

A special meeting of the **Clackmannanshire and Stirling Integration Joint Board** will be held on  
**Wednesday 26 February 2020 at 2pm - 4pm,**  
 in the **Board Room, Forth Valley College, Alloa Campus**

Please notify apologies for absence to:

[ClackmannanshireStirling.HSCP@nhs.net](mailto:ClackmannanshireStirling.HSCP@nhs.net)

## **INTEGRATION JOINT BOARD MEETING AGENDA**

- |            |  |                          |
|------------|--|--------------------------|
| <b>1.</b>  | <b>NOTIFICATION OF APOLOGIES</b>   | For Noting               |
| <b>2.</b>  | <b>NOTIFICATION OF SUBSTITUTES</b>   | For Noting               |
| <b>3.</b>  | <b>DECLARATION(S) OF INTEREST</b>  | For Noting               |
| <b>4.</b>  | <b>URGENT BUSINESS BROUGHT FORWARD BY CHAIRPERSON</b>  |                          |
| <b>5.</b>  | <b>ACTION LOG</b>  | For Noting               |
| <b>6.</b>  | <b>FINANCE</b>   |                          |
| <b>6.1</b> | <b>FINANCIAL REPORT</b><br>(Paper presented by Ewan Murray)  | For Approval<br>& Noting |
| <b>6.2</b> | <b>BUDGET UPDATE AND DEVELOPING MEDIUM TERM<br/>FINANCIAL PLANNING</b><br>(Paper presented by Ewan Murray) | For Noting<br>& Approval |
| <b>7.</b>  | <b>TRANSFORMING CARE AND STRATEGIC PLANNING</b>  |                          |
| <b>7.1</b> | <b>MILESTONES</b><br>(Paper presented by Lesley Fulford / Jennifer Baird)                                  | For Approval             |
| <b>7.2</b> | <b>TRANSFORMATION PROGRAMME UPDATE</b><br>(Paper presented by Wendy Forrest)                               | For Discussion           |
| <b>9.</b>  | <b>DATE OF NEXT MEETING</b>  |                          |

Wednesday 25 March 2020, Boardroom, Forth Valley College, Stirling Campus





Clackmannanshire & Stirling  
**Health & Social Care  
Partnership**

# Integration Joint Board

26 February 2020

Agenda Item 6.1

## Financial Report

For Approval

<b>Paper approved for submission by</b>	Annemargaret Black
<b>Paper presented by</b>	Chief Finance Officer
<b>Author</b>	Chief Finance Officer
<b>Exempt Report</b>	No



Clackmannanshire  
Council



**NHS**  
Forth Valley

<b>Directions</b>	
No Direction Required	<input checked="" type="checkbox"/>
Clackmannanshire Council	<input type="checkbox"/>
Stirling Council	<input type="checkbox"/>
NHS Forth Valley	<input type="checkbox"/>

<b>Purpose of Report:</b>	To present the Integration Joint Board with an overview of the financial performance and projected financial position for 2019-20.
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<b>Recommendations:</b>	<p>The Integration Joint Board is asked to:</p> <ol style="list-style-type: none"> <li>1. Approve the finance report and note the projected overspend of £1.531m for 2019/20</li> <li>2. Note the significant financial pressures across the Partnership budget;</li> </ol>
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## 1. Background

- 1.1 The Integration Joint Board approved an initial unbalanced budget for 2019/20 in March 2019 and further considered options for financially sustainable service delivery in July 2019. The budget was dependent on delivery of a significant savings and efficiency programme, which was regarded as high risk. The budget also included an overall assessment of risks and a clear statement that resources were inadequate to continue to deliver services in their current form.
- 1.2 The Board and the Finance and Performance Committee have been receiving financial monitoring reports throughout the year. The format of these reports will continue to evolve over time.
- 1.3 The Partnership remains under significant financial pressure as evidenced by the projected out-turn position, albeit the level of projected overspend has materially reduced over the course of the year to date.
- 1.4 This report should be read in conjunction with Performance Reports to give a rounded view of financial performance and overall Partnership performance.

## 2. 2019/20 Projection

2.1 An updated set of projections have been prepared based on financial performance to 31 December 2019 (**Month 9**).

2.2 This indicates a projected overspend of £1.531m on the Integrated Budget as follows:

	£m
Operational and Universal Health Services	0.780
Adult Social Care Services	<u>1.448</u>
<b>Gross Projected Overspend</b>	<b>2.228</b>
Less: Transformation Funding Offset	<u>0.697</u>
<b>Projected on Integrated Budget (Excluding Set Aside)</b>	<b><u>1.531</u></b>

2.3 The projection above includes the impact of resolution of ordinary residence cases with Falkirk HSCP. This includes positive impact on both the current and a non recurrent impact of prior year provisions of £0.826m. The current year projections also include an estimated £0.300m of non recurrent costs. This gives a recurrent underlying overspend on the integrated budget of £2.057m which is being used as the basis of financial planning into 2020/21. The projection above reflects a position below the maximum tolerable level of overspend for 2018/19 (£2.45m) agreed by the Board for 2019/20 in July 2019. It should, however, be noted that discussions on financing this overspend, linked to development of medium term financial planning, have not yet been concluded at time of writing.

2.4 The projections assume the financial pressures associated with Family Health Services, prescribing and Primary Medical Services (including Out of Hours) continue to be offset by underspends elsewhere in the operational health services budgets.

2.5 The projections include a number of assumptions regarding the Bellfield Centre costs, and the associated services. Work continues to review the budget and cost commitments. For illustrative purposes the financial pressure associated with the Bellfield Centre has been allocated across Operational & Universal Health Services and Adult Social Care reflecting the integrated nature of the facility. Efforts to streamline financial reporting around the Bellfield centre and provide the manager with consolidated financial information are ongoing supported by finance officers.

2.6 Overall, it is clear that delivery of the care models within the Bellfield centre are a significant area of financial pressure for the Partnership. The projected overspend in relation to Bellfield within the Stirling locality budget is £0.932m, however, there are also pressures relating to Bellfield within the operational

health which are masked by offsetting underspends. This brings the financial pressure specifically relating to Bellfield to in excess of £1m in the current financial year.

- 2.7 The reasons for this financial pressure are multi-factorial with two key cost drivers. Firstly, continued reliance on agency staffing at premia rates to staff the facility safely and secondly the staffing levels being above the planned workforce model within the approved business case.
- 2.8 The pressure through use of agency staffing is anticipated to significantly dissipate in the near future as a result of successful recruitment efforts. An urgent review of the care and staffing models, linked to the Post Project Implementation Review is underway. Potentially whole system working opportunities can be explored to assist in bringing the service delivery models within the Bellfield Centre into a sustainable position.
- 2.9 This will form a significant element of the operational and budget planning in coming financial years and a specific report on the issue with require to be brought forward to the Board in due course.
- 2.10 The projection detailed in section 2.2 relates to the Integrated Budget excluding the Set Aside budget for Large Hospital Services. The projection for the Set Aside budget based on the period to 31 December 2019 indicates a financial pressure of £1.389m. The financial pressure on the Set Aside budget relates to increasing costs, demand and complexity associated with the specialities therein. These include A&E / Emergency Department, General, Geriatric Medicine, Learning Disabilities and Mental Health inpatients services.
- 2.11 At present the financial pressure associated with the Set Aside budget is met by the NHS Board. There will be a requirement to consider future financial risk sharing arrangements in relation to set aside as part of the set aside project. An update on this is included within paper 6.2 on the agenda.
- 2.12 The Transformation Funding offset represents the balance of funding available after taking account of decisions to date by the Board in relation to ongoing commitments against these allocations as set out in the last specific Partnership funding report to the Board in July 2019 (Paper 7.3). This treatment is consistent with previous financial years. For context the level of offset from Transformation Funding in 2018/19 was £0.598m. The Transformation Funding is Integrated Care Fund and Delayed Discharge funding form Scottish Government previously called Partnership Funding now relabelled to provide an appropriate distinction form the overall totality of Partnership funding supporting delivery of integration functions.

2.13 The out-turn projected overspend will be subject to a number of risk factors during the remainder of the year, and these are summarised below:

- The main drivers of the overspend remain increasing demand and complexity of need, with the consequent costs. This is a consistent challenge across both health and social care functions. Underlying causes include the impact of demographic change and the determinants of general health and care needs. The significant areas of financial pressure across the Partnership budget are:
- Delivery of adequate savings and efficiency programmes whilst delivering safe and effective person centred care.
- Growth in demand and costs of Care at Home (all care groups)
- Growth in demand and costs Provision of Residential Care (all care groups)
- Cost and complexity of transition of care from Children’s Services – particularly in relation to Learning Disabilities
- The costs associated with Strathendrick Care Home remaining open without an associated revenue budget.
- Cost and Volume Increases in Primary Care Prescribing
- Cost pressures relating to Primary Medical Services and GP Out of Hours
- Cost pressures associated with the Set Aside Budget for Large Hospital Services (Accident and Emergency, General, Geriatric and Rehab Medicine and Mental Health Inpatient Services)

2.14 The current consolidated out-turn projections are set out in Section 2.2. It is important to recognise that there are a number of significant areas which are subject to cost volatility and variation. These areas are the subject of ongoing review, action planning, and where appropriate and feasible, action implementation. The specific areas of focus are:

- Cost and volumes of drugs and other therapeutics in Primary Care, including potential price volatility related to Brexit.
- Further increases in demand, complexity and cost of service provision.
- Transitions from Children’s’ services and Learning Disability and Mental Health inpatients facilities and requests for high cost community care packages which cannot always be foreseen.
- Further review of the workforce and care models with the Bellfield Centre including recruitment to reduce reliance on agency staffing.

- Costs associated with legislative changes including the Carers Act and Free Personal Care for <65's.
- Risks associated with the provider market including sustainability issues.
- Primary Care / GP Sustainability.
- Whole system performance issues including delayed discharge linked to developing approaches to Early Intervention and Prevention.
- Seasonal surges in demand.
- Filling of critical vacant posts.
- Potential additional up-front costs in relation to acceleration of the Transforming Care Programme.

#### Action Plans and Savings Delivery

- 2.15 Whilst NHS savings plans and delivery is across a number of areas, with a degree of interdependence, the most significant is in respect of the cost pressure associated with prescribing and significant work has been undertaken to fully implement some cost improvement and reduced waste initiatives. These include the Script switch option to promote switching to lower cost alternatives, and other plans to streamline processes. Work continues to best realise the financial benefits of the system. Elsewhere, the forecast savings delivery remains broadly consistent with previous projections.
- 2.16 A Primary Care Medicines Resources Group has now been established and is meeting regularly. This is aligned to and supported by the NHS Forth Valley Corporate Project Management Office (PMO) to drive cost effective approaches to prescribing; including exploiting opportunities for efficiency and cost and waste reduction on a pan Forth Valley basis. Clinicians and officers from both Partnerships are part of the membership of this group.
- 2.17 Services have also identified a number of actions that would be intended to address the overspend position as far as is practicable, although this will not fully address the position in the current financial year. It is more realistic to expect that the overspend pressure would be reduced over a longer time period as part of the developing Transforming Care Programme and associated budget strategy. Actions include the review of care packages to capture service delivery efficiency measures, and other service redesign initiatives to eliminate any duplication in service provision or to introduce more efficient service delivery measures.

- 2.18 It is important to recognise that the monitoring and recording of savings and performance, across multiple organisations, is a complex exercise. The need for a sustainable service design and delivery is paramount and work is ongoing to further develop robust information, monitoring and reporting systems, including across both partners and services to support this as part of an approach anchored on the principle of continuous improvement.
- 2.19 A summary of estimated savings delivery is appended to this report at Appendix 1.

