3.945m. The current expectation is that these costs will be fully funded by the Scottish Government.

4.4 Funding Allocation from South Ayrshire Council

4.4.1 On 4th March 2021, South Ayrshire Council approved their budget and agreed to pass through our share of the £72.6m for adult social care, (£1.954m) and other funding allocated via the Local Authority settlement (£0.511m) identified as social care funding. Thus, providing a total funding contribution for social care services for 2021-22 of £2.465m.

4.4.2 The table below, details the breakdown of the Scottish Government allocation and the delegated budget for 2021-22 from South Ayrshire Council including the delegated Scheme of Assistance funding of £0.789m.

South Ayrshire Council	£m
2020-21 Baseline Budget	74.826
Criminal Justice Specific Grant	2.117
Add SG Allocation:-	
Contribution to the real Living Wage	0.839
Carers Act increase	0.703
Free personal and nursing care increase	0.412
Other settlement increases	0.511
Total Funding Contribution	2.465
Add Scheme of Assistance	0.789
2021-22 Delegated Budget	80.197

4.5 Funding Allocation from NHS Ayrshire and Arran

4.5.1 The Scottish Government allocation letter states that NHS payments for 2021-22 for delegated health functions must deliver at least 1.5% uplift over 2020-21 agreed recurring budgets.

4.5.2 The initial funding allocation has been based in line with the Scottish Public Sector Pay Policy for planning purposes. The Agenda for Change pay settlement has still to be decided and approved. Funding allocations will be revisited by the Scottish Government in line with outcome of the pay negotiations.

4.5.3 The agreed allocation has been confirmed by the Director of Finance NHS Ayrshire and Arran as £1.036m. This is £0.746m for the managed services allocated to South Ayrshire Health and Social Care Partnership and the balance for the Lead Partnership arrangements delivered by North and East Health and Social Care Partnerships.

4.5.4 The NHS budget is presented on a managed funding basis with services managed under lead partnership arrangements included within their allocated resources. The determination of the appropriate management services budget has been agreed with Ayrshire Finance leads and the Health Board Director of Finance as shown in table below.

NHS Ayrshire and Arran	£m
2020-21 Baseline Budget	97.745
Less Non recurring	
Prescribing (NHS A & A responsibility)	(23.278)
Primary Care (GMS (separate funding uplifts)	(16.552)
In Year allocations - ADP, Family Nurse Partnership, Winter Plan	(1.699)
Covid Non-Recurring	(6.829)
Community Store	0.350
Managed Budget	49.737
1.5% Uplift on Managed Budget	0.746
2021-22 Delegated Budget	90.916

4.6 2020-21 Projected Financial Outturn

4.6.1 The IJB financial position for 2021-22 has been impacted by the Covid pandemic and the emergent new methods of service delivery as well as paused services and reduced occupancy levels. At period 9 there is a projected underspend of £2.755m, this includes £0.608m underspend in Lead Partnership services. This underspend is not anticipated to be recurring as services start to recover and open up again following vaccine roll out and the phased move out of lockdown. Paused services will restart alongside the increase in social interactions and reduced social distancing measures.

4.6.2 During 2020-21 new ways of working have emerged with services maximising the use of technology where possible. Some services have been paused due to social distancing measures and this has resulted in pressures in other areas; for example an increase in mental health referrals, and for care at home services. The new strategic commissioning plan will shape the services required for the future to meet the social and health care needs of South Ayrshire residents. This budget will reflect the changes in service delivery and direct funding to the appropriate budgets to reflect the change in service demands.

4.6.3 The summary of the current projected underspends within SAHSCP managed budget, excluding lead partnership variances, are noted below along with the projected outturn for 2021-22 prior to any budget proposals being approved.

