

Integration Joint Board Meeting



Thursday, 19 March 2020 at 10:00

**Council Chambers
Ground Floor, Cunninghame House, Irvine, KA12 8EE**

1 Apologies

2 Declarations of Interest

Members are requested to give notice of any declarations of interest in respect of items of business on the Agenda.

3 Minute and Action Note

The accuracy of the Minutes of the meeting held on 13 February 2020 will be confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

3.1 Matters Arising

Consider any matters arising from the minutes of the previous meeting.

4 Director's Report

Submit report by Stephen Brown, Director (NAHSCP) on developments within the North Ayrshire Health and Social Care Partnership (copy enclosed).

5 Statutory Guidance: Directions from Integration Authorities to Health Boards and Local Authorities

Submit report by Caroline Cameron, Chief Finance and Transformation Officer on newly published Statutory Guidance relating to Directions to Health Boards and Local Authorities to support Integration Joint Boards (copy enclosed).

- 6 South Ayrshire Integration Scheme for Health and Social Care: Consultation Response**
Submit report by Andrew Fraser, Head of Democratic Services on the draft response to the consultation on South Ayrshire's Integration Scheme (copy enclosed).
- 7 2020/21 IJB Budget**
Submit report by Caroline Cameron, Chief Finance and Transformation Officer on the financial position for the partnership for 2020/21, including the proposed delegated funding, service budget pressures and plans developed to set a balanced budget (copy enclosed).
- 8 Financial Monitoring Report: Period 10**
Submit report by Caroline Cameron, Chief Finance and Transformation Officer on the financial position of the North Ayrshire Health and Social Care Partnership (copy enclosed).
- 9 Appointment to North Ayrshire Integration Board**
Submit report by Stephen Brown, Director (NAHSCP) on a nomination for the Independent Sector representative vacancy on the Integration Joint Board (copy enclosed).
- 10 Urgent Items**
Any other items which the Chair considers to be urgent.
- 11 Exclusion of the Public - Para 9**
Resolve in terms of Section 50(A)4 of the Local Government (Scotland) Act 1973, to exclude from the Meeting the press and the public for the following item of business on the grounds indicated in terms of Paragraph 9 of Part 1 of Schedule 7A of the Act.
Non Disclosure of Information
In terms of Standing Order 19 (Disclosure of Information), the information contained within the following report is confidential information within the meaning of Section 50A of the 1973 Act and shall not be disclosed to any person by any Member or Officer.
- 12 Care at Home Framework Contract**
Submit report by Helen McArthur, Principal Manager on the Care at Home Framework Contract (copy enclosed).

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Integration Joint Board

Sederunt

Voting Members

Councillor Robert Foster (Chair)
Bob Martin (Vice-Chair)

North Ayrshire Council
NHS Ayrshire & Arran

Councillor Timothy Billings
Jean Ford
Councillor Anthea Dickson
John Rainey
Adrian Carragher
Councillor John Sweeney

North Ayrshire Council
NHS Ayrshire and Arran
North Ayrshire Council
NHS Ayrshire and Arran
NHS Ayrshire and Arran
North Ayrshire Council

Professional Advisors

Stephen Brown
Caroline Cameron
Dr. Paul Kerr
David MacRitchie
Dr. Calum Morrison
Alistair Reid
David Thomson
Dr Louise Wilson

Director North Ayrshire Health and Social Care
Chief Finance and Transformation Officer
Clinical Director
Chief Social Work Officer – North Ayrshire
Acute Services Representative
Lead Allied Health Professional Adviser
Associate Nurse Director/IJB Lead Nurse
GP Representative

Stakeholder Representatives

David Donaghey
Louise McDaid
Marie McWaters
Graham Searle
Sam Falconer
Clive Shephard
Vacancy
Val Allen
Vicki Yuill
Vacancy
Janet McKay

Staff Representative – NHS Ayrshire and Arran
Staff Representative – North Ayrshire
Carers Representative
Carers Representative (Depute for Marie McWaters)
(Chair) IJB Kilwinning Locality Forum
Service User Rep (Depute for Fiona Thomson)
Independent Sector Representative
Independent Sector Rep (Depute for Nigel Wanless)
Third Sector Representative
(Chair) IJB Irvine Locality Forum
(Chair) Garnock Valley Locality Forum



North Ayrshire Health and Social Care Partnership
Minute of Integration Joint Board meeting held on
Thursday 13 February 2020 at 10.00 a.m.

Present

Councillor Robert Foster, North Ayrshire Council (Chair)
Bob Martin, NHS Ayrshire and Arran (Vice-Chair)
Councillor Timothy Billings, North Ayrshire Council
Adrian Carragher, NHS Ayrshire and Arran
Councillor Anthea Dickson, North Ayrshire Council
Jean Ford, NHS Ayrshire and Arran
John Rainey, NHS Ayrshire and Arran
Councillor John Sweeney, North Ayrshire Council

Stephen Brown, Director of Health and Social Care Partnership
Caroline Cameron, Chief Finance and Transformation Officer
Dr Paul Kerr, Clinical Director
Alistair Reid, Lead Allied Health Professional Adviser
David Thomson, Associate Nurse Director/IJB Lead Nurse
Dr. Louise Wilson, GP Representative

David Donaghey, Staff Representative (NHS Ayrshire and Arran)
Louise McDaid, Staff Representative (North Ayrshire Council)
Graham Searle, Carers Representative (Depute for Marie McWaters)
Vicki Yuill, Third Sector Representative

In Attendance

Alison Sutherland, Head of Service (Children, Families and Criminal Justice)
Michelle Sutherland, Partnership Facilitator
Eleanor Currie, Principal Manager (Finance)
Janet Davies, IJB Professional Lead for Psychology
Helen McArthur, Principal Manager (Health and Community Care Services)
Yvonne Holland, Property Management and Investment Manager
William Lauder, General Manager Ayrshire Central Hospital
Karen Andrews, Team Manager Governance
Angela Little, Committee Services Officer

Apologies for Absence

Marie McWaters, Carers Representative

1. Chair's Remarks

The Committee was advised that Nigel Wanless, Independent Sector Representative had resigned from the Integration Joint Board to focus on his business interests. He will be involved in identifying a new representative for the independent sector. On behalf of the Committee, the Chair thanked Nigel for his dedication and contribution to the work of the Integration Joint Board and wished him well for the future.