### Reserves

- 2.20 The Integration Joint Board has a reserves policy and strategy which has been agreed to be reviewed alongside development of medium term financial planning.
- 2.21 The Integration Joint Board does not hold any general or contingency reserves. Current reserves are held for specific purposes, generally to achieve specific outcomes or national policy objectives such as Primary Care Transformation.
- 2.22 The Integration Joint Board previously approved use of reserves to support Enhancing the Partnership Management Structure to Support Transformation and £0.100m to be made available to support the Transformation Fund and the 2 Head of Service posts.

Projected spend against these commitments are:

	19/20 £m	20/21 £m	Total £m
Enhanced Management Structure	0.042	0.208	0.250
Transformation Fund	0.013	0.087	0.100
<b>TOTALS</b>	<b>0.055</b>	<b>0.295</b>	<b>0.350</b>

- 2.23 The report to the September 2019 meeting detailed a reserves position brought into 2019/20 of £1.905m. Taking account of earmarked reserves created as a result of difference between timing and expenditure of Scottish Government funding for policy imperatives (£0.878m) and the projected 19/20 expenditure detailed in section 2.15 indicates a projected reserves position at 31 March 2020 (all earmarked) slightly below £1m. A full review of reserves and associated expenditure plans will be undertaken as part of normal year end processes.

### **3. Risks**

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- 3.1 Efforts to control costs, mitigate the effects of increasing demand and review activity are having a positive impact on projections. It continues to be challenging to fully identify the financial impact of these efforts.
- 3.2 The level of overspend indicated remains significantly in excess of budget and, as detailed in the 2019/20 Revenue Budget, a combination of transformational change, service redesign and a level of service reduction is envisaged to be required to make service delivery financially sustainable.
- 3.3 Work is underway regarding how any overspend risk will be managed between the partners for 2020/21. At the time of writing these discussions had not been concluded, however the Month 9 position as detailed in this report, has been shared with the constituent authorities to further the required discussions.

### **4. Conclusions**

- 4.1 In recognition of the financial challenge, there is an imperative to gain momentum and pace for the Transforming Care Programme to deliver progression on pursuance of improved outcomes for the citizens of Clackmannanshire and Stirling, Strategic Plan priorities, and significant savings, taking cognisance that this will prove extremely challenging to deliver. Returns made by Partnerships to the Scottish Government Health and Sport Committee already reflect the difficulty Health and Social Care Partnerships in Scotland are experiencing in the delivery of savings and efficiency programmes.

### **5. Appendices**

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- Appendix 1 – Budget Analysis
- Appendix 2 – Estimated Savings Delivery

<b>Fit with Strategic Priorities:</b>	
Care Closer to Home	<input checked="" type="checkbox"/>
Primary Care Transformation	<input checked="" type="checkbox"/>
Caring, Connected Communities	<input checked="" type="checkbox"/>
Mental Health	<input checked="" type="checkbox"/>
Supporting people living with Dementia	<input checked="" type="checkbox"/>
Alcohol and Drugs	<input checked="" type="checkbox"/>
<b>Enabling Activities</b>	
Technology Enabled Care	<input checked="" type="checkbox"/>
Workforce Planning and Development	<input checked="" type="checkbox"/>
Housing and Adaptations	<input checked="" type="checkbox"/>
Infrastructure	<input checked="" type="checkbox"/>

<b>Implications</b>	
<b>Finance:</b>	Per body of report.
<b>Other Resources:</b>	As referenced in the report.
<b>Legal:</b>	The report references the Annual Accounts process which is a statutory duty of the Integration Authority.
<b>Risk &amp; mitigation:</b>	Financial Resilience is a key risk detailed within the Boards Strategic Risk Register. Financial planning and reporting is part of the mitigation approaches to assist in managing these risks.
<b>Equality and Human Rights:</b>	The content of this report <b>does not</b> require a EQIA
<b>Data Protection:</b>	The content of this report <b>does not</b> require a DPIA

**APPENDIX 1 - BUDGET ANALYSIS****Health Functions**

		<b>Forecast Variance £'000</b>
<b>Function</b>		
Set Aside	Accident and Emergency Services	(616)
	Inpatient Hospital Services General Medicine	(81)
	Inpatient Hospital Services Geriatric Medicine	(336)
	Inpatient Hospital Services Rehabilitation Medicine	(52)
	Inpatient Hospital Services Respiratory Medicine	0
	Inpatient Hospital Services Psychiatry of Learning Disability	(28)
	Palliative Care (Hospital Based)	(10)
	Mental Health Inpatient Services	(268)
<b>Set Aside</b>	<b>Sub Total</b>	<b>(1,389)</b>
		0
Operational	District Nursing Services	105
	Community Nursing Services	0
	Community Addiction Services	212
	Community Based AHP Services	248
	Public Dental Service	37
	Services provided outwith a hospital in relation to geriatric medicine	55
	Palliative Care (delivered in Community)	2
	Community Learning Disability Services	218
	Community Mental Health Services	385
	Continence Services	37
	Services Provided by health professionals to promote public health	217
	Community Hospitals (recurrent budget)	321
	Resource Transfer	(0)
	Joint Partnership Agreements	(113)
<b>Operational</b>	<b>Sub Total</b>	<b>1,724</b>
Universal	Primary Medical Services (GMS Contract)	(138)
	Primary Dental Services (GDS Contract)	0
	Community Ophthalmic Services	0
	Community Pharmaceutical Services	(1,774)
	GP Out of Hours Services	(126)
<b>Universal</b>	<b>Sub Total</b>	<b>(2,038)</b>
<b>Sub Total - Operational And Universal Services (Integrated Budget)</b>		<b>(314)</b>
<b>Bellfield Adjustment</b>		<b>(466)</b>
<b>Net Projection</b>		<b>(780)</b>

**APPENDIX 1 - BUDGET ANALYSIS**

	<b>Forecast Variance £'000</b>
<b>Adult Social Care - Stirling Localities</b>	
Staffing	67
Vol Orgs / 3rd Sector	(111)
Sensory Services	28
JLES	(2)
Bellfield Centre (net of Adjustment)	(466)
Strathendrick	(533)
Long Term Care	(258)
Care and Support at Home	(509)
Respite	(16)
Direct Payments	14
Daycare	33
Streets Ahead	11
Riverbank	67
Equipment	10
Transport	3
Reablement	260
MECS / Telecare / Telehealth	(59)
Integration Fund	(295)
Resource Transfer	41
Housing Aids & Adaptations	0
Alcohol & Drug Services	4
<b>TOTAL</b>	<b>(1,713)</b>
<b>Adult Social Care - Clackmannanshire Locality</b>	
Staffing	(961)
Long Term Care	
Nursing Homes	185
Residential Homes	(848)
Community Based Care	
Care at Home	810
Day Care	86
Direct Payments	103
Housing Aids and Adaptations	7
Housing with Care	109
Respite	(35)
Misc Third Party Payments	
Misc Third Party Payments	255
Supplies and Services	
Premises Expenditure	67
Supplies and Services (Other)	70
Transport Expenditure	8
Income	
Income	(119)
Resource Transfer (Health)	0
<b>TOTAL</b>	<b>265</b>

Proposal Number	Detail	2019-20 Em	Risk Rating (RAG)	Senior Lead	Notes and Linkage to Transforming Care Programme for Future Years
<b>Adult Care</b>					
1	Ludgate House as main partnership facility for all respite care for older adults (saving from reduced procurement/ commissioning activity)	0.000	Yellow	Locality Manager, Clacks	Further review of respite care including demand and capacity work to be completed to inform future plans.
2	Review of bed based services at Menstrie House subject to further work and public engagement and consultation.	0.000	Red	Locality Manager, Clacks	Consider within Transforming Care Programme as requires alternatives.
3	Rural Models of Care	0.109	Yellow	Head of Service (CH&C)	In year efficiencies achieved minimising cost. Timeline and previous papers options/ prepared.
4	Service Efficiency – Stirling Reablement	0.262	Green	LocMan (Rural)	Savings on track through efficiencies, longer term work on structure and cost of reablement services linked to Transforming Care Programme and opportunities in integrating NHS services.
5	Reduction in costs of Care at Home packages through review activity – older adults and physical disability – Stirling Localities	0.199	Green	Locality Managers & Service Manager	
6	Reduction in costs of Care at Home through review activity– older adults and physical disability – Clacks Locality	0.267	Yellow	Locality Manager, Clacks	Limited evidence of impact. However growth in demand has been managed (ie. kept flat) in year vs projection of £0.45m
7a	Equipment Enabled / Single Handed Care – to be worked up across whole HSCP – Stirling Localities (Based on Revised Cost Estimates 25/6)	-	Yellow	Locality Managers, Head of Service (CH&C)	Being incorporated within Transformation Programme for Future Years
7b	Clackmannanshire Locality (Initial Estimate Broadly Scaled to Population - Requires detailed scoping)	-	Yellow	Locality Manager	Being incorporated within Transformation Programme for Future Years
8	Groceries, Food and Social Isolation - Stirling		Red	Locality Manager	Reconsider for Future linked to Transformation Programme and Strategic Priorities
9	Therapeutic Day Care	0.004	Green	Locality Manger, Stirling	Complete
10	Staffing Budget – Adult Social Care – Stirling	0.027	Yellow	Locality Manager, Stirling	Chief Officer has asked for further impact assessment including relationship to waiting lists / waiting list management. These were change to point of post of recruitment for one post and change of role for the other.
11	Improved management of unplanned short breaks – older adults	0.100	Green	Locality Manager, Stirling	Proceed as Management Action Significant progress through improved process, on course to claw back £300k from unplanned respite (however internal resources in use)
12	Commissioned Older People's Day Care – Clacks	0.035	Red	Locality Manager, Stirling	Limited Evidence of Impact Current Year though demand growth being managed in year - Review future potential within Transforming Care Programme
13	Single Point of Request – ReACH North AHP Team	0.000	Red	AHP Lead	Target £0.024m. Future Scope Linked to Single Point of Contact Work within Transforming Care Programme.
14	AHP Business Travel Efficiencies	0.001	Green	AHP Lead	
15	Review of Continence Service and Product Supply (Option in early stage development)	0.000	Red	TBA	Initial Target £0.044m. Not supported on clinical advice at this stage.
16	Review use and function of Bed Capacity at CCHC		Red	Locality Manager, Clacks	Maximising function and value from CCHC as a public asset to be part of Transforming Care Programme consideration.
17	Market Testing and Procurement Efficiencies : ADP Contracts	0.050	Green	ADP Co-ordinator	Complete. Full Year Effect in 2020/21.
<b>Learning Disability</b>					
18	Stirling LD Team – Respite	0.015	Green	Service Manager, LD & MH	£0.015 reduction projected on previous year expenditure.
19	Stirling LD Service – Externally Commissioned Day Services	0.038	Yellow	Service Manager, LD & MH	Target was £0.052m for 19/20. Planned reviews in place to reduce external commitment combined with greater use of redesigned In House service.
20	Clacks LD Service – Externally Commissioned Day Services	0.017	Yellow	Service Manager, LD & MH	Proceed as Management Action
21	Stirling LD Team – Care at Home	0.138	Green	Service Manager, LD & MH	On track to deliver target.
22	Clacks LD Team – Care at Home	0.120	Yellow	Service Manager, LD & MH	Proceed as Management Action
23	Clacks Adult Day Service	0.024	Green	Service Manager, LD & MH	On track.
24	LD Nursing Team	0.003	Green	LD Lead Nurse	Proceed as Management Action
<b>Health Improvement</b>					
25	Redesign and Skill Mix in Health Improvement Services	0.024	Green	Service Manager, HI & CS, NHS FV	On track.
<b>Primary Care Prescribing Efficiencies</b>					
26	Reviews and Technical Switches including DOAC review and Lidocaine	0.149	Yellow	Primary Care MRG	Part of Prescribing Plan (pan FV) per Report most recent PC MRG
	Clawbacks / Not dispensed or collected and unauthorised price differentials	0.019	Green	Primary Care MRG	Part of Prescribing Plan (pan FV) per Report most recent PC MRG
27	Target Over-ordering	0.000	Yellow	Primary Care MRG	Part of Prescribing Plan (pan FV)
28	Additional Proposals – Updated Medium Term Plans Under Development via Primary Care Medicines Resources Group.	0.000	Red	Primary Care MRG	Linked to update required to Sept IJB. NHS FV Corporate PMO Approach.
<b>Partnership Funding Review for Alignment and Evidence of Impact on Strategic Priorities</b>					
29	Impact of Reviews to Date	0.632	Green	ICF Manager	In place
30	Additional Proposals	0.097	Green	ICF Manager	In place
31	Maintaining Post Diagnostic Support (PDS) Capacity for Dementia	(0.032)	Green	ICF Manager	Approved.
<b>Mental Health</b>					
32	Redesign of Marshall	0.099	Green	Service Manager, LD & MH	
33	Learning Disability & Mental Health Supported Living (revised)	0.091	Yellow	Service Manager, LD & MH	Target was £200k for 19/20. Part year efficiencies of £91k 2019/20 and full year efficiencies identified for 2020/21 . Further commissioning, presently being negotiated, will provide further opportunities for 2020/21. Disputes Resolved in Favour. £0.826m of impact in non-recurrent.
34	Ordinary Residences Cases	1.498	Green	Service Manager, LD & MH	
<b>Additional Recovery / Budget Management Measures</b>					
35	Complex Care - Reviews and Repatriation	0.045	Green	Complex Care Manager	
36	Learning Disabilities - Community Residential Resources	0.008	Green	CRR Manager	
37	Health Improvement Fund Efficiencies	0.017	Green	Service Manager, HI & CS, NHS FV	
<b>TOTALS</b>		<b>4.056</b>			