Service	Projected Outturn 2020-21 (£m) Under/(Over)	Projected Opening Outturn 2021-22	Comments
Care Homes	0.518	0.798	Budget for 878 placements. Underoccupancy in 2020-21 for both permanent and respite care home places. Projected outturn based on 840 placements. This will be reinvested noted in budget proposals
Care at Home	(0.200)	(1.050)	Purchased hours currently exceeding budget. Increase in 1,150 hours per week.
Care at Home Reablement Team	0.869	0	Delay in recruiting care at home staff to reablement team. Full team to be in place by March 21. Non recurring underspend.
LD Care Packages	(0.466)	(0.410)	Overspends due to non achievement of savings. These will be addressed in 2021 -22 service plans
Staff Mileage	0.146	0.036	As a result of working from home, estimate 2021-22 based on back to pre Covid spend by 1st of July 21 .
Admin, Supplies and Servic	0.269	0.067	As a result of working from home, estimate 2021-22 based on back to pre Covid spend by 1st of July 21 .
Staff Turnover	1.403	0	Vacant posts, slippage in recruitment. All key frontline posts are being recruited to and expectation is will be in place by 1st April. New posts created in 2020-21 to support HSCP management.
Biggart Hospital	(0.636)	(0.500)	Recurring overspend within Biggart Hospital due to additional staffing requirements to meet the enhanced care needs of patients
Total	1.903	(1.059)	

The table illustrates the non-recurring nature of the current financial position and the need to invest and disinvest in particular service areas to meet demand. The following financial pressures and savings proposals will address the change in spend profile.

4.7 IJB Reserves

4.7.1 The updated Reserves Strategy was reviewed and agreed by the Performance Committee on the 5th of March 2021 and is being presented to the IJB on the 24th of March 2020 for formal approval.

4.7.2 The updated Reserves Strategy advises the balance of reserves should be considered as part of the budget setting process. The reserves strategy outlines an optimum value of reserves to be held uncommitted in contingency. This is set as a minimum 2% of annual budgeted expenditure and, based on this the value would be £3.322m.

4.7.3 The IJB is established as a Local Government body therefore has the ability to hold reserve balances. Reserve balances are held as part of an approach to good financial management, the purpose of reserves is as follows:

- a) As a working balance to help cushion the impact of uneven cash flows;
- b) As a contingency to manage the impact of unexpected events or emergencies; and
- c) As a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

4.7.4 Earmarked Reserves for specific known liabilities have been approved by the IJB on the 17th of February 2021, as noted below.

Budget	Earmark Request (£m)	Earmark Reason
Training SVG	0.127	Delays in SVQ training earmark to continue roll out of training next year.
Staffing	0.129	Underspends in CM2000 and Carefirst projects due to slippage in vacancies. Funding to extend temp posts to complete both projects in 2021-22.
Care at Home Mobile Attendants	0.056	Budget investment made in 2020-21 slippage in recruitment for test of change project, funding to extend the project by 3 months to June 2021
Alcohol and Drugs Partnership	0.075	Underspend to be carried forward to meet next years full year project commitments
Adoption Orders Delayed	0.200	Due to court closures, there is a backlog of adoption orders to be presented at court. Once courts resume normal activities funding will be required to present the outstanding orders.
TOTAL	0.587	

4.7.5 Currently the IJB does not have a reserves balance. The updated financial position for 2020-21 will be finalised following approval of the 2020-21 Audited Annual Accounts. This will identify and confirm the value of reserves available.

4.7.6 Based on the current projected outturn there is an estimated £2.755m of potential reserves. Any use of reserves identified will be subject to review and scrutiny by the Budget Working Group then approval by IJB.

4.8 Total Integrated Budget for 2021-22

4.8.1 The total integrated budget for SAHSCP is expected to be £171.859m (excluding Set Aside Budget) and £200.170m including Set Aside Budget. The proposed integrated budget is included in Appendix 1.