2. Declarations of Interest

There were no declarations of interest in terms of Standing Order 7.2 and Section 5.14 of the Code of Conduct for Members of Devolved Public Bodies.

3. Minutes/Action Note

The accuracy of the Minutes of the meeting held on 19 December 2019 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3.1 Matters Arising

The Board (a) noted that all matters are on track for completion by the appropriate timescales; and (b) agreed that the Care Home Providers be consulted at an early stage in the work to examine the issues raised in the Plugging the Leaks in the UK Care Home Industry report from a North Ayrshire context.

4. Director's Report

Submitted report by Stephen Brown, Director (NAHSCP) on developments within the North Ayrshire Health and Social Care Partnership.

The report provided an update on the following areas:-

- A Guide to Winter Health and Care Services;
- Thinking Different/National Galleries Collaboration was part of the Firestarter Festival that allowed public services to showcase innovative and creative ways they are making a difference.
- Community Planning Partnership Conference on Kindness that took place on 25 January 2020;
- The recent appointment of Dr Morag Henderson to the role of Associate Medical Director for Mental Health and Beth Wiseman as Interim Senior Manager CAMHS;
- An on-line questionnaire for IJB Members to support the future IJB development programme;
- The opening of Trindlemoss, a state-of-the-art day centre supported living and residential accommodation for North Ayrshire residents with learning disabilities;
- A review of the current Partnership Strategic Plan that is being undertaken by the Strategic Planning Group;

- The Drug Death Summit that took place on 21 January 2020 and explored what is being carried out locally and nationally and what else can be done to prevent drug related deaths; and
- An Alcohol and Drug Partnership Participatory Budgeting Event that will take place on 18 April 2020.

Members asked questions and were provided with further information in relation to:-

- The Guide to Winter Services that was made available on a variety of social media platforms;
- Messages within the guide are that not seasonal and whether the Winter Guide could be rebranded and used throughout the year;
- An update that will be provided to a future meeting on the outcome from the Drugs Death Summit;
- North Ayrshire drug related admissions to hospital rates that are double the national average.
- Naloxone training that will be available to communities; and
- The NHS Staff Governance Committee that was impressed with the employment engagement that had taken place.

The Board agreed (a) that the Head of Mental Health provide an update to a future meeting on the outcome from the Drugs Death Summit; and (b) to otherwise note the report.

5. Financial Monitoring Report: Period 9

Submitted report by Caroline Cameron, Chief Finance and Transformation Officer on the financial position of the North Ayrshire Health and Social Care Partnership, including commitments against the available resource, explanations for the main budget variances, an update on progress in terms of savings delivery and actions required to work towards financial balance.

Appendix A to the report provided the financial overview of the partnership position, with detailed analysis provided in Appendix B. An overview of the savings plan was provided at Appendix C. Appendix D outlined the previously approved financial recovery plan and further actions to bring overall service delivery back into line with the available resource. The movement in the overall budget position for the partnership was detailed at Appendix E.

Members asked questions and were provided with further information in relation to:-

- A payment in relation to Pay As If At Work for NHS staff that required to be backdated;
- Challenges in reducing waiting times for Care at Home packages and no further plans for savings in this area;
- Vacancies savings within Mental Health and within Addictions in particular and details of the vacant roles that will be provided to Members;
- A Budget Briefing that will take place on 26 February 2020; and
- Information that will be provided to the Third Sector representative in respect of commissioning arrangements with the lead partnership.

The Board agreed (a) to note the projected year-end overspend of £1.434m and the positive progress made by the partnership to reduce the projected overspend; (b) to approve the changes in funding as detailed in Section 2.13 and Appendix E of the report; (c) to note the position in the context of the national financial position for Integration Authorities across Scotland; and (d) that the Chief Finance and Transformation Officer (i) provide Members with details of the vacancies within the Addictions Service; and (ii) advise the Third Sector representative of the commissioning arrangements with the lead partnership.

6. An Integrated Health and Social Care Workforce Plan for Scotland

Submitted report by Michelle Sutherland, Partnership Facilitator on the key issues and next steps relating to the Integrated Health and Social Care Workforce Plan, published by the Scottish Government in December 2019 and attached at Appendix 1 to the report.

Members asked questions and were provided with further information in relation to:-

- Current data challenges faced by all sectors that had been identified by the Scottish Government, including workforce data issues in respect of Care at Home staff;
- Consultation that will take place with the Staff Partnership Forum; and
- Implications for HSCP staff that will be explored as part of the next HSCP Strategic Plan arrangements.

The Board agreed to approve the development of an updated HSCP Integrated Health and Social Care Workforce Plan.

7. Sustainability Plan for Veterans First Point

Submitted report by Lindsay Kirkwood, Clinical Lead on proposals to sustain the established Ayrshire and Arran Veterans First Point Service which provides support to veterans on a range of areas such as welfare, housing, employment, training, social support and mental health issues.

Members asked questions and were provided with further information in relation to;__

- The funding split between North, East and South Ayrshire that is in proportion to the uptake of the service by veterans from each area; and
- That North Ayrshire is currently using the greatest proportion of the service.

The Board agreed to approve the provision of the funding to allow the continuation of the now established Veterans First Point Service

8. Additional Support Needs (ASN) Campus Project

Submitted report by Yvonne Holland, Property Management and Investment Manager on the current progress of the Additional Support Needs Campus Project. A benefits analysis table, detailing how the project is meeting the key priorities, was attached at Appendix 1 to the report. A short 3D video walk-through of the educational, respite and residential facilities was provided. A display of the colour strategy for the facility, based on nature and the coast, was also provided.