	2019/20 Em
<b>ESTIMATED SAVINGS REQUIREMENTS</b>	<b>7.282</b>
<b>SURPLUS / (GAP)</b>	<b>(3.226)</b>



Clackmannanshire & Stirling  
**Health & Social Care  
Partnership**

# Integration Joint Board

Agenda Item 6.2

## Budget Update and Developing Medium Term Financial Planning For Noting and Approval

<b>Paper approved for submission by</b>	Annemargaret Black
<b>Paper presented by</b>	Chief Finance Officer
<b>Author</b>	Chief Finance Officer
<b>Exempt Report</b>	No



Clackmannanshire  
Council



**NHS**  
Forth Valley

<b>Directions</b>	
No Direction Required	<input checked="" type="checkbox"/>
Clackmannanshire Council	<input type="checkbox"/>
Stirling Council	<input type="checkbox"/>
NHS Forth Valley	<input type="checkbox"/>

<b>Purpose of Report:</b>	The purpose of this report is to provide the Board with an update on the development of the Partnership revenue budget for 2020/21 including the impact of the draft Scottish Budget, development of a budget strategy for incorporation in the Medium Term Financial Plan, and progress on arrangements for the set aside for large hospital services budgets.
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<b>Recommendations:</b>	<p>The Integration Joint Board is asked to:</p> <ol style="list-style-type: none"> <li>1. Note the background (Section 1)</li> <li>2. Consider and approve the Proposed Budget Strategy to be incorporated within the Medium Term Financial Plan and note the key risks associated (Section 2.8)</li> <li>3. Note the update on the 2020/21 Revenue Budget and development of the Medium Term Financial Plan (Section 2) and agree to receive these for consideration and approval at the 25 March 2020 meeting.</li> <li>4. Note the update in relation to the Draft Scottish Budget, forthcoming UK Budget and risks associated (Section 3).</li> <li>5. Note the estimated resources flowing to Integration Authorities from the Scottish Draft Budget (Section 3.11)</li> <li>6. Note the update in relation to the Set Aside Budget for Large Hospital services (Section 4).</li> </ol>
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## 1. Background

- 1.1 The Integration Joint Board set an initial unbalanced budget for 2019/20 in March 2019 and further considered budget issues in July 2019 post consideration of service options by the Finance and Performance Committee. This included options to reduce cost not supported to be brought forward to the Integration Joint Board for consideration and an option in relation to Strathendrick Care Home not supported by the Integration Joint Board at that point in time.

These considerations included approval of establishment of the Transforming Care Board to oversee the further development and monitoring of the Transforming Care Programme to be underpinned by a delivery, or transformation plan.

The considerations examined service options covering the life of the Strategic Commissioning Plan 2019 – 2022 approved by the Board in March 2019 and acknowledged the need to further develop strategic, service and financial planning over the medium term. The Partnerships consolidated response to the Ministerial Strategic Group proposals also dovetails with this approach.

- 1.2 The corollary of these considerations, in financial terms, was an agreement that a service strategy, transformation and service delivery plan and medium term financial plan which resulted in:
- *For 2019/20 – (a level of overspend) no greater than that experienced in 2018/19. (£2.45m)*
  - *For 2020/21 – (a level of overspend) no greater than 50% of that required for 2020/21 (£1.22m)*
  - *For 2021/22 – A minimum of financial breakeven.*

It is acknowledged that discussions on how this could be financed were not concluded and need to be concluded as soon as possible.

- 1.3 Initial directions were issued for 2019/20 on a high level basis in acknowledgement that the approach to directions required further development linked to the Ministerial Strategic Group proposals and emergent national guidance. The elements of the savings and efficiency plan approved were regarded as management actions rather than significant service change. Significant service change decisions, as the transforming care plans develop, are anticipated in future to require a direction to underpin the decision.
- 1.4 Scottish Government published revised Statutory Guidance on Directions on 27 January 2020. This will be taken into account in preparation and issuing of future directions. The guidance can be found at:  
<https://www.gov.scot/publications/statutory-guidance-directions-integration-authorities-health-boards-local-authorities/>
- 1.5 Financial reporting to the September and November 2019 Integration Joint Board meetings forecast a projected overspend in excess of the maximum tolerable overspend level for 2019/20 detailed in section 1.2.
- 1.6 However a positive outcome to the ongoing dispute in relation to Ordinary Residence cases, as regularly reported within finance reports, has brought the 2019/20 projected overspend down further to £1.531m based on Month 9 projections albeit the underlying recurrent level of financial pressure is greater than this.

Therefore underlying recurrent overspend on the Integrated Budget, excluding set aside, of £2.057m is the start point for the considerations around the 2020/21 Revenue Budget.

- 1.7 Discussions regarding risk sharing require to be progressed both specifically in relation to 2019/20 and, as part of the review of the Integration Scheme, for future years within the overall context of pursuing financial and service sustainability balancing safety and performance.

## 2. [Proposed Budget Strategy, 2020/21 Revenue Budget and Development of Medium Term Financial Plan](#)

### *Budget Setting Approach*

- 2.1 Significant work is continuing in developing the detail of the 2020/21 Revenue Budget, Medium Term Financial Plan and aligning this to the Strategic Commissioning Plan priorities, Transforming Care Themes and ongoing development of the Transforming Care Delivery Plan. The draft Medium Term Financial Plan will be presented to the 25 March 2020 Board alongside the 2020/21 Revenue Budget.
- 2.2 The detail of the revenue budget is being constructed, as in previous years, in line with the principles incorporated in the Integration Scheme (section 8.3) which in itself reflects national guidance on integration produced by the Integrated Resources Advisory Group (IRAG).
- 2.3 It requires to be recognised that the Partnership is not yet in the position where this is structured as a business case for Constituent Authorities to consider and the issues around this will require to be managed pragmatically and collaboratively in the short term. Our response to the Ministerial Strategic Group (MSG) proposals included reference to the need to fully implement this approach and it is critical we do so for the future as services become integrated and we strengthen alignment to the Strategic Commissioning Plan priorities and Transforming Care Delivery Plan Themes.
- 2.4 The process / structure set out in the IRAG guidance and embedded in the Integration Scheme is:
- **Activity Changes.** The impact on resources in respect of increased demand (e.g. demographic pressures and increased prevalence of long term conditions) and for other planned activity changes
  - **Cost inflation.** Pay and supplies cost increases
  - **Efficiencies.** All savings (including increased income opportunities and service rationalisations/cessations) should be agreed between the Integration Joint Board, Local Authority and Health Board as part of the annual rolling financial planning process to ensure transparency
  - **Performance on outcomes.** The potential impact of efficiencies on agreed outcomes must be clearly stated and open to challenge by the Local Authority and Health Board
  - **Legal requirements.** Legislation may entail expenditure commitments that should be taken into account in adjusting the payment

• **Transfers to/from the notional budget for hospital services** set out in the Strategic Plan. See section 4.3.1

• **Adjustments to address equity.** The Local Authority and Health Boards may choose to adjust contributions to smooth the variation in weighted capita resource allocations across partnerships; information to support this will be provided by ISD and ASD. “

- 2.5 An initial session on developing efficiency and savings proposals for 2020/21 and beyond aligned to Strategic Commissioning Plan priorities and the Transforming Care Delivery Plan thematic was held with members from the Joint Management Team in early February 2020 to allow participation and influence of the newly appointed heads of service. A follow up session is being planned and the issues within this paper have been the discussed with the Chief Officer and Heads of Service.
- 2.6 The rapid further development of the transformation programme to drive change and cost reduction requires to be the overriding priority for the Partnership. The Boards appetite for risk and decision making is a key part of this process.

Proposed Budget Strategy

- 2.7 The medium term financial plan requires to be finalised incorporating a budget strategy.
- 2.8 It is proposed the key elements of the budget strategy are:
- I. Achieving net financial balance over 2020/21 and 2021/22 subject to fair and reasonable settlements from the Constituent Authorities and Scottish Government. This aims to negate the requirement for further additional unplanned contributions from the Constituent Authorities but would require resolution of 2019/20 financial risk sharing without resort to loan or repayment arrangements.
  - II. Begin to reinvest transformation funding currently offsetting the Partnership financial position in Transformation Programmes from 2021/22 subject to achieving sufficient progress in delivering savings and efficiency programmes to meet element I. This will address the recommendations made in the Strategic Inspection report.
  - III. In the later years of the Medium Term Financial Plan begin to build a contingency reserve for unforeseen financial risks of up to 0.75% of the Partnership budget thus addressing recommendations in both the Ministerial Strategic Group proposals and the Annual Audit Report.
  - IV. Implement the Set Aside arrangements for Large Hospital Services including consideration of the emergent opportunities from the Unscheduled Care Pathways Work and Set Aside project and in line with National Guidance and the Partnerships consolidated response to the Ministerial Strategic Group proposals and future risk sharing arrangements.

2.9 The proposed budget strategy is ambitious, particularly in the short term, as it requires building momentum around the Transformation Programme whilst delivering a number of existing legacy programmes which emerged in the Boards options for Sustainable Service Delivery in December 2017 and updated plans aligned to the current Strategic Commissioning Plan in March and July 2019.

2.10 The key risks to achievement of the plan are:

- Effective and Person Centred Whole System Working including risk management
- Adequate capacity and skills development including further development of support services arrangements
- Appetite for risk and decision making including directions
- Unforeseen issues arising with material financial consequence
- Recruitment and retention of workforce
- Development of business cases to address the challenges and untap opportunities around Unscheduled Care / Set Aside.

2.11 The key areas of financial risk are in relation to:

- Control and management of existing cost pressures
- Delivery of adequate savings and efficiency programmes
- Family Health Services Prescribing
- Set Aside
- Ability to consume any unforeseen pressures arising within existing resources.

#### Indicative 2020/21 Revenue Budget Position

2.12 Work is ongoing in developing the detail of the 2020/21 Revenue Budget and building the draft Medium Term Financial Plan to allow presentation to the 25 March 2020 meeting for approval.

2.13 The baseline for the 2020/21 budget is the recurrent underlying overspend, as detailed in the financial report (agenda item 6.1) of £2.057m on the Integrated Budget (which excludes Set Aside) plus £1.389m on the Set Aside Budget for Large Hospital Services.