	SAC	NHS AA	Total
	£m	£m	£m
21-22 Total Budget			
Baseline Budget (incl CJ Grant)	76.943	90.916	167.859
Add Scheme of Assistance	0.789		0.789
SG Funding Allocation	2.465	0.746	3.211
2021/22 Budget Excluding Set Aside	80.197	91.662	171.859
Draft Set Aside Budget		28.311	28.311
2021/22 Budget Including Set Aside	80.197	119.973	200.170

4.9 Budget Pressures

4.9.1 Budget pressures for health and social care services are £6.604m. These have been developed following collaboration between Management Teams and Finance Officers to identify current and emerging financial pressures, taking into account historic and future demand. The Directorate Management Team and IJB Budget Working Group have scrutinised the pressures and prioritised those proposed for approval.

4.9.2 Full details of pressures proposed by service category for 2021-22 are shown in Appendix 2.

The table below outlines the pressures per partner with the specific categories as shown:-

Type of Pressure	Social Care (SAC) £'000s	Health (NHS A & A) £'000s	TOTAL £'000's
Pay Award	796	400	1,197
Inflation/Contractual	2,432	-	2,432
Demand/Demographic	1,541	986	2,527
Transformation	346	29	375
Lead Partnership	-	73	73
TOTAL PRESSURES	5,115	1,488	6,604

4.9.3 Pay Award

The pay award for both Council and NHS staff has been based on the Scottish Public Sector Pay Policy. Within the NHS the Agenda for Change settlement has still to be decided and approved and funding allocations will be revisited by the

Scottish Government in line with outcome of the pay negotiations. Any deviation from the Public Sector Pay Policy award within the Council will need to be funded from the existing budget.

4.9.4 Inflation/Contractual

Inflation and contractual pressures include an increase in the Living Wage from £9.30 to £9.50 per hour with a 2.2% increase passed on to private providers and recipients of direct payments. The proposed uplifts for approval are shown in table below:-

Type of Care	2020/21	2021/22	Uplift
Care at Home *	£17.00	£17.37	2.20%
Supported Living	£17.20	£17.57	2.20%
Sleepovers	£11.45	£11.70	2.20%
Direct Payment - Personal Assistant	£12.38	£12.65	2.20%
<i>* Rurality uplifts are also provided on above rates at 3% and 6%</i>			

Other contractual pressures include a 7.5% increase in Free Personal and Nursing care payments agreed by the Scottish Government as part of the annual uprating exercise under the National Assistance Act 1948. A provision for a 3% increase in the National Care Home Contract is included in the current budget proposals although it is recognised that this is still under negotiation. Other community care services have been uplifted by 2.2% in line with the living wage uplift.

The Scottish Government allocation for Living Wage and Free Personal Nursing Care payments was £0.662m less than our pressures based on the assumptions above. This shortfall has been met through the various savings proposals included in this budget. The Convention of Scottish Local Authorities (COSLA) and the Scottish Government are having discussions regarding implementation of a national provider uplift as well as the National Care Home Contract uplift negotiations with provider groups. Financial implications on the outcome of these decisions will be presented to the Scottish Government in anticipation that funding is forthcoming to meet the additional costs.

4.9.5 Demand/Demographic Pressures

Investment within community care is required to provide preventative services, providing the right care at the right time enabling people to live independently in their own homes for as long as possible.

Investment proposals for approval are to meet current and future demand and continue to shift the balance of care to community-based settings.

4.9.6 Transformation Pressures

Transformation investment was provided in last year's budget and during the financial year following decisions by the Council's Leadership Panel to invest in specific transformational change to reduce the financial impact in future years and continue to improve service delivery aligned to the new Strategic Plan and Caring for Ayrshire. Appendix 4 highlights the specific projects included in the Transformation Programme.

This year's budget proposals for approval include investment in the specific areas below:-

- increasing capacity within our Children and Families teams to increase the numbers of kinship and foster carers we can support. This reduces the need for expensive outwith authority placements;
- increasing capacity within our Business Support team to further embed Carefirst and streamline administrative processes;
- replacement of analogue community alarm equipment with new digital equipment to improve efficiency in service;
- investment in specific front-line resource to support the Community Planning Partnership led initiative in Wallacetown. The focus will be on supporting local people by improving signposting and referring to the right services at the right time.