Members asked questions and were provided with further information in relation to:-

- Weather conditions and temperatures that have impacted on the pour and polish of the floor slabs and an agreement with Environmental Health to work beyond normal working hours to complete the pouring of concrete floor slabs and the polishing of the concrete;
- A letter that will be circulated to local residents advising of the normal construction hours for the site, the issues experienced that have resulted in the need to extend these hours, temporary lighting/safety lighting that will be used after 7pm and details of the planned dates for the concrete pours;
- A World War 2 unexploded military shell that was found on site and safely removed by the Royal Military Bomb Squad;
- A geophysical survey that has been undertaken to highlight any potential sub-surface features and the employment of Ordnance Engineers by the contractor to supervise works;
- The commercial colour of the doors of the building that can be reviewed and the kick plates on the doors that are required to prevent damage from wheelchairs and general wear and tear; and
- The appointment of the new Residential Manager for the campus that will be advertised shortly.

Noted.

9. Naming of the Additional Support Needs Residential and Respite House

Submitted report by Kevin McGinn, Planning Manager (HSCP) on suggestions received for the names of the new Additional Support Needs Residential and Respite Houses being constructed in Stevenston.

Members asked questions and were provided with further information in relation to:-

- The Council's Street Naming Policy and the naming of other capital projects by the IJB, such as Trindlemoss; and
- Consultation that will be undertaken with the Three Towns Locality Partnership and a further report to the March meeting on the outcome of this consultation.

The Board agreed that the Head of Service (Children, Families and Criminal Justice) report to the April meeting on the outcome of the consultation with the Three Town Locality Partnership.

10. Caring for Ayrshire Programme Board

Submitted report by Russell Scott, Senior Programme Manager on the proposed launch of the Caring for Ayrshire Programme. Appendix 1 to the report provided details of the pre-engagement activities and awareness events that had taken place to gather the views of staff and Health and Social Care Partnerships.

The Board agreed to support the proposals to formally launch the aims and objectives of the Caring for Ayrshire Programme.

11. Caring for Ayrshire Programme – Informing and Engagement Plan

Submitted report by Russell Scott, Senior Programme Manager on the Informing and Engagement Plan for the Caring for Ayrshire Programme. The Plan was attached at Appendix 1 to the report and will seek the views and opinions from stakeholders to help shape the health and care model that will be used to plan services for the future.

Members asked questions and were provided with further information in relation to:-

- The aim of the programme to connect with a wide range of stakeholders, including internal staff, the Health and Social Care Partnership, citizens and users to plan services for the future;
- Further engagement that will take place to ensure those not part of the early pre-engagement, such as GPs and local authority staff, will be involved; and
- Island proofing the health and care model to ensure it meets the needs of Arran and Cumbrae.

The Board agreed to support the Informing and Engagement Plan for the Caring for Ayrshire Programme.

12. Mental Welfare Commission Visit to Woodland View, Irvine

Submitted report by William Lauder, General Manager Ayrshire Central Hospital on the findings of the Mental Welfare Commission following their visit to Woodland View, Irvine. Appendix 1 to the report outlined the findings and recommendations of the Commission. The Partnerships' Action Plan and response to the recommendations of the Commissions' report were detailed at Appendix 2.

Members asked questions and were provided with further information in relation to:-

- The actions that have been undertaken to fully complete Recommendation 1 of the Commission's findings;
- An update that will be provided to the Commission, the Head of Service and Director (HSCP) on the progress of the actions in relation to Recommendation 2 of the Commission's findings;
- The compassion and care provided to the patients in Woodland View that had been highlighted by the Commission; and
- An overview report that will be provided to a future meeting.

The Board agreed (a) that the Associate Nurse Director/IJB Lead Nurse provide an overview report to the May/June meeting; and (b) to otherwise note the report.

13. Urgent Items

The Chair agreed that the following item be considered as a matter of urgency to allow the Board to be advised of the provision of a new service in Irvine.

13.1 Gamblers Anonymous

The Board was advised that Gamblers Anonymous, who provide support and help for compulsive gamblers, had held their first meeting in Irvine on 7 February 2020.

Thirty-one people attended the first meeting and future meetings will be held each Friday from 7.15pm – 9.30 pm. in the Harbourside Room, Fullarton Connexions, Irvine.

The Board welcomed the provision of this service in the Irvine area.

The meeting ended at 11.50 a.m.

North Ayrshire Integration Joint Board – Action Note

Updated following the meeting on 13 February 2020

No.	Agenda Item	Date of Meeting	Action	Status	Officer
1.	Community Alarm/Telecare Services Transition from Analogue to Digital	26/9/19	That an update report on progress be submitted to a future meeting.	Submit to September 2020 meeting	Helen McArthur
2.	UK Care Home Industry	19/12/19 13/2/20	<p>Receive a further report examining the issues raised in the Plugging the Leaks in the UK Care Home Industry report from a North Ayrshire context, including the lessons learned from care home closures and in consultation with both staff, independent and third sectors.</p> <p>Agreed that the Care Home Providers be consulted at an early stage in the work to examine the issues raised in the Plugging the Leaks in the UK Care Home Industry report from a North Ayrshire context.</p>	Submit to meeting in April/May 2020	Stephen Brown
3.	Director's Report	13/2/20	The Board agreed (a) that the Head of Mental Health provide an update to a future meeting on the outcome from the Drugs Death Summit; and (b) to otherwise note the report.	Thelma to advise when report will be available	Thelma Bowers

4	Financial Monitoring Report: Period 9	13/2/20	The Board agreed (a);(b);(c); and (d) that the Chief Finance and Transformation Officer (i) provide Members with details of the vacancies within the Addictions Service; and (ii) advise the Third Sector representative of the commissioning arrangements with the lead partnership.	Caroline to advise when information has been provided	Caroline Cameron
5.	Naming of ASN Residential and Respite House	13/2/20	The Board agreed that the Head of Service (Children, Families and Criminal Justice) report to the April meeting on the outcome of the consultation with the Three Town Locality Partnership.	Report to the March 2020 meeting	Alison Sutherland
6.	Mental Welfare Commission Visit to Woodland View, Irvine	13/2/20	The Board agreed (a) that the Associate Nurse Director/IJB Lead Nurse provide an overview report the May/June meeting; and (b) to otherwise note the report.	David to advise when report will be available	David Thomson

Integration Joint Board
19th March 2020

Subject: **Director's Report**

Purpose: To advise members of the North Ayrshire Integration Joint Board (IJB) of developments within the North Ayrshire Health and Social Care Partnership (NAHSCP).