2.14 Estimated cost pressures have been calculated in line, as far as possible, with the process set out in Section 2.4.

- 2.15 It has been assumed for 2020/21 that NHS Board budgets are increased by 3% in line with the terms of the Scottish Government settlement and Local Authorities pass through 2019/20 recurrent budgets, plus the cost of pay awards (as in previous years) plus the resources flowing through the Local Government settlement as estimated in Section 3.11.
- 2.16 Assumptions used to construct the estimates of cost pressures are as follows:
- Pay Awards – per Public Sector Pay Policy
  - Contract Inflation – 3% Average
  - National Care Home Contract – per current intelligence via COSLA (still in negotiation for 20/21)
  - Other Residential Care – Average per National Care Home Contract
  - Prescribing Cost and Volumes – 5.24%
  - Carers Bill and Free Personal Care < 65s – Per resources flowing through settlement
  - Demand for Social Care from Demographic Change – 3 year average
  - Transitions from Children’s Services – Case specific information or 3 year average
- 2.17 In relation to the Integrated Budget the corollary of the above for 2020/21 is summarised in the table below.

<b>2020/21 Revenue Budget : Indicative Summary</b>	<b>£m</b>
Recurrent Overspend	2.057
Add: Estimated Additional Cost and Inflationary Pressures	7.884
Less : Indicative Additional Resources	5.317
Less : Transformation Funding Offset	0.700
<b>Savings Requirement to Achieve Balanced Budget in 2020/21</b>	<b><u>3.924</u></b>

- 2.18 In order to meet this requirement in relation to the Integrated Budget the indicative savings areas are set out in the table below.

<b>2020/21 Indicative Savings Proposals</b>	<b>£m</b>
Management Actions : Bellfield Centre and Menstrie House	0.891
Market Testing & Care and Support Framework	0.150
Equipment and Technology Enabled Care	0.085
Review of Rural Models of Care	0.499
Demand Management (including Review Activity)	0.600
Medicines Management	1.038
Learning Disability and Mental Health Redesign	0.654
<b>TOTAL INDICATIVE SAVINGS</b>	<b><u>3.916</u></b>

- 2.19 It should be noted that work in assessing savings and delivery risk is ongoing and subject to further change as plans develop. The list of proposals within the table above is also not necessarily exhaustive at this point and additionally small scale 'housekeeping' type savings are always required to be pursued.
- 2.20 The detail above will be further developed and consolidated, alongside details of proposed payments from the Constituent Authorities within the 2020/21 Revenue Budget.

Medium Term Financial Planning

- 2.21 The assumptions above have also been used to estimate the savings requirements across the following four financial years. Detail of this is included within Appendix 2.
- 2.22 Based on current estimates this produces an annual savings requirement of between £2.4 and 2.6m per annum for the Integrated Budget and £0.136m per annum for the Set Aside budget based on an average additional pressure of c£0.1m per annum. Increasingly the savings gap will require to be met through the impact of the development of the themes within the Transforming Care Programme. A sensitivity analysis will be included in the Medium Term Financial Plan.
- 2.23 This work is being further reviewed and refined including consultation with the Director of Finance of NHS Forth Valley and Section 95 officers of the Local Authorities before consolidation into the Medium Term Financial Plan for the Boards consideration on 25 March 2020. It is therefore subject to further change.

### 3. Draft 2020/21 Scottish Budget

- 3.1 The draft Scottish Budget was presented to Parliament on 6 February 2020 ahead of the UK budget on 11 March 2020.
- 3.2 Indicative allocations to NHS Boards and the Local Government Finance Circular were issued on the same day along with letters detailing the terms of the settlement including payments to IJBs.
- 3.3 Discussions with Scottish Government officers post the presentation of the acknowledged risk of changes through either the process of gaining Parliamentary approval and consent and/or material changes arising from the UK Budget. Scottish Government officers have advised planning on the basis of information issued alongside the budget. Stage 3 of the Budget Bill is anticipated to occur week commencing 2 March 2020.
- 3.4 There is the possibility that if the UK Budget on 11 March 2020 materially changes any resource assumptions made in the Scottish Draft Budget that there will need to be an amendment to the Budget Bill brought to the Scottish Parliament.
- 3.5 The above should permit the constituent bodies to set budgets within statutory timescales and comply with the Integration Scheme in terms of proposed payments to the Integration Joint Board.
- 3.6 With specific reference to the Integration Scheme the relevant paragraph is:

*“8.2.6 The Parties shall determine and agree their respective Payment to the Integration Joint Board for the delivery of the integration functions in advance of the start of each financial year and shall formally advise the Integration Joint Board by no later than 28 February each year, subject to Scottish Government confirmation of NHS funding for the forthcoming year.”*

#### **NHS Board Indicative Allocations**

- 3.7 The key elements of the 2020/21 Indicative Allocations to NHS Boards are:
- 3% baseline uplift to all territorial boards
  - A share of £17m for Boards furthest away from NRAC parity (fair shares of NHS Scotland Budget), which will continue to maintain all Boards within 0.8% of NRAC parity. This brings NHS Forth Valleys uplift to 3.2%
  - A further £121m Investment in Improving Patient Outcomes incorporating
    - Primary Care
    - Waiting Times Improvement
    - Mental Health and Child and Adolescent Mental Health
    - Trauma Networks
  - Scottish Government has indicated that they will write to Integration Authorities and NHS Boards regards reporting on Improving Patient Outcomes Funding. Where the funding sits within the scope of Integration Authority Strategic Commissioning Plans it is expected

Integration Authorities will require to specifically approve and monitor plans.

- The Health and Sport portfolio budget also includes an additional £12.7m to tackle the harm associated with use of illicit drugs and alcohol. Further detail is awaited on this.
- £100m from the Health Portfolio to the Local Government settlement for investment in social care and integration.
- An assumption of an unchanged initial capital allocation formula, with investment planned in elective centres.

3.8 With specific regard to Integration Authorities:

- NHS payments to Integration Authorities must deliver an uplift of at least 3% over 2019/20 recurring budgets
- Where relevant (i.e. within scope of Integration Authorities) funding in relation to Improving Patient Outcomes will be additional to the 3% uplift.

### ***Local Government Finance Settlement (LGFS) 2020/21***

3.9 The key element of the Local Government Finance Settlement for 2020/21 are

- A reduction in the core revenue grant of 1.2%
- Headline uplifts for all local government revenue funding includes substantial new funding for Scottish Government policy priorities totalling £590m
- This gives an overall headline uplift on local government funding of 2.56%
- A reduction in the core capital grant of £117m or c17%
- The option to increase Council Tax by up to a maximum of 4.84% (calculated using a base cap of 3% plus the UK Gross Domestic Product (GDP) deflator of 1.84%)

3.10 With specific regard to Integration Authorities

- Local Authority payments must be a minimum of 2019/20 recurrent budgets plus relevant shares of £96m (of the £100m transfer from the Health and Sport Portfolio budget) for Health and Social Care spending pressures and policy initiatives.
- The remaining £4m of the £100m is for School Counselling which is outwith the scope of Integration Scheme and Strategic Commissioning Plan.

- 3.11 The resources estimated to flow from the settlement have been estimated from the Local Government Finance Circular and are detailed in Table 1 below.

**Table 1: Estimated Additional Resources**

	Contribution to Scottish Living Wage £m	Free Personal Care < 65s £m	Carers Bill £m	Balance / Pressures in Social Care £m	Estimated Total Additional Resources £m
Clackmannanshire	0.229	0.008	0.107	0.525	0.868
Stirling	0.402	0.059	0.187	0.920	1.568
<b>Total Resources</b>					<b>2.437</b>

- 3.12 These estimated additional resources are included in the assumptions and estimates contained within this paper.

#### **4. Review of Set Aside Arrangements for Large Hospital Services (Set Aside Project)**

- 4.1 Per the self assessment presented to the Integration Joint Board in June 2018 and the Partnership response to the Ministerial Strategic Group proposals much work has been undertaken recently on reviewing the arrangements in relation to the set aside services.
- 4.2 A working group was established in August 2019 to drive forward this review. The group is chaired by the Director of Acute Services and includes the Chief Officers of both Partnerships within Forth Valley. The group has also had input from the Integration Policy Team at Scottish Government. This review is also commonly referred to as the Set Aside project.
- 4.3 To expedite the review Buchan Associates were engaged to support the work and are making significant progress. The work has included interviews, data analysis and a series of workshops. The next key workshop is on 2 March 2020 which will examine establishing monitoring arrangements and discuss risk sharing. In order to map the process in relation to budgets and resources a Finance Sub Group has also been established.
- 4.4 The work is being taken forward in phases with the first phase focusing on unscheduled care pathways. The second phase is envisaged to include community hospitals, mental health and learning disabilities on a whole system basis.
- 4.5 This work is beginning to highlight areas where there is significant opportunity for service change and redesign as part of whole system working and inform the development of appropriate capacity and financial planning and inform the business case(s) for service change which will be required for decision making. In this regard, it is critical to view the Set Aside in service planning

terms to support Strategic Commissioning Plan priorities rather than as a financial mechanism. The key areas of opportunity for service redesign include Delayed Discharge, Palliative and End of Life Care, development of community models of care and Home First/ Discharge to Assess (D2A) type models.

- 4.6 The scope of the work commissioned, mapped to the 6 steps required, is set out in the schematic at Appendix 1 to this report.
- 4.7 Decisions regarding future financial risk for Set Aside services will require to be considered based on this work. At the current moment in time no change in financial liability is assumed.
- 4.8 Given the importance and complexity of this work a specific development session is set up for members of both Integration Joint Boards on 18 March 2020. As well as being time efficient this is also consistent with the Integration Joint Boards statutory responsibility for multiple Integration Authorities within a single health board area to work together.

## 5. Appendices

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Appendix 1 – Scope of Set Aside Review

Appendix 2 – Summary of Draft Medium Term Financial Plan

Appendix 3 – Scottish Government Letter re NHS Board Indicative Allocations

Appendix 4 – Scottish Government Letter re Local Government Settlement

<b>Fit with Strategic Priorities:</b>	
Care Closer to Home	<input checked="" type="checkbox"/>
Primary Care Transformation	<input checked="" type="checkbox"/>
Caring, Connected Communities	<input checked="" type="checkbox"/>
Mental Health	<input checked="" type="checkbox"/>
Supporting people living with Dementia	<input checked="" type="checkbox"/>
Alcohol and Drugs	<input checked="" type="checkbox"/>
<b>Enabling Activities</b>	
Technology Enabled Care	<input checked="" type="checkbox"/>
Workforce Planning and Development	<input checked="" type="checkbox"/>
Housing and Adaptations	<input checked="" type="checkbox"/>
Infrastructure	<input checked="" type="checkbox"/>

<b>Implications</b>	
<b>Finance:</b>	The financial implications are detailed within the body of the report.
<b>Other Resources:</b>	N/A
<b>Legal:</b>	None directly arising.
<b>Risk &amp; mitigation:</b>	Financial resilience and risk of ability to deliver the Strategic Plan priorities are reflected in the Integration Joint Boards Strategic Risk Register. Development and delivery of the Transforming Care Programme aligned to the Medium Term Financial Plan will assist in mitigating these risks.
<b>Equality and Human Rights:</b>	The content of this report <b><u>does not</u></b> require a EQIA
<b>Data Protection:</b>	The content of this report <b><u>does not</u></b> require a DPIA