4.9.7 Debt Repayment

In 2018/19 the partnership overspent by £3.277m on the Council side of the delegated budget. An agreement was reached with the Council's Leadership Panel to pay back £1.092m per year over 3 financial years from 2020-21. Budget provision of £1.092m was set aside for this purpose and remains a commitment for the next 2 years highlighted in the annual payments column below. Following the 2019-20 final year outturn the IJB was able to make a repayment of £0.291m as shown in table below, this will reduce the final year's payment by same amount.

Debt Repayment	Annual Payments (£m)	Closing Balance (£m)
Opening Balance		3.277
2019/20	0.291	2.986
2020/21	1.092	1.894
2021/22	1.092	0.802
2022/23	0.802	0.000
Total	3.277	

4.9.8 Carers Act

The Carers (Scotland) Act 2016, which took effect from 1 April 2018, introduces new rights for unpaid carers and new duties for local authorities and health boards to provide support to carers. The funding allocation will enable us to continue to provide a range of supports to carers including continuation of waiving the charges for respite care.

4.10 Indicative Funding Gap

4.10.1 The impact of funding the pressures increases the savings required to balance the budget. The total delegated funding increase for 2021-22 to the IJB is £3.211m. Pressures of £6.604m are anticipated for pay awards including passing on the living wage increase, demand and demographic pressures, funding transformation activities and contribution to lead partnership pressures. The resultant gap or savings required to balance the budget is outlined below:

	SAC	NHS A & A	Total
	£m	£m	£m
Funding Increase Delegated from Partners	2.465	0.746	3.211
Pressures to be Funded	5.166	1.437	6.604
Total Savings Required	2.701	0.692	3.393

4.10.2 There is a requirement for an approved balanced budget to be set prior to the start of the financial year. The following section provides savings proposals to enable a balanced budget to be set.

4.11 Budget Savings

4.11.1 Proposed savings totalling £3.393m have been developed by the Directorate Management Team with oversight by the IJB Budget Working Group and categorised based on the type of saving. Full details of proposed savings by service and type for 2021-22 are shown in Appendix 3.

The table below outlines the savings per partner with the specific categories as shown:-

Type of Saving	Social Care (SAC) £'000s	Health (NHS A & A) £'000s
Transformation	(2,349)	0
Procurement	(50)	0
Service Review	(564)	(200)
Demand Management	(230)	0
TOTAL SAVINGS	(3,193)	(200)

4.11.2 Transformation

Savings are anticipated to be achieved this year following prior year's transformation investments; For example the creation of an Intensive Family Support team within Children and Families has reduced the number of out-with authority placements. The proposed transformation investment in staffing resources within the fostering and kinship team will provide an opportunity to increase our own internal resource reducing the need for high cost external foster care placements. Prior year investment within the reablement team will optimise independent living for older people allowing them to live in the community by maximising their ability to carry out daily living tasks themselves. This will release capacity within care at home services to provide resources to meet demand from delayed discharges.

4.11.3 Procurement

Through review of commissioned services, savings will be identified through developing models of care delivery in collaboration with users of care, carers and providers.

4.11.4 Service Review

The last year has changed the way we do business, with one of the impacts of working from home and using technology resulting in a reduction in general administration supplies and mileage budgets. Reviewing our operational activities and how we do business internally by optimising the use of technology and moving more to a paper-free environment will provide further savings and ensure best value in how we are utilising our resources.

4.11.5 Demand Management

This year has allowed for service provision to be more creative; For example using technology to keep in contact and interact with services users and their carers. New services have included micro breaks to support carers and garden visits to prevent social isolation. This has allowed for demand to be managed more effectively and provides opportunity to reflect and review how effective these developments have been to shape the services for the future.