Recommendation: That members of IJB note progress made to date.

Glossary of Terms	
NHS AA	NHS Ayrshire and Arran
HSCP	Health and Social Care Partnership
IJB	Integration Joint Board
ADP	Alcohol and Drug Partnership

1.	EXECUTIVE SUMMARY
1.1	This report informs members of the Integration Joint Board (IJB) of the work undertaken within the North Ayrshire Health and Social Care Partnership (NAHSCP) nationally, locally and Ayrshire wide.
2.	CURRENT POSITION
	<u>Ayrshire Wide Developments</u>
2.1	<u>Understanding Our Relationship with Alcohol</u>
	<p>North, East and South Ayrshire Alcohol & Drug Partnerships hosted an 'Understanding Our Relationship With Alcohol' event alongside NHS Ayrshire & Arran Public Health Department on Friday 6th March: 9am-4pm at Fullarton Connexions, Irvine.</p> <p>The event provided an opportunity for delegates to:</p> <ul style="list-style-type: none"> • Hear the views of children, young people and wider communities about the impact alcohol has on them. • Learn about alcohol marketing and discuss the role it has to play in our relationship with alcohol. • Explore the role whole systems have to play in preventing and responding to alcohol and the harm it causes. • Consider the spectrum of alcohol related harms across the whole life course and discuss how we can work together to implement positive changes to our systems
	<u>North Ayrshire Developments</u>

2.2	<u>Breakfast for Champions – Staff Awards Ceremony</u>	
	<p>The NAHSCP Breakfast for Champions Award Ceremony took place on Thursday 27th February 2020 in the Volunteer Rooms, Irvine. The event recognised individuals and teams making a difference to health and well-being in our communities.</p> <p>Finalists and their nominators, as well as invited guests, enjoyed breakfast cooked by volunteers from Café Solace. The categories and winners were :</p>	
	<u>Team Category</u>	<u>Winner</u>
	Volunteer Champions	Bourtrees Hill Age Concern Drop In Centre, Irvine
	Partnership Champions	NAHSCP Employability Mentors : Geraldine Cairns and Dawn Boyd
	Innovative Team	NAHSCP Care at Home Assistants
	Community Superheroes	Lend an Ear Volunteer Team
	Administration Stars	Break the Silence Administration Team
	<u>Individual Categories</u>	<u>Winner</u>
	Community Superhero	Michelle Trainer (3 rd Sector Community Link Worker, North Coast).
	Trail Blazer	Deborah Francis (Castlevue Day Care Officer)
	Everyday Hero	Kirsty Calderwood
	Administration Star	Judith McKenzie, Dirrans Centre
	No.1 Volunteer	Sally Powell (Carer and Volunteer)
	Inspirational Leadership	Elsbeth Mair (Speech and Language Service Lead)
	Partnership Champion	Bella Burley McLeod (Support Worker)
		

2.3	<u>Care Inspectorate – Care at Home & Community Alert Services</u>
	The Care Inspectorate annual inspection of Care at Home and Community Alert services concluded on 21 st February 2020. The service retained its 'Very Good' grade for Care and Support, it was given an ' Excellent ' (Grade 6) grading for Management and Leadership. This grading means that the service is considered by external regulators as 'outstanding' and 'sector leading'.
	There are only a handful of public sector services graded at this level across Scotland. All of the other services are very small – supporting between 10-25 people. This is the first time that any service of the size of our own, has been awarded such a grade. To put this in context, our Care at Home Service supports approximately 2000 people across North Ayrshire with our Community Alert Service supporting over 5000.
	I have met many Care at Home staff directly over the past few months, through their attendance at the Thinking Different sessions and I have been overwhelmed by their passion and commitment to delivering the best quality care they can. There is no doubt that years of hard work has gone in to establishing a service that has leaders at all levels.
2.4	<u>North Ayrshire ADP</u>
	After a relatively short but very successful seven months, Paul Main has stepped down from his role as Chair of our ADP due to other family commitments. I have known Paul for a number of years, having worked with him in his role as Divisional Commander with Police Scotland, and I know that he would only commit if he is able to give 100% to the role. Given the increasing numbers of drug-related deaths and the hugely important work of the ADP in addressing these, alongside improving prevention and recovery, it is vital that the Chair of our ADP can give that 100%.
	Arrangements to appoint a new independent Chair are underway. I wanted to acknowledge Paul's impactful input as Chair. He has reinvigorated the ADP and its sub-groups with a drive and energy over the last few months and most recently expertly hosted the Drugs Death Summit held in Saltcoats at the end of January.
2.5	<u>North Ayrshire HSCP – Facebook Page</u>
	<p>North Ayrshire Health and Social Care Partnership has a new Facebook page.</p> <p>Launched in February, it is hoped that the page will enable the partnership to reach a wider audience, sharing our news and events with more people within our communities. If you'd like to follow us and help spread the word, you can find us at www.facebook.com/NorthAyrshireHSCP. You can also follow us on Twitter @NAHSCP.</p> 
2.6	<u>Joint Inspection of Children and Young People</u>
	The Care Inspectorate have advised that they will lead a joint inspection of the provision of services to children and young people in need of care and protection in the North Ayrshire community planning partnership area.