## Appendix 1 - Scope of Set Aside Review

Step	Approach
<p>1 A <b>group should be established</b> comprising the hospital sector director and finance leads, and the Chief Officers and Chief Finance Officers of the Integration Authorities, whose populations use the hospital services, including those with a material level of cross boundary flow. The purpose of the group is to develop an <b>understanding of the baseline bed capacity</b> used by Integration Authority residents in the delegated specialties and the resource affected; to <b>develop projections and agree a plan</b> for the capacity that will be needed in future; and to <b>monitor implementation of the plan</b>.</p>	<p>A <b>stakeholder group has been created</b> with representation from NHS (nursing, medical, AHPs, Information Services), both Integration Authorities &amp; Scottish Government. Supported by a Finance sub-group involving NHS Finance and Chief Finance Officers.</p>
<p>2 The <b>baseline bed days</b> used by Integration Authority residents in the <b>ten specialties</b> should be <b>quantified</b> and the relevant budgets <b>mapped to the bed capacity</b>. The resulting amounts would then be the baseline sum set aside.</p>	<p>Develop and share <b>baseline capacity bed model</b> current activity by specialty, IJB, other at Workshop 1. Work with NHS and partnerships to agree a costing approach for baseline activity.</p>
<p>3 A <b>method should be agreed for quantifying how the sum set aside will change with projected changes in bed capacity</b>. This should be at two levels of detail: one allowing for the development of outline plans, giving an initial indication of the potential resource implications; and the other should provide a more comprehensive analysis of agreed changes in capacity, that takes into account cost behaviour and timing of resource changes.</p>	<p>Develop as part of workshops 1 &amp; 2 a range of <b>range of future scenarios</b> (realistic but stretching) including: best practice, new models of care e.g. out of hospital models, benchmarking, impact of existing change programmes and establishing targets &amp; target operating models</p>
<p>4 A plan should be developed and agreed that sets out the <b>capacity levels required by each Integration Authority</b> (taking into account both the impact of <b>redesign and</b> of demographic change) and the <b>resource changes</b> entailed by the capacity changes.</p>	<p>Apply scenarios to baseline model to determine <b>final projections activity and capacity</b>. Application of costing methodology to activity projections to determine <b>final cost projection</b>.</p>
<p>5 Regular information should be provided to the <b>group to monitor performance against the plan</b></p>	<p>Develop <b>monitoring tool</b> to track projections at agreed time periods. Share tool at workshop 3.</p>
<p>6 As the plan for hospital capacity is a joint risk held by the Integration Authorities and the Health Board an <b>accountability framework</b> should be agreed that clarifies relevant risk sharing arrangements.</p>	<p><b>Risk assessment workshop 4</b> to identify, assess, and score risks; quantify the risks financially where possible</p>

**APPENDIX 2**

Clackmannanshire & Stirling H&SCP Medium Term Financial Plan 2020/21 (draft)		20/21	21/22	22/23	23/24	24/25
Estimated Savings Requirements		£m	£m	£m	£m	£m
Recurrent Overspend for 2019/20	Integrated Budget	2.057				
	Set Aside	1.389				
Estimated Additional Savings Requirement	Integrated Budget	1.867	2.327	2.177	2.437	2.531
	Set Aside	0.036	0.136	0.136	0.136	0.136
Loan Repayments / (Transfers to Reserves)			0.008			
Restore Investment of Transformation Funding			0.240	0.232	0.174	
Establishment of Contingency Reserve to 0.75% by 24/25				0.500	0.500	0.500
<b>SUB TOTAL INTEGRATED BUDGET</b>		<b>3.924</b>	<b>2.575</b>	<b>2.409</b>	<b>2.611</b>	<b>2.531</b>
<b>SUB TOTAL SET ASIDE BUDGET FOR LARGE HOSPITAL SERVICES</b>		<b>1.425</b>	<b>0.136</b>	<b>0.136</b>	<b>0.136</b>	<b>0.136</b>
<b>TOTAL ESTIMATED SAVINGS REQUIREMENTS</b>		<b>5.349</b>	<b>2.711</b>	<b>2.545</b>	<b>2.747</b>	<b>2.667</b>
<b>Service Change, Savings and Efficiency Proposals to Balance Budget</b>						
<b>Operational / Management Actions</b>		<b>Transforming Care Theme</b>				
Bring Bellfield In Line with Budget	Workforce Efficiency	0.793	0.107			
Bring Menstrie House in Line with Budget	Workforce Efficiency	0.098	0.033			
Market Testing / Procurement	Models of Care	0.050				
Care and Support Framework	Workforce Efficiency	0.100	0.100			
<b>Transforming Care, Service Redesign and Significant Service Change</b>						
Equipment and Technology Enabled Care	Technology Enabled Care	0.085	0.255	-	-	-
Review of Rural Models of Care	Models of Care	0.499	0.166	-	-	-
Demand Management	Early Intervention & Prevention	0.600	0.600	0.600	0.600	0.600
Medicines Management	Prescribing Efficiency	1.038	0.677	0.700	0.700	0.700
Redesign of Reablement	Models of Care	-	0.150	-	-	-
Learning Disability Day Services : External	Models of Care	0.083	0.024	-	-	-
Learning Disabilities Care at Home	Models of Care	0.371	0.371	-	-	-
Learning Disability / Mental Health Supported Living	Models of Care	0.200	0.200	-	-	-
New Models of Care including Housing with Care	Models of Care	-	-	-	-	-
Early Intervention and Prevention	Early Intervention & Prevention	-	-	-	-	-
<b>Sub Total - Integrated Budget Savings and Efficiency Proposals</b>		<b>3.916</b>	<b>2.683</b>	<b>1.300</b>	<b>1.300</b>	<b>1.300</b>
<b>Estimated Surplus / (Gap) - Integrated Budget</b>		<b>(0.008)</b>	<b>0.108</b>	<b>(1.109)</b>	<b>(1.311)</b>	<b>(1.231)</b>
<b>Set Aside For Large Hospital Services / Unscheduled Care Pathway</b>						
Whole System Working Opportunities including delayed discharge	Models of Care	TBA	TBA	TBA	TBA	TBA
<b>Sub Total Set Aside</b>		<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Estimated Surplus (Gap) - Set Aside</b>		<b>(1.425)</b>	<b>(0.136)</b>	<b>(0.136)</b>	<b>(0.136)</b>	<b>(0.136)</b>
<b>ESTIMATED SURPLUS / (GAP) INTEGRATED BUDGET PLUS SET ASIDE</b>		<b>(1.433)</b>	<b>(0.028)</b>	<b>(1.245)</b>	<b>(1.447)</b>	<b>(1.367)</b>



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Chief Executives, NHS Scotland

Copy to: NHS Chairs  
NHS Directors of Finance  
Local Authority Chief Executives  
Integration Authority Chief Officers  
Integration Authority Chief Finance Officers

***Issued via email***

6 February 2020

Dear Chief Executives

**Budget 2020-21 – Indicative Allocation**

Following the announcement of the Scottish Government's Budget for 2020-21 by the Minister for Public Finance and Digital Economy in Parliament today, I am writing to provide details of the funding settlement for Health Boards. A breakdown of the total is provided in **Annex A** to this letter.

The Portfolio settlement will make a significant contribution to the central purpose of the National Performance Framework - enhancing population wellbeing through our core work delivering the healthy and active outcome. In addition, there is a wider benefit from investment in the health and sport portfolio, particularly in relation to outcomes for an inclusive and sustainable economy, reducing poverty and inequality, growing and sustaining inclusive and resilient communities, and promoting a bright future through our children and early years.

The settlement will support continued delivery of the core priorities set out in the Programme for Government, which focus on; waiting times improvement, primary care, investment in mental health and delivering further progress in the integration of health and social care, as well as continuing to shift the balance of spend towards community health services. It also recognises the wider inflationary pressures faced by Boards and Integration Authorities.

**Baseline Funding**

All Territorial Boards will receive a baseline uplift of 3%. In addition to this, those Boards furthest from NRAC parity will receive a share of £17 million, which will continue to maintain all Boards within 0.8% of NRAC parity.

The National Waiting Times Centre, Scottish Ambulance Service, The State Hospital and NHS 24, along with the NHS National Services Division and Scottish National Blood Transfusion Services (within NHS National Services Scotland) will also receive a baseline uplift of 3%. NHS National Services Scotland, Healthcare Improvement Scotland, and NHS Education for Scotland will receive funding uplifts of 2%, which includes funding towards pay costs. The new budget for Public Health Scotland includes funding transferred from NHS Health Scotland and NHS National Services Scotland.

This position continues to assume that the £15 million of National Board savings is fully delivered in 2020-21 and that further progress is made in National Boards collaborating to deliver service improvement and further savings.

## Investment in Improving Patient Outcomes

In addition to the baseline funding uplift, a total of £461 million will be invested in improving patient outcomes in 2020-21, as set out below:

Improving patient outcomes	2019-20 Investment in reform (£m)	2020-21 Investment in reform (£m)	Increase for 2020-21 (£m)
Primary Care	155	205	50
Waiting Times Improvement	106	136	30
Mental Health and CAMHS	61	89	28
Trauma Networks	18	31	13
<b>TOTAL</b>	<b>340</b>	<b>461</b>	<b>121</b>

When combining the £121 million increase in investment in reform with an increase of £333 million in baseline funding for frontline NHS Boards, the total additional funding for frontline NHS Boards will amount to £454 million (4.2 per cent) in 2020-21. Further detail is set out in **Annex A**.

Full details of the method of allocation and evidence of delivering against agreed outcomes will be set out by individual policy areas.

### Core Areas of Investment

#### Primary Care

Investment in the Primary Care Fund will increase to £205 million in 2020-21. This will support the implementation of the GP contract and development of new models of primary care - where multidisciplinary teams of nurses, doctors, pharmacists, AHPs and other clinicians work together to meet the needs of their communities. This includes £10 million to be invested in GP premises.

#### Waiting Times Improvement Plan

Investment of £136 million will be provided to support waiting times improvement and reform. Work will continue to develop Annual Operational Plan submissions, with specific focus on inpatient and day cases, as well as wider plans to deliver sustainable solutions, including progress against the development of the elective centres. Included in this funding is £10 million for winter 2020-21, to allow Boards maximum opportunity to plan as appropriate.

#### Mental Health and CAMHS

Funding of £89 million will be directed to a range of partners for investment to support mental health, and children and young people's mental health. In the year ahead we will build on previous support to Territorial and National Boards through ongoing delivery of the Mental Health Outcomes Framework, the NHS Workforce Development Programme and support to improve access to high quality mental health services. We will also continue to fund the additional CAMHS staff recommended by the Children & Young People's Mental Health Taskforce from within £5.1 million administered by NHS Education Scotland. This will see a continuation in the Scottish Government's specific investment in Boards to support mental health service delivery. The Minister for Mental Health and her officials will discuss investment plans in more detail with you in the coming months.

The Mental Health Services budget also includes funding to be directed to Integration Authorities for the recruitment of 800 additional mental health workers as outlined in action 15 of the Mental Health Strategy. There will also be investment in perinatal and infant mental health overseen by the Programme Board led by Hugh Masters. Nonetheless the bulk of service provision is funded through NHS Boards' baseline funding, and we expect NHS Boards and Integration Authorities to prioritise spending in these areas in response to increasing demand and in line with Programme for Government commitments to deliver a shift in the balance of overall spending.

#### Trauma Networks

This funding will increase from £18 million to £31 million, taking forward the implementation of the major trauma networks.

### Alcohol and drugs

The Portfolio budget includes an additional £12.7 million to tackle the harm associated with the use of illicit drugs and alcohol. The Minister for Public Health, Sport and Wellbeing and his officials will discuss investment plans in more detail with Boards and Integration Authorities in the coming months. It is expected investment by Boards and Integration Authorities will increase by 3% over and above 2019-20 agreed recurring budgets to address these issues.

### Reform Funding

This budget prioritises baseline funding, along with increased investment in particular areas of reform that will improve patient outcomes. We will however work with colleagues to agree investment in specific programmes of work, such as in relation to radiology and laboratories services, as well as in-year funding to support the strategies of NHS 24 and Scottish Ambulance Service, which will have a wider benefit to the service.

### Health and Social Care Integration

In 2020-21, NHS payments to Integration Authorities for delegated health functions must deliver an uplift of at least 3% over 2019-20 agreed recurring budgets.

In addition to this, and separate from the Board Funding uplift, the Health Portfolio will invest a further £100 million in Local Authorities for investment in social care and integration, and continued support for school counsellors. This will take the total funding transferred from the health portfolio to £811 million in 2020-21. The additional £100 million for local government includes a contribution to continued delivery of the Living Wage (£25 million), uprating of free personal and nursing care payments (£2.2 million), implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£11.6 million), along with further support for school counselling services whether or not delegated under the Public Bodies (Joint Working) (Scotland) Act 2014 (£4 million).