4.11.6 Risk of achieving savings

As part of the budget process, savings were also categorised based on risk of achievement. The table below highlights the risks based on Red (saving cannot be delivered) Amber (plans required to ensure saving is achieved) Green (saving on track).

Within the green category savings are on track to be achieved based on previous transformation work and change to current operational ways of working. Within the amber category the savings identified require specific plans and close monitoring with remedial action taken timely to ensure savings can be achieved.

Risk of Achievement	Social Care (SAC) £'000s	Health (NHS A & A) £'000s
R	0	0
A	(1,007)	(200)
G	(2,186)	0
TOTAL SAVINGS	(3,193)	(200)

4.12 Set Aside Budget

4.12.1 The Set Aside budget represents the direct cost of six specialities and is focussed on unscheduled activity. The six areas are Accident and Emergency, General Medicine, Geriatric Medicine, Respiratory Medicine, Rehabilitation Medicine and certain GP no elective activity.

4.12.2 In 2019/20 South Ayrshire used £0.024m more than its “fair share” of the Set Aside Budget. This was due to an increase in bed use at Ayr Hospital as a result of demands in unscheduled care.

4.12.3 Unscheduled care is a key focus for development to align the “fair shares” along with other acute specialities in the community not included in the set aside budget. The Scottish government Medium Term Financial Framework includes an assumption of efficiencies from reduced variation in hospital to enable a 50% reinvestment in the community to sustain improvement. The Three Ayrshire HSCP’s are working in partnership to develop Fair Share alongside Directions in 2021-22.

4.13 Financial Risks

4.13.1 The report outlines the delegated funding and the pressures to be met from within the overall integrated budget and the savings to be achieved. This is based on information known at a specific point in time.

- 4.13.2 The pay awards have still to be approved for NHS and Local Authorities. Whilst the Scottish Government has provided assurance any increase over the public sector pay policy will be provided for the NHS budget, this is not the case for Local Authorities. Therefore, any additional funding will be required to be met from in-year resources.
- 4.13.3 Uplifts to providers have been based on 2.2%, reflecting the increase in the Scottish Living Wage. Ongoing discussions are underway with the Convention of Scottish Local Authorities (COSLA), Coalition of Care and support Providers in Scotland (CCPS) and the Scottish Government to create a National Uplift. If this is agreed and not fully funded by Scottish Government this will create further pressure on the budget.
- 4.13.4 The National Care Home Contract uplift is still under discussion and no agreement has been made to date. The current budget provides for a 3% uplift, any costs over and above this will need to be met from current resources or a further Scottish Government allocation.
- 4.13.5 The impact of Covid will not be fully known until the country starts to recover and return to normal. It is anticipated there will be an increase in extensive rehabilitation for those recovering from the virus. Whilst this budget has invested in Allied Health Professionals and Mental Health services, the impact could exceed the investment approved.
- 4.13.6 The budget proposals include ambitious savings targets that need to be achieved to ensure financial balance. These will be monitored closely and resources will need to be allocated to undertake review of care packages timely and efficiently.
- 4.13.7 The continuation of the pandemic and specific costs in relation to our response are included within the Remobilisation Phase 3 plan that was presented to the Scottish Government on the 28th of February 2021. The current assumption is that these costs will be fully funded.
- 4.13.8 An independent review of adult social care in Scotland was published in February this year with 53 recommendations, among these include financial investment to expand access to preventative support, remove charging for non-residential care, increase investment in respite and free personal and nursing care payments. The report suggests investment of £0.66bn per annum is required. The financial risk will depend on what recommendations are approved to be taken forward and the timing of these, consideration will need to be given to how these investments are funded, if full funding is not passed on from the Scottish Government, savings will need to be proposed to meet any unfunded pressures.