	The scrutiny bodies taking part in the joint inspection will include the Care Inspectorate, Education Scotland, Healthcare Improvement Scotland and Her Majesty's Inspectorate of Constabulary for Scotland. The Care Inspectorate will also collaborate with Audit Scotland in relation to its scrutiny work. The inspection will seek to answer questions on :-
	<ol style="list-style-type: none"> 1. How good is the partnership at recognising and responding when children and young people need protection? 2. How good is the partnership at helping children and young people who have experienced abuse and neglect stay safe, health and well and recover from their experiences? 3. How good is the partnership at maximising the wellbeing of children and young people who are looked after? 4. How good is the partnership at enabling care experienced young people to succeed in their transition to adulthood? 5. How good is collaborative leadership?
	The inspection will include 10 days on site within HSCP in the weeks beginning 11 th May 2020 and 15 th June 2020.
3.	PROPOSALS
3.1	<u>Anticipated Outcomes</u>
	Not applicable.
3.2	<u>Measuring Impact</u>
	Not applicable
4.	IMPLICATIONS

Financial:	None
Human Resources:	None
Legal:	None
Equality:	None
Children and Young People	None
Environmental & Sustainability:	None
Key Priorities:	N/A
Risk Implications:	N/A
Community Benefits:	N/A

Direction Required to Council, Health Board or Both	Direction to :-	
	1. No Direction Required	√
	2. North Ayrshire Council	
	3. NHS Ayrshire & Arran	
	4. North Ayrshire Council and NHS Ayrshire & Arran	

4.	CONSULTATION
4.1	No specific consultation was required for this report. User and public involvement is key for the partnership and all significant proposals will be subject to an appropriate level of consultation.
5.	CONCLUSION
5.1	Members of IJB are asked to note the ongoing developments within the North Ayrshire Health and Social Care Partnership.

For more information please contact Stephen Brown, Director/Chief Officer on 01294 317723 or sbrown@north-ayrshire.gcsx.gov.uk

Integration Joint Board 19 March 2020

Subject:	Statutory Guidance - Directions from Integration Authorities to Health Boards and Local Authorities
Purpose:	To advise the IJB of the newly published Statutory Guidance relating to Directions to Health Boards and Local Authorities to support IJBs in fully discharging responsibilities in delivering their Strategic commissioning plans.
Recommendation:	IJB to note the new Statutory Guidance for Directions to Health Boards and Local Authorities which will clarify responsibilities and requirements between partners.

Glossary of Terms	
NHS AA	NHS Ayrshire and Arran
HSCP	Health and Social Care Partnership

1.	EXECUTIVE SUMMARY
1.1	The Scottish Government issued new statutory guidance for directions from Integration Authorities (IJBs) to Health Boards and Local Authorities. Directions are the mechanism to action the strategic commissioning plans (Strategic Plan) as laid out in sections 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014 Act. [Attached at Appendix 1]
1.2	Integration Authorities (IJBs) should note that this mechanism takes the form of binding directions from the Integration Authority to one or both of the Health Board and Local Authority. Directions are also the means by which a record is maintained of which body decided what and with what advice, which body is responsible for what, and which body should be audited for what, whether in financial or decision-making terms.
1.3	In the case of an Integration Joint Board (IJB), a direction must be given in respect of every function that has been delegated to the IJB. Put simply, directions are the means by which an IJB tells the Health Board and Local Authority what is to be delivered using the integrated budget and for the IJB to improve the quality and sustainability of care, as outlined in its strategic commissioning plan.
1.4	North Ayrshire IJB are not alone with the limited progress in using Directions and further work is required to improve arrangements across Scotland. We will continue to work with partners in East and South Ayrshire to progress plans, including improving governance arrangements for lead partnership services. This work is underway and a follow up development session with the North Ayrshire IJB to incorporating Directions, Set Aside, Commissioning Plans and progress towards Fair Shares will be scheduled for later in the year.

2.	BACKGROUND
2.1	Directions were a key aspect of IJB governance and accountability between partners; however, this had previously been largely unrecognised, with the effect that there was a lack of transparency, governance and accountability for integrated functions that are under the control of IJBs and delivered by Health Boards and Local Authorities. A good practice note was issued in March 2016, but as the progress and compliance is an area of concern the Scottish Government issued new Statutory Guidance in January 2020.
2.2	Directions are a legal mechanism and are intended to clarify responsibilities and requirements between partners, that is, between the IJB, the Local Authority and the Health Board. They are the means via which clarity on decision making is achieved under integration. Directions are therefore both a necessary and important aspect of governance under integration, providing a means by which responsibilities are made clear and evident.
2.3	As a legal requirement, the use of directions is not optional for IJBs, Health Boards or Local Authorities, it is obligatory. How local systems are using them will be subject to internal and external audit and scrutiny. At the time of publishing this guidance, practice is evidently variable and needs to be improved, with any impediments overcome jointly by partners using a collaborative approach that properly acknowledges the roles of the different partners.
2.4	It is essential that directions are understood to be the end point of a process of decision making by the IJB. Directions should not contain surprising or completely unknown information about service change or redesign and should follow a period of wider engagement on the function(s) that are the subject of the direction. This would normally be part of the service planning and design phase of strategic commissioning.
2.5	While directions are not a means of launching unheard-of service change onto delivery partners in the Health Board and Local Authority, nor are they something that can be ignored by delivery partners in the Health Board and Local Authority. Directions are binding, which is why they come at the end point of a process of planning and decision making. The delivery partners are required to comply with all directions received from the IJB, and the law is clear that they may not amend, ignore, appeal or veto any direction.
2.6	Neither the Local Authority nor the Health Board may use resources allocated via the Integration Authority in pursuit of a direction for any other purpose than that intended. This demands a mature and collaborative approach to the planning and delivery of change in health and social care services that delivers sustainability.
3.	PROPOSALS
3.1	Directions must be in writing and should be sufficiently detailed to ensure the intention of the IJB is adequately captured and effectively communicated. The direction should include information on the required delivery of the function, for example changing the model of care, as well as the financial resources that are available for carrying out the function. The direction may specify in some detail what the Health Board, the Local Authority or both are to do in relation to carrying out a particular function. The issuing of directions should be taking place at any time throughout the year, as well as at the start of the financial year, as IJBs make decisions about service change, service redesign, and investment and disinvestment at many of their meetings. Such