The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2019-20 recurring budgets for social care services that are delegated. Similarly, the £4 million for school counselling services must be additional. This means that, when taken together, Local Authority social care budgets for allocation to Integration Authorities and funding for school counselling services must be £100 million greater than 2019-20 recurring budgets.

In 2020-21 integration will bring together, under the direction of Integration Authorities, more than £9.4 billion of expenditure previously managed separately by NHS Boards and Local Authorities for social care, community health care and some hospital services. Integration Authorities must be empowered and supported by their Local Authority and NHS Board partners to use the totality of these resources, including any targeted investment already committed for specific purposes, to better meet the needs of their local populations.

### Capital Funding

Boards should assume an unchanged initial capital formula allocation, with additional investment planned for the elective centres and Baird and Anchor Centre in Aberdeen.

### **Three Year Financial Plan**

We will continue to engage with Boards to finalise Annual Operational Plans and three year planning assumptions. This will set out a number of principles to be delivered in relation to finance and wider performance and I hope the information contained in this letter will assist in the finalising of plans.

Yours sincerely



**RICHARD MCCALLUM**

Interim Director of Health Finance and Governance

## Annex A – Board Funding Uplifts

NHS Territorial Boards	Total 2019-20	Uplift £m	Uplift %	2020-21 Total
	Allocation £m			allocation £m
Ayrshire and Arran	740.2	22.2	3.0%	762.4
Borders	213.4	6.4	3.0%	219.8
Dumfries and Galloway	306.9	9.2	3.0%	316.1
Fife	679.3	22.2	3.3%	701.5
Forth Valley	541.5	17.3	3.2%	558.7
Grampian	984.0	29.5	3.0%	1,013.5
Greater Glasgow and Clyde	2,295.8	68.9	3.0%	2,364.7
Highland	645.3	20.7	3.2%	666.0
Lanarkshire	1,231.2	36.9	3.0%	1,268.1
Lothian	1,482.6	57.4	3.9%	1,540.1
Orkney	51.1	1.5	3.0%	52.6
Shetland	52.3	1.6	3.0%	53.9
Tayside	784.9	23.5	3.0%	808.5
Western Isles	77.7	2.3	3.0%	80.0
	<b>10,086.2</b>	<b>319.7</b>	<b>3.2%</b>	<b>10,405.9</b>
<b>NHS National Boards</b>				
National Waiting Times Centre	58.3	1.7	3.0%	60.0
Scottish Ambulance Service	270.3	8.1	3.0%	278.4
The State Hospital	36.5	1.1	3.0%	37.6
NHS 24	70.6	2.1	3.0%	72.7
NHS Education for Scotland*	444.8	16.7	3.8%	461.5
NHS Health Scotland / Public Health Scotland**	18.9	0.4	2.0%	47.9
NHS National Services Scotland**	345.6	9.1	2.6%	327.7
Healthcare Improvement Scotland	25.8	0.5	2.0%	26.3
	<b>1,270.7</b>	<b>39.8</b>	<b>3.1%</b>	<b>1,312.1</b>
<b>Total NHS Boards</b>	<b>11,357.0</b>	<b>359.5</b>	<b>3.2%</b>	<b>11,718.0</b>
<b>Improving Patient Outcomes</b>	<b>340.0</b>	<b>121.0</b>	<b>-</b>	<b>461.0</b>
<b>Total Frontline NHS Boards***</b>	<b>10,861.9</b>	<b>453.8</b>	<b>4.2%</b>	<b>11,315.7</b>

\* The uplift for NHS Education for Scotland includes recurring funding for training grades.

\*\* Budget for Public Health Scotland of £47.9 million reflects budget for new public health body and includes transfer of £27.1 million from NHS National Services Scotland.

\*\*\* Frontline NHS Boards comprise the 14 NHS Territorial Boards, National Waiting Times Centre, Scottish Ambulance Service, State Hospital, and NHS 24.



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Councillor Alison Evison  
COSLA President  
Verity House  
19 Haymarket Yards  
Edinburgh  
EH12 5BH

Copy to: The Leaders of all Scottish local authorities

6 February 2020

*Dear Alison*

Today the Scottish Government set out proposed Budget, and tax plans and public sector pay policy for 2020-21, and introduced the associated Budget Bill. Further to the announcement the Scottish Government write now to confirm the details of the local government finance settlement.

Details of the indicative allocations to individual local authorities for 2020-21 are also published today in Local Government Finance Circular 1/2020 which begins the statutory consultation period on the settlement.

In coming to the decision to announce the Scottish Budget before the outcome of the UK Budget is known, the Scottish Government listened carefully to the representations COSLA made on behalf of local government of the damaging impact any further delay would have on the delivery of vital public services and also the practical challenges this would pose around the setting and collection of council tax.

The delay to the UK Budget means that we do not know what total Budget funding will be available to Scotland next year, as we do not yet have confirmation of Barnett consequentials that will flow from changes in UK Departmental expenditure or the updated economic and tax forecasts that are needed to finalise the Block Grant Adjustments that impact on over 30% of our Resource DEL budget. For the purposes of this Budget, the Scottish Government has taken an appropriately cautious approach in estimating the likely outcomes of the UK Budget on 11 March for both revenue and capital budgets, noting that the proposed timetable for the Budget Bill is for parliamentary consideration to conclude on 5 March. If the settlement from the UK government is significantly different from the assumptions the Scottish Government have made, we may need to revisit the allocations contained in this letter.

The Budget announced today prioritises our shared objectives of improving wellbeing, supporting inclusive economic growth, responding to the Global Climate Emergency and



tackling child poverty and remains firmly anchored in the jointly agreed National Performance Framework.

The Scottish Government's budget for 2020-21 is bold and ambitious, delivering on our key commitments. Prioritising these commitments has required fresh consideration of all areas of expenditure, as we continue to deal with the effects of UK Government austerity, with Scotland's discretionary resource budget from the UK Government for 2020-21 still set to be considerably lower in real terms than it was in 2010.

The total revenue funding to be provided through the settlement for 2020-21 will be £10,572.8 million, which includes distributable non-domestic rates incomes of £2,790 million.

The Capital settlement has been set at £763.1 million and this includes the continuing expansion of Early Years provision and the addition of a Heat Networks Early Adopters Challenge Fund.

The total funding which the Scottish Government will provide to local government in 2020 -21 through the settlement in funding for core services is therefore £11,336 million, and includes;

- £201 million revenue and £121.1 million capital to support the expansion in funded Early Learning and Childcare (ELC) entitlement to 1,140 hours by 2020;
- In addition to the £160 million available in 2019-20, a further £100 million to be transferred from the health portfolio to the Local Authorities in-year for investment in health and social care and mental health services that are delegated to Integration Authorities under the Public Bodies (Joint Working) (Scotland) Act 2014. This brings the total transferred from the health portfolio to support health and social care integration to £811 million in 2020-21. The additional £100 million for local government includes a contribution to continued delivery of the real Living Wage (£25 million), uprating of free personal and nursing care payments (£2.2 million), implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£11.6 million), along with further support for school counselling services whether or not delegated under the Public Bodies (Joint Working) (Scotland) Act 2014 (£4 million);
- Baselineing of the £90 million added at Stage 1 of the Budget Bill for 2019-20;
- The ongoing £88 million to maintain the pupil:teacher ratio nationally and secure places for all probationers who require one under the teacher induction scheme;
- Provision for the Teachers Pay (£156 million) and Pensions (£97 million);
- £5.3 million for Barclay implementation costs; and
- A new capital £50 million Heat Networks Early Adopters Challenge Fund to support local authorities who are ready to bring forward investment-ready heat networks.

As confirmed last week local authorities will continue to have the flexibility for 2020-21 to increase Council Tax by up to a maximum of 3% in real-terms (4.84% cash). This local discretion will preserve the financial accountability of local government, whilst also potentially generating around £135 million to support services.

The revenue allocation delivers a real-terms increase for local government for 2020-21 compared to 2019-20. Taken together with the additional spending power that comes with the flexibility to increase Council Tax (worth around £135 million next year) the total revenue funding would deliver a real-terms increase in the overall resources to support local government services of £435.9 million or 4.3%.

In 2020-21 integration will bring together, under the direction of Integration Authorities, more than £9.4 billion of expenditure previously managed separately by NHS Boards and Local

Authorities for social care, community health care and some hospital services. Integration Authorities must be empowered and supported by their Local Authority and NHS Board partners to use the totality of these resources, including any targeted investment already committed for specific purposes, to better meet the needs of their local populations.

Individual local authorities will, in return for this settlement, be expected to deliver certain specific commitments.

The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2019-20 recurring budgets for social care services that are delegated. Similarly, the £4 million for school counselling services must be additional. This means that, when taken together, Local Authority social care budgets for allocation to Integration Authorities and funding for school counselling services must be £100 million greater than 2019-20 recurring budgets.

We will also continue to take forward our ambitious programme of educational reform that will deliver an education system led by communities, schools and teachers. The Scottish Government, in partnership with local authorities, will empower schools to make key decisions over areas such as the curriculum, budgets and staffing while continuing to deepen collaboration across the education sector. In recognising that teachers are central to achieving our ambition of delivering excellence and equity in Scottish education we will continue to commit an overall funding package of £88 million in the local government finance settlement to support both maintaining the pupil teacher ratio at a national level and ensuring that places are provided for all probationers who require one under the teacher induction scheme.

Each local authority area will continue to benefit from Pupil Equity Funding (PEF) which forms part of the overall commitment from the Scottish Government to allocate £750 million through the Attainment Scotland Fund, over the term of the Parliament to tackle the attainment gap. £120 million in Pupil Equity Funding is going directly to headteachers to provide additional support to help close the attainment gap and overcome barriers to learning linked to poverty. PEF is additional to the £62 million Attainment Scotland funding, which is outwith the local government finance settlement. Money from the Attainment Scotland Fund will continue to provide authorities and schools with additional means to provide targeted literacy, numeracy and health and wellbeing support for children and young people in greatest need.

The Heat Networks Early Adopters Challenge Fund will be a competitive fund to provide enabling and financial support to assist the build and installation of exemplar local authority-led heat network projects. The Challenge Fund will offer capital funding up to an intervention rate of 50 per cent and will be available for new and existing heat networks who are able to demonstrate progress towards greenhouse gas emissions reductions and wider socio-economic benefits. There will also be a smaller development funding call within the Challenge Fund to help develop early stage project proposals to become investment-ready in future years. The detailed terms and conditions for the Heat Networks Early Adopters Challenge Fund will be drawn up in consultation with COSLA and we anticipate that it will launch early in the financial year.

The Scottish Government remains committed to a competitive non-domestic rates regime, underlined by the proposals outlined in this Scottish Budget. The poundage in Scotland has been capped below the Consumer Price Index inflationary increase at 49.8 pence, a 1.6 per cent increase. The Scottish Government are also introducing some further support for intermediate sized properties which will ensure around 95 per cent of properties in Scotland now pay a lower poundage than they would in other parts of the United Kingdom. Full details of this and all other reliefs are set out in Local Government Finance Circular 1/2020.

In these unprecedented times with all the uncertainty imposed upon us by the UK Government the Scottish Government believe, taking into account all the circumstances, the allocations set out in this local government finance settlement is the best that could be achieved and continues to provide a fair settlement to enable local authorities to meet our shared priorities of improving wellbeing, supporting inclusive economic growth, responding to the Global Climate Emergency and tackling child poverty.