4.14 Managing Financial Risk

- 4.14.1 The preceding section detailed the specific financial risks. These will be monitored in year through the budget monitoring process. With specific focus

on the activity drivers behind the costs to ensure we can monitor trends and changes in demand for care.

4.14.2 During the year we will continue to monitor, record and report on the financial impact of the Covid pandemic to Scottish Government. We will continue to be involved in the national discussions in relation to National Care Home Contract and Adult Social Care review to ensure we are kept aware of developments and can provide detail on how any changes in policy will affect the partnership financially.

4.14.3 The creation of a reserves balance will provide a cushion for any fluctuations in expenditure that may arise as we start to recover from Covid and services come back online. Any use of reserves balances will be subject to scrutiny by the Budget Working Group prior to request for approval at IJB.

4.15 Next Steps

4.15.1 Following approval of the budget an Annual Financial Statement will be presented to both partners detailing directions for the forthcoming financial year.

4.15.2 The updated Strategy Plan has been presented for approval, the next stage in this process will be to develop Service Plans that are aligned to the Strategic Plan and the budget for 2021-22 in the first instance

4.15.3 The Medium-Term Financial Forecast will be reviewed and updated to reflect 2021-22 financial position and align with the new Strategic Plan. This will be presented for approval to IJB later in the year when there is a greater degree of certainty around financial pressures in relation to the Covid pandemic, National Care Home Contract and implementation of the recommendations from the Adult Social Care review.

4.15.4 Monitoring of the Transformation Programme will be monitored and reviewed with regular updates provided to the Budget Working Group and IJB's Performance and Audit Committee.

5. STRATEGIC CONTEXT

5.1 The IJB is expected to operate within the resources available. This report contributes to the strategic priorities.

6. IMPLICATIONS

6.1 Financial Implications

6.1.1 The total directly managed services delegated budget for 2021-22 is £171.859m This budget increases to £200.170m when uplifted Set Aside resources of £28.311m are included.

6.1.2 The report outlines £3.393m of savings to be achieved alongside managing the pressures inherent in 2021-22. The plans outlined in this report allow for a balanced financial position to be approved.

6.2 Human Resource Implications

6.2.1 The proposals include recruitment of additional posts both within NHS and SAC, following approval of the budget, the posts will be advertised via the relevant partner's recruitment processes.

6.3 Legal Implications

6.3.1 The approval of the delegated budget for the IJB will ensure compliance with the terms of the Integration Scheme,

6.3.2 Directions will be developed following allocation of resources at detailed budget level and will form the IJB's Annual Financial Statement that will be reported to the IJB in early 2021.

6.4 Equalities implications

6.4.1 An equality impact assessment on the full budget has been completed.

6.5 Sustainability implications

6.5.1 There are no sustainability implications arising from this report.

6.6 Clinical/professional assessment

6.6.1 There are no clinical/professional implications arising from this report.

7. CONSULTATION AND PARTNERSHIP WORKING

7.1 The content of this report and creation of the pressures and savings was developed in partnership with members of the budget working group alongside Heads of Service and Senior Managers within the Council and NHS, and presented to both Council and NHS for review prior to approval. The report has also been presented to the voting members of the IJB for consultation prior to publication.