	decisions will necessitate directions to the Health Board or Local Authority, or both, and may indeed require the delivery partners to carry out a function jointly.
3.2	<p>Directions should not be issued unnecessarily and should be proportionate. A direction should always be prompted by a decision made by the IJB. Directions should be issued as soon as is practicable following their approval by the IJB. Issuing clear directions, thoughtfully constructed and capable of being monitored effectively with delivery timescales, milestones and outcomes is required.</p> <p>The following might be considered when thinking about when a direction requires to be issued and what it might include:</p> <ul style="list-style-type: none"> • Scope and scale of the function • Finance involved • Scale and nature of change • Those impacted by the change <ul style="list-style-type: none"> • Patients • People who use services • Carers • Local communities • Staff • Others • Timescale for delivery <p>To meet these requirements the North Ayrshire IJB Directions template is attached at Appendix 2.</p>
3.3	Any direction issued by the IJB must meet all clinical and care governance requirements and standards to ensure patient safety and public protection as well as ensure staff and financial governance. In North Ayrshire each of these impacts is considered by the IJB at the point of decision making.
3.4	The financial resource allocated to each function in a direction is a matter for the IJB to determine and where plans change a further direction will be required. A direction will remain in place until it is varied, revoked or superseded by a later direction in respect of the same functions. A log of all directions issued, revised, revoked and completed should be maintained, ensuring that it is checked for accuracy and kept up-to-date. This log should include, as a minimum, the function(s) covered, any identifier (such as a log number), date of issue, identify to which delivery partner(s) issued, any delivery issues and the total resource committed. The log should be regularly monitored and reviewed by the IJB and used as part of performance management, including audit and scrutiny. This should include monitoring the implementation and/or status of directions that have been approved by the IJB. The Governance Team Manager will support this requirement.
3.5	Detailed directions will be necessary and particularly important where one Chief Officer is the lead for operational delivery of any given function on behalf of other Chief Officers, usually within the confines of a Health Board area and often referred to as “hosted services” or less often, lead partnership arrangements. In such arrangements, all decisions about delegated functions still require to be made by constituent IJBs, whatever the operational delivery arrangements are in place for hosting services. Detailed directions will facilitate a feedback loop and IJBs should be seeking from the delivery partners any necessary information regarding progress with service change, investment or disinvestment. The issuing of more detailed directions will also be important for any other services not under the direct operational management of the Chief Officer.

3.6	IJBs also require a degree of co-ordination in terms of governance and decision making when considering plans and therefore directions that span more than their area of jurisdiction. An IJB cannot delegate its responsibilities to another IJB or back to a Health Board or Local Authority. This, therefore, may be best managed by the same report being considered by each relevant IJB supplemented with any additional information or reflections required by each to ensure very localised matters are taken account of. The sequencing and co-ordination of this will require the full support of relevant IJB Chief Officers and others.
3.7	The Scottish Government linked in with the 3 Ayrshire HSCPs as a collective working group to develop the guidance, this provided the Scottish Government with a reference group to consider the practicalities of how the proposed guidance could be operationalised. A particular area where the Ayrshire partnerships contributed was in relation to the complexity of the governance arrangements for lead partnership services. The published Statutory Guidance does not reflect current practice across Ayrshire and further work is required to tighten up the arrangements and discipline around issuing and monitoring of Directions.
3.8	The Pan-Ayrshire work in relation to Directions, Set Aside and Fair Shares continues. More recent progress has been made in relation to agreeing principles which will allow us to collectively make significant progress during 2020-21 to embed the requirements of the Directions guidance and also to develop a framework to re-balance resources in line with Fair Shares across Ayrshire and Arran. This work will require IJBs to be far more explicit in the future in the services to be delivered and to develop Commissioning Plans to support this.
3.2	<u>Anticipated Outcomes</u>
	Directions are a mechanism for explicitly communicating the outcomes to be delivered in the Strategic Commissioning Plan to the Council and Health Board.
3.3	<u>Measuring Impact</u>
	Progress with implementing and ensuring compliance with the new Statutory Guidance will be monitored through the Performance and Audit Committee.
4.	IMPLICATIONS

Financial:	Directions will improve the arrangements for financial governance and formalise arrangements in relation to financial allocations by the IJB to the Council and Health Board.
Human Resources:	n/a
Legal:	The directions meet sections 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014 Act, following the Statutory Guidance is a legal requirement.
Equality:	n/a
Children and Young People	n/a
Environmental & Sustainability:	Directions support the longer term planning and sustainability of the IJB.
Key Priorities:	Delivery of the Strategic Commissioning Plan
Risk Implications:	n/a
Community Benefits:	n/a

Direction Required to Council, Health Board or Both <i>(where Directions are required please complete Directions Template)</i>	Direction to :-	
	1. No Direction Required	x
	2. North Ayrshire Council	
	3. NHS Ayrshire & Arran	
	4. North Ayrshire Council and NHS Ayrshire & Arran	

5.	CONSULTATION
5.1	Representatives from South, East and North Ayrshire worked with the Scottish government to support the development of the new Statutory Guidance, the Scottish Government carried out a consultation process prior to the publication of the guidance.
6.	CONCLUSION
6.1	IJB to note the new Statutory Guidance for Directions to Health Boards and Local Authorities which will clarify responsibilities and requirements between partners.

For more information please contact Caroline Cameron on 01294 324954 or carolinecameron@north-ayrshire.gov.uk

Health and Social Care Integration

Statutory Guidance

**Directions from Integration Authorities
to Health Boards and Local Authorities**

Public Bodies (Joint Working) (Scotland) Act 2014

DIRECTIONS FROM INTEGRATION AUTHORITIES TO HEALTH BOARDS AND LOCAL AUTHORITIES UNDER THE PUBLIC BODIES (JOINT WORKING) (SCOTLAND) ACT 2014

1. What is this guidance about?

1.1 The Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) places a duty on Integration Authorities to develop a strategic plan, also known as a strategic commissioning plan, for integrated functions and budgets under their control for which we have published statutory guidance:

<https://www.gov.scot/publications/strategic-commissioning-plans-guidance/pages/9/>.