**KATE FORBES**



Clackmannanshire & Stirling

Health & Social Care  
Partnership

# Integration Joint Board

26 February 2020

Agenda Item 7.1

## Milestones

### For Approval

<b>Paper approved for submission by</b>	Annemargaret Black
<b>Paper presented by</b>	Lesley Fulford
<b>Author</b>	Lesley Fulford / Lindsay Thomson / Stephanie McNairney / Jennifer Baird / Ewan Murray
<b>Exempt Report</b>	No



Clackmannanshire  
Council



**NHS**  
Forth Valley

<b>Directions</b>	
No Direction Required	<input checked="" type="checkbox"/>
Clackmannanshire Council	<input type="checkbox"/>
Stirling Council	<input type="checkbox"/>
NHS Forth Valley	<input type="checkbox"/>

<b>Purpose of Report:</b>	To present key milestones to the Integration Joint Board (IJB) and provide updates on progress.
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<b>Recommendations:</b>	<p>The Integration Joint Board (IJB) is asked to:</p> <ol style="list-style-type: none"> <li>1. Approve the key milestones and progress detailed within this paper.</li> </ol>
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## **1. Background**

1.1. There are a number of items which require to be taken forward within the Health and Social Care Partnership or by constituent authorities:

- 1.1.1. Integration Scheme Review
- 1.1.2. Transforming Care Programme Board and associated Delivery Plan
- 1.1.3. Medium Term Financial Plan
- 1.1.4. Locality development
- 1.1.5. Board effectiveness review
- 1.1.6. Update on resources commitments from special IJB in November 2019

## **2. Integration Scheme Review**

2.1. Section 44 of the Public Bodies (Joint Working)(Scotland) Act 2014 paragraph (5) requires the Constituent Authorities to review the Integration Scheme five years from its date of approval. In this case that was October 2015. Therefore the Scheme must be reviewed and approved by all three Constituent Authorities and submitted to Scottish Ministers for approval by prior to October 2020. This work is currently underway, facilitated by the Chief Officer.

2.2. Key officers met on 21 January 2020 to review the Integration Scheme and following a period of consultation and development this is planned to go forward for approval by the Constituent Authorities on the following dates:

- 2.2.1. Clackmannanshire Council – 25 June 2020
- 2.2.2. Stirling Council – 25 June 2020
- 2.2.3. NHS Forth Valley – 26 May or 4 August 2020

- 2.3. The Integration Scheme will then be submitted by the three Constituent Authorities to Scottish Ministers for approval prior to the end of June 2020.
- 2.4. It is anticipated that the board effectiveness review process with the IJB will also contribute to the development of the review of the Scheme.
- 2.5. A further session to review the Integration Scheme and reach agreements is planned for 15 April 2020 and Chief Executives are being consulted with on required attendees.

### **3. Transforming Care Priorities**

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- 3.1. At the Special IJB Meeting on 1 November 2019 assurance was provided that increased strategic capacity had been agreed by the three Chief Executives and the Chief Officer.
- 3.2. On 25 November 2019 a Chief Executives workshop took place with Chief Finance Officers from the Constituent Authorities, to establish the priorities for the Transformation Programme and discuss the governance arrangements. The programme themes are as follows:
  - Models of Care (inc Housing)
  - Early intervention / Prevention
  - Prescribing (NHS leading)
  - Technology Enabled Care
  - Workforce Efficiency
- 3.3. On 19 December 2019 a further workshop took place with the Joint Management Team of the HSCP to define the priorities within each of these themes.
- 3.4. The initial meeting of the Transforming Care Programme Board is being planned for, with a date to be confirmed.
- 3.5. The delivery plan will be further developed over the next six months.

### **4. Medium Term Financial Plan**

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- 4.1. As previously agreed a draft Medium Term Financial Plan (MTFP) is being developed to underpin the delivery of the Strategic Plan Priorities and aligned to the Transforming Care Delivery Plan as the suite of key documents. Both the MTFP and delivery plan will be live, regularly updated documents to support the pursuit of sustainable service delivery.

## **5. Locality Development**

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- 5.1. Stephanie McNairney, Integrated Care Funds Manager, has been assigned to support and coordinate development of Localities.
- 5.2. A programme of participation and engagement is being developed, which will cover a range of topics in line with Strategic Plan priorities and Transformation Plan activities of the Health and Social Care Partnership and those of the constituent organisations, and as a follow up to the various consultations exercises undertaken across the Health and Social Care Partnership and the constituent organisations.
- 5.3. This will help build a deeper understanding of what matters to people and priorities identified at a local level and how we might best prioritise and focus activity to meet local need, as described within the Strategic Plan and each organisation's respective transformation plans, to deliver services in a more integrated way. Third Sector Interfaces, Community Engagement Teams of the constituent organisations, and Community Planning Partnerships will work together to plan and deliver this programme of engagement.
- 5.4. Simultaneously, work will be undertaken with community services to refine and improve processes and information sharing arrangements, in order to streamline referrals and pathways.
- 5.5. Link Worker roles aligned to Primary Care Transformation will be key to this work going forward. These roles are expected to come into place from April 2021, subject to availability of funding.
- 5.6. Linked to engagement around locality development, a Twitter account for the Health and Social Care Partnership has been launched this month, as a means of sharing information with the public on areas of activity and improvement.

## **6. Board Effectiveness Review**

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- 6.1. At the Board meeting on 25 September 2019 the IJB agreed to hold an effectiveness review. This review process is considered to be good governance practice and will build upon the MSG process.
- 6.2. The IJB is asked to note that the 25 March 2020 development session has been allocated for the IJB effectiveness review.
- 6.3. It is intended that all IJB members will be asked to submit a confidential assessment on the board's effectiveness across a number of areas and to identify areas where the IJB works well and any suggestions for improvement.
- 6.4. This assessment will be collated into a report and fed back (anonymously) at the review session for discussion, identifying areas where the IJB works well and any suggestions for improvement.
- 6.5. Templates have been issued ahead of the session for completion by members.

## **7. Update on Resource Commitments – Special IJB November 2019**

- 7.1. At the special IJB held on 27 November 2019 a resources paper outlined some proposals which the Board approved. Below is an update on progress.
- 7.2. The IJB previously approved £250k from reserves to contribute to the senior management structure through recruitment of two Heads of Service posts; the Head of Strategic Planning and Health Improvement and the Head of Community Health and Care. Recruitment has been successful: Carolyn Wyllie (Head of Community Health and Care) started on 6 January 2020 and Wendy Forrest (Head of Strategic Planning and Health Improvement) started on 27 January 2020. Sustainability of the funding for these posts will be achieved through delivery of a MTFP.
- 7.3. Other priorities were identified and an update on each of these is detailed in the table below.

**Table 1 – Priority Areas**

<b>Priority</b>	<b>Action</b>	<b>Outcome</b>	<b>Progress</b>
Implement agreed senior management structure.	Structure agreed, recruitment progressing – with reference to Ministerial Steering Group (MSG) ‘agreed governance and accountability arrangements’ also links to IJB and Partnership development.	Recruitment complete – Heads of Service appointed and will take up post in Jan 2020. Locality Managers in post from November 2019 (vacancy when postholder leaves is being recruited to). Service Manager Mental Health and Learning Disability community services in post.	Recruitment led by NHS FV on behalf of 3 organisations – complete.
Strategic Plan (IJB approved 27 March 2019).	Develop locality plans aligned to GP Clusters taking into account the Joint Inspection (Adult) – Effectiveness of Strategic Planning (November 2018) and MSG ‘effective strategic planning for improvement’.	Locality Plans developed and work with commissioners to ensure commissioning plans align with service redesign and savings plans/recovery plan and opportunities are maximised through alignment to Community Planning with CPP’s.  Fund engagement and communication support to progress MSG ‘meaningful and sustained engagement’ proposal.	Scope/approach has been agreed and project manager allocated to take forward over 6 months to June 2020.

<p>Recovery Plan/Medium Term Financial Plan</p>	<p>Develop a Medium Term Financial Plan to estimate the financial sustainability challenges and assist in delivery of financial balance and sustainable step- change through service change and enhanced integrated working. Take account of MSG 'integrated finances and financial planning' and 'strategic planning for improvement' proposals.</p>	<p>Establish Financial Working Group (Chief Finance Officers, Director of Finance led by Chief Officer)</p> <p>Inform financial review led by Paul Leak:</p> <ul style="list-style-type: none"> <li>• Agree service reviews;</li> <li>• Care at Home Best Value;</li> <li>• Discharge to maximise independence;</li> <li>• Primary Care Improvement Plan implementation;</li> <li>• Prescribing;</li> <li>• Housing / Assisted Living;</li> <li>• Front Door (demand management);</li> <li>• Technology Enabled Care; and</li> <li>• Early Intervention/prevention.</li> </ul>	<p>Group established – November 2019. Draft plan in development for February 2020 IJB.</p> <p>Initial draft findings received and to be considered in development of financial planning and developing integrated financial management arrangements.</p> <p>Chief Officer to identify lead officers with support from Chief Executives. Transformation and Programme Management Office approach approved in August 2019. Reviews to inform Recovery Plan deadline.</p>
<p>Refresh Communication and Engagement Strategy.</p>	<p>Commission communications/ engagement support taking into account MSG 'information sharing and meaningful and sustained engagement'.</p>	<p>Fund participation, engagement and communication planning support and co-ordinate the efforts of existing support services.</p>	<p>Scope/approach has been agreed and project manager allocated to take forward over 6 months to June 2020.</p>
<p>Commissioning arrangements.</p>	<p>Review and agree commissioning arrangements.</p>	<p>Single Commissioning Team.</p>	<p>Discussion ongoing.</p>
<p>IJB and Partnership development.</p>	<p>Enhance collaborative leadership opportunities and building of relationships at IJB and Partnership levels.</p> <p>To prepare for forthcoming Best Value Audit requirements.</p>	<p>OD funded vacancy being recruited to. OD support in the interim being provided from NHS Forth Valley, Clackmannanshire Council and Stirling Council.</p> <p>Scottish Government support and facilitation.</p> <p>To ensure self-evaluation of IJB and benchmarking is carried out to inform progress reporting.</p>	<p>Recruitment being led on behalf of 3 organisations by Stirling Council - January 2020.</p> <p>Initial systems leadership event facilitated.</p> <p>Training and awareness-raising to be carried out with IJB members.</p>

7.4. Constituent Authorities are also providing additional support as detailed below:

### **NHS Forth Valley**

- 7.4.1. The Chief Finance Officer is working with NHS Forth Valley Director of Finance, Stirling Councils Chief Finance Officer and Clackmannanshire Council's Chief Finance Officer to develop a virtual finance structure which will adequately support the operational requirements of the HSCP.
- 7.4.2. A Locality Manager and a Business Manager have joined Partnership in late October/early December 2019. Both roles will be seconded for a period of 18 months.
- 7.4.3. Corporate NHS Board support will continue, for example:-
- Strategic and operational planning support, and will also support the development of FV wide strategic plans - e.g. Winter Plan, Primary Care Improvement Plan, Action 15 Plans
  - Transformational change and Quality Improvement (QI) support (Supporting service redesign and/or modernisation e.g. Corporate Programme Management Office support to improve efficiency and effectiveness of prescribing, Getting Forth Right (unscheduled care recovery plan in response to escalation by Scottish Government)

### **Stirling Council**

- 7.4.4. The Chief Finance Officer is working with NHS Forth Valley Director of Finance, Stirling Councils Chief Finance Officer and Clackmannanshire Council's Chief Finance Officer to develop a virtual finance structure which will adequately support the operational requirements of the HSCP.
- 7.4.5. Two posts funded by Stirling Council have been recruited to and are in place, these are Adult Social Care Practitioner Lead and Adult Social Care Portfolio Lead.
- 7.4.6. Stirling Council has agreed a contribution towards the review of the adult social work service and best value review of care at home.
- 7.4.7. A Strategy Manager had also been provided for a period of 6 months from October 2019 to provide interim strategic support to the Chief Officer HSCP.
- 7.4.8. Existing corporate support will continue, for example:-
- HR and commissioning support to the HSCP

## **Clackmannanshire Council**

- 7.4.9. There is a shared strategic intent across the HSCP and People portfolio within Clackmannanshire Council to enable smoother transitions across child care and adult care, and a broad need to review best value as we reshape services to improve quality and promote sustainability. Discussions are ongoing to resource and build capacity across transformation projects to meet these objectives. In order to support and progress the initial phase of transformation, a project lead was to be identified from the people portfolio before the end of 2019 with anticipated shared alignment across HSCP.
- 7.4.10. The Chief Finance Officer is working with NHS Forth Valley Director of Finance, Stirling Councils Chief Finance Officer and Clackmannanshire Council's Chief Finance Officer to develop a virtual finance structure which will adequately support the operational requirements of the HSCP.
- 7.4.11. Clackmannanshire Council has agreed a contribution towards the review of the adult social work service and best value review of care at home.
- 7.4.12. Existing corporate support will continue, for example:
- Clackmannanshire Council provide the lead HR contact for job evaluation; learning and development, workforce planning, health and safety
  - Clackmannanshire Council also provides the Standards Officer and clerking support at the IJB

## **8. Conclusions**

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- 8.1. The paper summarises the key milestones for 2020 for the IJB and progress achieved to date.