8. RISK ASSESSMENT

8.1. For the forthcoming financial year, there are a number of financial risks noted in Section 4.13.

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BACKGROUND PAPERS

10th of March 2021

APPENDIX 1

South Ayrshire Health and Social Care Partnership Budget	2021/22	2021/22	2021/22
	Council	NHS	Integrated
	Budget	Budget	Budget
	£'000	£'000	£'000
Community Care & Health			
Older People	45,035	0	45,035
Physical Disabilities	3,904	0	3,904
Biggart Hospital	0	4,909	4,909
Girvan Hospital	0	1,411	1,411
Community Nursing	0	2,872	2,872
Intermediate Care and Rehabilitation	0	1,608	1,608
AHPs	0	5,790	5,790
Total Community Care & Health	48,939	16,590	65,529
Primary Care			
Prescribing	0	23,278	23,278
General Medical Services	0	16,552	16,552
Total Primary Care	0	39,830	39,830
Mental Health Services			
Learning Disabilities	20,517	478	20,995
Mental Health Community Teams	3,840	2,734	6,574
Addictions	336	1,109	1,445
Total Mental Health Services	24,692	4,321	29,013
Hosted Services			
Community Store	0	523	523
TEC	0	0	0
Family Nurse Partnership	0	1,164	1,164
Continence Team	0	444	444
Total Hosted Services	0	2,131	2,131
Children and Criminal Justice Services			
C&F Social Work Services	21,895	0	21,895
Justice Services	2,117	0	2,117
Health Visiting	0	2,754	2,754
Total Children and Criminal Justice Services	24,012	2,754	26,766
Integrated Care Fund/ Delayed Discharge	41	2,046	2,088
Support Services			0
Directorate	1,865	3,206	5,071
Other Services	1,544	0	1,544
Payroll management target	(1,794)	(200)	(1,994)
Total Support Services	1,615	3,006	4,620
Scheme of Assistance	789	0	789
Inter Agency Payments	(21,474)	21,475	0
Repayment of Additional Funding	1,092	0	1,092
Partnership Total	79,705	92,154	171,859
Acute Hospitals		28,311	28,311
IJB Total	79,705	120,465	200,170

APPENDIX 2

SAHSCP FUNDING PRESSURES 2021/22

NHS Service Wide			
Partner	Category	Funding Pressures Subject	Pressures 2021/22 £
NHS	Pay Award	NHS Pay Award	400,321

Council Service Wide			
Partner	Category	Funding Pressures Subject	Pressures 2021/22 £
SAC	Pay Award	Council Pay Award	480,390
SAC	Pay Award	Home Carers Job Evaluation	316,104
SAC	Inflation/Contractual	Scottish Living Wage	2,158,700
SAC	Inflation/Contractual	Elba Gardens Support Accommodation	272,966
SAC	Transformation	Carefirst Team Resources	80,000
Total Funding Pressures Council Service Wide			3,308,160

Children and Families			
Partner	Category	Funding Pressures Subject	Pressures 2021/22 £
SAC	Demand/Demographic	Legal Fees in contesting adoption orders	50,000
SAC	Transformation	Family Placement Team resources for foster care recruitment	109,185
SAC	Transformation	Kinship team resources to increase Kinship Capacity	97,160
Total Funding Pressures Children and Families			256,345

Community Care and Health			
Partner	Category	Funding Pressures Subject	Pressures 2021/22 £
NHS	Demand/Demographic	Biggart Hospital	500,000
SAC	Demand/Demographic	Older People Demand for Care at Home	1,049,957
NHS	Demand/Demographic	Allied Health Professional Capacity	231,738
NHS	Demand/Demographic	Equipment Store resource	26,138
SAC	Demand/Demographic	Data Analyst resource	50,920
SAC	Demand/Demographic	Carers Act resource	51,258
SAC	Transformation	Analogue to Digital - Telecare	59,410
NHS	Transformation	Community Link Practitioner to be based at Wallacetown	29,000
Total Funding Pressures Community Care and Health			1,998,421

Mental Health			
Partner	Category	Funding Pressures Subject	Pressures 2021/22 £
SAC	Demand/Demographic	Mental Health Social Worker Resource	104,000
NHS	Demand/Demographic	Community Mental Health - Self Help Workers Resource	96,984
NHS	Demand/Demographic	Community Mental Health Elderly Nursing Resource	80,000
SAC	Demand/Demographic	Children Transitioning to Adults	250,000
SAC	Demand/Demographic	Addictions resource	36,000
Total Funding Pressures Mental Health			566,984