Integrated functions and budgets are those delegated by the Health Board and Local Authority. The legislation sets out what functions and budgets must be delegated and those that may be delegated:

<http://www.legislation.gov.uk/asp/2014/9/contents/enacted>.

1.2 Each Integration Authority must produce a strategic commissioning plan that sets out how they will plan and deliver services for their area over the medium term, using integrated budgets under their control. Stakeholders must be fully engaged in the preparation, publication and review of the strategic commissioning plan, in order to establish a meaningful co-production approach, to enable Integration Authorities to deliver the national outcomes for health and wellbeing, and achieve the core aims of integration.

1.3 Integration Authorities require a mechanism to action their strategic commissioning plans and this is laid out in sections 26 to 28 of the Act. This mechanism takes the form of **binding directions** from the Integration Authority to one or both of the Health Board and Local Authority. Directions are also the means by which a record is maintained of which body decided what and with what advice, which body is responsible for what, and which body should be audited for what, whether in financial or decision making terms.

1.4 In the case of an Integration Joint Board (IJB), a direction **must** be given in respect of every function that has been delegated to the IJB. In a **lead agency** arrangement, the Integration Authority **may** issue directions or may opt to carry out the function itself. In either case, a direction must set out how each integrated function is to be exercised, and identify the budget associated with that. Not unexpectedly, only IJBs have made directions to delivery partners to date and this guidance is therefore mainly aimed at IJBs and their delivery partners in Health Boards and Local Authorities.

1.5 Put simply, directions are the means by which an IJB tells the Health Board and Local Authority what is to be delivered using the integrated budget and for the IJB to improve the quality and sustainability of care, as outlined in its strategic commissioning plan.

1.6 Directions are also the legal basis on which the Health Board and the Local Authority deliver services that are under the control of the IJB. If directions are not being provided or they lack sufficient detail, Health Boards and Local Authorities should be actively seeking directions in order to properly discharge their statutory duties under the Act.

1.7 This guidance sets out how to improve practice in the issuing (by IJBs) and implementation (by Health Boards and Local Authorities) of directions issued under the Public Bodies (Joint Working) (Scotland) Act 2014. It supersedes the Good Practice Note on Directions issued in March 2016.

2. Why are we publishing this guidance now?

2.1 Directions are a key aspect of governance and accountability between partners. This has previously been largely unrecognised, with the effect that there is a lack of transparency, governance and accountability for integrated functions that are under the control of IJBs, and delivered by Health Boards and Local Authorities. This must be a matter of concern for all parties, each of which is responsible for ensuring that they are complying with their individual duties under the Act.

2.2 Scottish Government has worked closely with IJB Chief Officers to better understand the diversity of practice across Scotland surrounding directions and to identify good practice. We have also discussed the use of directions with a range of local systems at our regular partnership engagement meetings, including with Health Board and Local Authority Chief Executives.

2.3 In February 2019 the Ministerial Strategic Group for Health and Community Care (MSG) published its report on the review of progress with integration: <https://www.gov.scot/publications/ministerial-strategic-group-health-community-care-review-progress-integration-health-social-care-final-report/>. This contains 25 proposals intended to increase the pace and effectiveness of integration. One of these proposals was that statutory guidance on directions would be published to support improved practice in issuing and implementing directions.

2.4 Chairs and Vice Chairs of IJBs have expressed a keen interest in improving practice and in better understanding how they can take responsibility for improvement, and in collaborating with partners to ensure accountability and effective governance. IJBs, Local Authorities and Health Boards must each take individual and several responsibility for complying with their statutory duties, and for being clear about lines of accountability between one another.

2.5 One issue appears to have been that directions have previously been regarded as being issued by Chief Officers to themselves as senior operational directors in Health Boards and Local Authorities. The Act confers the duty of issuing directions on the Integration Authority to constituent authorities. Directions may be issued on behalf of the IJB by an IJB Chief Officer, in their role as the accountable officer to the IJB, to Chief Executives in the Health Board and Local Authority in their roles as accountable officers to the Health Board and Local Authority. These are senior executives acting on behalf of the three statutory public bodies. It may also be helpful to copy the relevant IJB Chair, Council Leader and the NHS Chair into directions. See Appendix 1 on roles and responsibilities of each of the statutory partners and their accountable officers, under integration.

2.6 Directions are a legal mechanism and are intended to clarify responsibilities and requirements between partners, that is, between the IJB, the Local Authority and the Health Board. They are the means via which clarity on decision making is achieved under integration. Directions are therefore both a necessary and important aspect of governance under integration, providing a means by which responsibilities are made clear and evident.

2.7 As a legal requirement, the use of directions is not optional for IJBs, Health Boards or Local Authorities, it is obligatory. How local systems are using them will be subject to internal and external audit and scrutiny. At the time of publishing this guidance, practice is evidently variable and needs to be improved, with any impediments overcome jointly by partners using a collaborative approach that properly acknowledges the roles of the different partners.

3. Process for issuing directions

3.1 It is essential that directions are understood to be the **end point** of a process of decision making by the IJB. Directions should not contain surprising or completely unknown information about service change or redesign and should follow a period of wider engagement on the function(s) that are the subject of the direction. This would normally be part of the service planning and design phase of strategic commissioning.

3.2 While directions are not a means of launching unheard-of service change onto delivery partners in the Health Board and Local Authority, nor are they something that can be ignored by delivery partners in the Health Board and Local Authority.