## **9. Appendices**

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There are no appendices attached to this paper.

<b>Fit with Strategic Priorities:</b>	
Care Closer to Home	<input type="checkbox"/>
Primary Care Transformation	<input type="checkbox"/>
Caring, Connected Communities	<input type="checkbox"/>
Mental Health	<input type="checkbox"/>
Supporting people living with Dementia	<input type="checkbox"/>
Alcohol and Drugs	<input type="checkbox"/>
<b>Enabling Activities</b>	
Technology Enabled Care	<input type="checkbox"/>
Workforce Planning and Development	<input type="checkbox"/>
Housing and Adaptations	<input type="checkbox"/>
Infrastructure	<input type="checkbox"/>

<b>Implications</b>	
<b>Finance:</b>	
<b>Other Resources:</b>	
<b>Legal:</b>	
<b>Risk &amp; mitigation:</b>	There is a risk the timeline for the Integration Scheme review is not achieved and Constituent Authorities may wish to reflect this in their corporate risk registers.
<b>Equality and Human Rights:</b>	The content of this report <b><u>does/does not</u></b> require a EQIA
<b>Data Protection:</b>	The content of this report <b><u>does/does not</u></b> require a DPIA





Clackmannanshire & Stirling

Health & Social Care  
Partnership

# Integration Joint Board

26 February 2020

Agenda Item 7.2

## Transformation Programme Update

For Discussion

<b>Paper approved for submission by</b>	Annemargaret Black
<b>Paper presented by</b>	Wendy Forrest
<b>Author</b>	Wendy Forrest
<b>Exempt Report</b>	No



Clackmannanshire  
Council



**NHS**  
Forth Valley

<b>Directions</b>	
No Direction Required	<input checked="" type="checkbox"/>
Clackmannanshire Council	<input type="checkbox"/>
Stirling Council	<input type="checkbox"/>
NHS Forth Valley	<input type="checkbox"/>

<b>Purpose of Report:</b>	To provide an update to the IJB on the programme of transformation and service redesign across the totality of the HSCP.
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<b>Recommendations:</b>	<p>The Integration Joint Board is asked to:</p> <ol style="list-style-type: none"> <li>1. Agree the progress of the programme of transformation</li> <li>2. Task officers to provide detailed updates on the programmes of transformation change at the IJB</li> <li>3. Note the detail of the report</li> </ol>
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## 1. Background

- 1.1. The Clackmannanshire and Stirling Health and Social Care Partnership (HSCP) has undergone a significant level of organisational and personnel change over the past few years which has resulted in a number of leadership vacancies in a number of key strategic and operational roles. This came to an end with the appointment of a new Chief Officer late 2019 and more recently, in early 2020, with the appointment of a new Head of Community Health and Care and new Head of Strategic Planning and Health Improvement.
- 1.2. With the new Senior Leadership Team now in place within the HSCP and recruitment processes underway for the wider extended management team; the ambitious programme of transformational change agreed with this Board has been rejuvenated. Over recent months all partners within this Board have had the opportunity to influence the priorities through various forums including the Strategic Planning Group and sub-committees of this Board.
- 1.3. This paper describes the key work streams and the actions which will deliver transformational change; in addition, by working to a whole system planning approach, the HSCP is able to offer meaningful additional supports to key areas of activity. The HSCP can ensure that the pace and delivery of the transformational change and service redesign is being closely monitored and measured throughout the lifetime of the Transformational Plan, consequently ensuring that this Board is reassured of progress and activity.

- 1.4. The HSCP has identified specific areas of activity, alongside partners within Stirling Council, Clackmannanshire Council and NHS Forth Valley as well as wider partners including Third Sector Interfaces. This programme is designed to address the ongoing financial pressures of the HSCP; as such ensuring that this Board is managing ongoing financial challenges and supporting opportunities for innovative practice and seeking investment for inventive programmes to address the increasing levels of need across all our communities. It has been reported widely that across Scotland HSCPs cannot continue to provide support and services to communities. As such, a programme of transformational change is required and is already underway as described within this paper.
- 1.5. Within Clackmannanshire and Stirling HSCP, the Strategic Plan and Strategic Needs Assessment describe the demographic and population pressures for local support and services across statutory and voluntary services. All partners recognise the need for community support and services to take account of person led commissioning within the ethos of choice and control as described within Self Directed Support legislation. All partners have agreed to work with communities to create innovative solutions to self-management and self-care as well as make best use of growing opportunities made available with new and developing technologies. However whilst social care is needs led, the fiscal responsibilities described within the Joint Bodies Act and Best Value must ensure that services and support are delivered within budget; and going forward the HSCP is able to continue to seek to build reserves.
- 1.6. To deliver a whole systems planning approach at the pace of change required - the HSCP will be working with partners within a newly created Transformation Programme Board, chaired by the HSCP Chief Officer. The Transformation Programme Board will increase the pace of change to meet ongoing financial pressures but also to ensure person centred delivery of services. The first meeting for the Transitional Programme Board is being arranged to oversee the work of operational group to deliver of the key actions as laid out within this paper.
- 1.7. Additionally, the work of the Transformation Programme Board will offer the wider partnership and partners to have an ongoing influence on the prioritisation and addition of new work streams through a refreshed Strategic Planning Group. The Strategic Planning Group will be focused on whole system planning and performance as well as opportunities for continuous improvement activity across the partners. Therefore creating a synergy of joint working to meet the outcomes of citizens within a context of innovation and development.
- 1.8. The work of the Transformation Programme Board is already being influenced by wider reviews within the HSCP; including the review of operational Adult Social Care practice which is underway and being supported by external operational expertise to ensure robust person centred and asset based assessment. In parallel there is a refreshed approach for commissioning and market facilitation within the context of which is being reviewed as part of a Best Value Review of adult social care. Both the delivery of and a refreshed model of care is supported by external support and Chief Social Work Officers

within Clackmannanshire and Stirling to ensure consistency across statutory provision for adults and children.

- 1.9. To support the wider programme of change the HSCP has already signed up to be early adopter of the new Adult Care Framework. This is being led by Scottish Government who have committed to support implementation locally within Clackmannanshire and Stirling HSCP. This approach will dovetail with the review of practice and the refreshed model of care within the newly establishing integrated support and services as described above.
- 1.10. To support the newly forming HSCP Extended Management Team, additional support is being provided by iHub to explore effective integrated working across disciplines and teams. It is hoped that this will increase capacity and confidence for HSCP managers to lead on the programme of transformation led by the Transformation Programme Board.
- 1.11. Staff groups have regularly reported, within staff surveys and as part of engagement processes already underway, that they already can demonstrate the benefits of co-location and integrated teams and can evidence that those using services have received a more holistic assessment and ongoing care management. Staff have reported that they are keen to embrace further integration and joint working.
- 1.12. Based on the activity above the HSCP, with support of partners, is creating the environment and support to deliver the programme of transformational change and service re-design which will shift the integration agenda significantly in Clackmannanshire and Stirling to benefit of the communities in need of support and service.

## **2. Key Transformational work streams**

- 2.1 As previously reported to this Board, there are key actions which are already underway and for ease of monitoring progress have been captured within the work of The Transformation Programme Board.
- 2.2 The HSCP is working to deliver four key Work streams over the next year, each of which has specific Actions linked to the priorities already agreed by this Board.
  1. Models of Care (inc Housing)
  2. Early intervention / Prevention
  3. Prescribing (NHS leading)
  4. Technology Enabled Care
  5. Workforce

	<b>Work streams</b>	<b>Actions</b>	<b>Progress</b>
<b>1.</b>	Models of Care	Re-design of Strathendrick House services	Underway and oversight group of senior managers established with stakeholders
		Re-design of Menstrie House services	Underway and oversight group of senior managers established with stakeholders
		Best Value Review of Care at Home modelling	Underway and aligned to contracting arrangements and savings targets for the HSCP.
		Replacement of Social Care recording and reporting system	Underway and aligned to statutory requirements of all social work services including child protection, statutory mental health, criminal justice and adult support and protection.
<b>2.</b>	Early intervention / Prevention	Development of focused community rehabilitation and reablement service	Staffing structures currently being agreed to scope current capacity
<b>3.</b>	Prescribing (NHS leading)		
<b>4.</b>	Technology Enabled Care	Review of commissioning and contracting arrangements for equipment provision	A contract review is underway pan-Forth Valley.
		Review of contracting and commissioning arrangements across adult care	Linked to community requirements as laid out in the strategic needs analysis and development of the market this will be progressed throughout 2020.

		Seek opportunities for increased use of telehealth and telecare as well as funding opportunities with partners. This will align to existing TEC programmes already underway	Funding available and will be sought to increase capacity within the HSCP.
5.	Workforce	Awaiting new national Guidance linked to the development of continued workforce planning across the HSCP	

2.3 Whilst this list is not exhaustive, it does focus and manage activity to address the key financial pressures of the HSCP as well as seeking opportunities for using community resources more effectively to meet the needs of vulnerable people within our care. The HSCP Senior Management Team will work with all stakeholders to ensure effective and transparent communication, this will support all those affected to be involved and to ensure that all voices are heard as the changes manifest.

2.4 The Transformational Programme Board will have strategic oversight of the actions whilst the newly established HSCP Senior Leadership Team will have operational responsibility for delivery. Support is already in place from specialist teams and officers from each of the constituent bodies. A report will be provided at each Board meeting alongside the updated financial position based on the delivery of the programme of re-design and change.

## 6. Conclusions

3.1 This is a momentous programme of work which is asking staff at all levels, at a significant pace, to reflect on their own practice and ways of working. The Chief Officer has strived to create a nurturing and supportive environment with additional support from external and internal partners to ensure that staff feel supported and encouraged to participate in, what is, a fundamental programme of transformation and change across Clackmannanshire and Stirling.

## 7. Appendices

None to note

<b>Fit with Strategic Priorities:</b>	
Care Closer to Home	<input checked="" type="checkbox"/>
Primary Care Transformation	<input checked="" type="checkbox"/>
Caring, Connected Communities	<input checked="" type="checkbox"/>
Mental Health	<input type="checkbox"/>
Supporting people living with Dementia	<input type="checkbox"/>
Alcohol and Drugs	<input type="checkbox"/>
<b>Enabling Activities</b>	
Technology Enabled Care	<input checked="" type="checkbox"/>
Workforce Planning and Development	<input checked="" type="checkbox"/>
Housing and Adaptations	<input type="checkbox"/>
Infrastructure	<input checked="" type="checkbox"/>

<b>Implications</b>	
<b>Finance:</b>	
<b>Other Resources:</b>	None
<b>Legal:</b>	None
<b>Risk &amp; mitigation:</b>	None
<b>Equality and Human Rights:</b>	The content of this report <b><u>does not</u></b> require a EQIA
<b>Data Protection:</b>	The content of this report <b><u>does not</u></b> require a DPIA