Lead Partnerships			
Partner	Category	Funding Pressures Subject	Pressures 2021/22 £
NHS	EAHSCP Lead Primary Care	Rapid Respiratory Response Posts	62,869
NHS	EAHSCP Lead Primary Care	GMS Premises Rent and Rates	112,810
NHS	EAHSCP Lead Primary Care	Reverse Prior Year EAHSCP Lead Partnership Pressures	(102,364)
Total Funding Pressures Lead Partnerships			73,315

APPENDIX 3 SAVINGS PROPOSALS

Council Service Wide				
Partner	Risk of Achievement	Category	Savings Description	2021/22 £
SAC	G	Service Review	Mileage and Transport review	(50,000)
SAC	G	Service Review	Supplies and Services review	(180,000)
SAC	G	Service Review	Training Budget reduce for one off SVQ funding allocated Prior year	(164,000)
SAC	A	Service Review	Staff Turnover	(200,000)
			Total Council Service Wide Savings Proposals	(594,000)

NHS Service Wide				
Partner	Priority	Strategic Priority	Efficiency Proposals	2020/21
NHS	A	Service Review	Staff Turnover	(200,000)
			Total NHS Service Wide Savings Proposals	(200,000)

Children and Families				
Partner	Risk of Achievement	Category	Savings Description	2021/22 £
SAC	G	Transformation	Reduce outwith Authority Foster Placements	(70,000)
SAC	G	Procurement	Review of Commissioned Services	(50,000)
SAC	G	Transformation	Cunningham Place (Children's House) Development reduce one residential placement	(95,000)
SAC	G	Transformation	Intensive Family Support reduce outwith Authority Placements	(400,000)
			Total Children and Families Savings Proposals	(615,000)

Community Care and Health				
Partner	Risk of Achievement	Category	Savings Description	2021/22 £
SAC	A	Transformation	Care at Home reablement investment	(400,000)
SAC	G	Transformation	Care Home - reduce placements	(777,000)
SAC	G	Demand Management	Direct Payment - review SDS packages	(200,000)
			Total Community Care and Health Savings Proposals	(1,377,000)

Mental Health				
Partner	Risk of Achievement	Category	Savings Description	2021/22 £
SAC	G	Transformation	Transforming Services (i-Hub working group)	(200,000)
SAC	A	Demand Management	Review of Adult Community Care Packages	(406,641)
			Total Mental Health Savings Proposals	(606,641)

APPENDIX 4
TRANSFORMATION PROGRAMME

Service	Priority	Project	Expected outcomes
Adults and Older People	Effective Journey through and transfer from hospital with good outcomes	Re-design reablement, rehabilitation and community support services.	Reduce Delayed Discharges Reduce demand for Care Homes Reduce demand for Care at Home
	Effective Short-Term Interventions for People in the Community	Increase capacity and quality of Care at Home provision.	Reduce Delayed Discharges Increase efficiency in allocation of care hours
		Increase capacity and quality of Technology Enabled Care and Responder Service.	Reduce out of Hours Admissions Reduce Transport related Delayed Discharges
	Design a Care System for People with Long Term Needs	Develop integrated multi-disciplinary teams around the practice.	Improve allocated resources to workload Demand Positive impact on GP appointment waiting times Improve referral pathways
Children and Families	Effective Interventions with Good outcomes from a multi-disciplinary whole system approach	Intensive Family Support Service creation of a team to	Reduce outwith authority residential Placements
		Whole Family, Whole Systems Approach working in partnership with education working within a school cluster to develop improved systems and processes	Reduce Outwith Authority Placements Increase inhouse fostering placements Increase Kinship carers
		Signs of Safety training to embed Whole System Approach culture	No. of staff trained
	Providing additional inhouse capacity for early intervention	Cunningham Place Enhanced Provision to provide additional capacity for crisis and continuing care	Reduce outwith authority residential Placements
	Ensuring best value and services designed in collaboration with families and carers	Recommissioning of Children's Community Care Services	Reduction in Maverick Spend