3.3 Directions are binding, which is why they come at the end point of a process of planning and decision making. The delivery partners are required to comply with all directions received from the IJB, and the law is clear that they may not amend, ignore, appeal or veto any direction. Neither the Local Authority nor the Health Board may use resources allocated via the Integration Authority in pursuit of a direction for any other purpose than that intended. This demands a mature and collaborative approach to the planning and delivery of change in health and social care services that delivers sustainability. **It is designed to help local partners improve quality and outcomes for local populations.**

3.4 Integration Authorities have been established to put in place plans to improve the health and wellbeing of their local populations and to make best use of the total resource available to them, hitherto managed and allocated separately by Health Boards and Local Authorities. They have an agenda of change and improvement, working in partnership with their delivery partners. It can therefore reasonably be expected that a number of decisions made by IJBs will impact on delivery partners that will require directions to be issued. Otherwise, nothing would be changing – which would not help integration's purpose to improve the sustainability and quality of care.

3.5 It has been the practice of most IJBs to issue generic directions to delivery partners at the point of agreeing their budgets for the following financial year. However, it is not possible for IJBs to make all decisions about all service change at this juncture, although they will still require to allocate funding across the functions they are responsible for.

3.6 IJBs make decisions about service change, service redesign, and investment and disinvestment at many of their meetings. Such decisions will necessitate directions to the Health Board or Local Authority, or both, and may indeed require the delivery partners to carry out a function jointly. The issuing of directions should be taking place at any time throughout the year, as well as at the start of the financial year.

3.7 Some duties conferred on IJBs also relate directly to duties on Health Boards and Local Authorities, such as Equalities, Best Value and Climate Change. This further enhances the need for collaborative working on a formal basis between the partner bodies.

3.8 To assist with the determination of when a direction should be issued, a number of IJBs have added a short section to their report format that requires the author to decide and record if the report requires a direction to be issued to the Local Authority, the Health Board, to both, or that no direction is required. This provides an initial prompt and should be adopted as standard practice across IJBs.

3.9 Directions should not be issued unnecessarily and should be proportionate. A direction should always be prompted by a decision made by the IJB. It would be helpful for IJBs to develop a directions policy, based on this guidance. The following might be considered when thinking about when a direction requires to be issued and what it might include:

- Scope and scale of the function
- Finance involved
- Scale and nature of change
- Those impacted by the change
 - Patients
 - People who use services
 - Carers
 - Local communities
 - Staff
 - Others
- Timescale for delivery

3.10 Overly general or ambiguously worded directions will not be helpful to delivery partners in understanding what they have to deliver. They will also cause problems in identifying whether a direction has been progressed or completed and therefore need to remain on a log of directions indefinitely and be unable to be closed off. This should be avoided by issuing clear directions, thoughtfully constructed and capable of being monitored effectively with delivery timescales, milestones and outcomes.

3.11 Any direction issued by the IJB must meet all clinical and care governance requirements and standards to ensure patient safety and public protection as well as ensure staff and financial governance. Every IJB has senior professional, clinical and financial advisors as part of their core membership to provide scrutiny of these aspects and to provide assurance. This does not require to be remitted for additional checking through Local Authority of Health Board systems: Local Authorities and Health Boards should ensure that the professional and clinical advisors tasked to provide advice to IJBs are appropriately experienced and supported in their role.

4. Form and content of directions

4.1 Directions must be in writing and should be sufficiently detailed to ensure the intention of the IJB is adequately captured and effectively communicated. The direction should include information on the required delivery of the function, for example changing the model of care, as well as the financial resources that are available for carrying out the function. The direction may specify in some detail what the Health Board, the Local Authority or both are to do in relation to carrying out a particular function. A lack of detail or specificity in a direction may cause difficulties in performance monitoring and hamper the effective delivery of a function.

4.2 The primary purpose is to set a clear framework for the operational delivery of the functions that have been delegated to the IJB and to convey the decision(s) made by the IJB about any given function(s).

4.3 Directions must clearly identify which of the integrated health and social care functions they relate to. The IJB can direct the carrying out of those functions by requiring that a particular named service or services be provided. Where appropriate, the same document can be used to give directions to carry out multiple functions.

4.4 Directions must include detailed information on the financial resources that are available for carrying out the functions that are the subject of the directions, including the allocated budget and how that budget (whether this is a payment or a sum set aside and made available) is to be used. However, directions should not be seen as a mechanism only to advise the delivery partners of resources available to them. Rather, directions are intended to provide clear advice to delivery partners on the expected delivery of any given function, together with the identified resource available.

4.5 The exercise of each function can be described in terms of delivery of services, achievement of outcomes and/or by reference to the strategic commissioning plan.

4.6 The financial resource allocated to each function in a direction is a matter for the IJB to determine. The Act makes particular provision for the allocation of budgets for the sum “set aside” in relation to large hospital functions, which gives flexibility for the IJB to direct how much of the sum set aside is to be used for large hospital services and for the balance to be used for other purposes. This requires mature and collaborative working to achieve agreement on the best use of this budget, particularly with those responsible for the delivery of acute services, however the decision about the use of this budget lies with the IJB. The statutory guidance on finance issued in 2015 provides detailed advice on set aside:

<https://www.gov.scot/publications/finance-guidance-health-social-care-integration/>

4.7 The content of a direction should be informed by the content of a report on the function(s) submitted to and approved by the IJB. For example, where an IJB discusses and approves a report that makes changes to arrangements for the provision of day services for people with a learning disability, the direction would draw on the report’s content. The direction should be contained in the same report, using a standard format, in order that it can be approved by the IJB at the same time as the report and its recommendations are approved. There should also be a process in place where the IJB is able to raise queries about the clarity or content of a direction and for these queries to prompt action by officials to make any necessary amendments to the direction.

4.8 The issuing of a direction following such a decision by the IJB is the means by which the IJB will let its delivery partners in the Local Authority, Health Board, or both, know what has been agreed and what is to change in the delivery of the function, together with any concomitant change to the allocation of resources.

5. Process for issuing and revising directions

5.1 Directions should be issued as soon as is practicable following their approval by the IJB.

5.2 A direction will remain in place until it is varied, revoked or superseded by a later direction in respect of the same functions. A log of all directions issued, revised, revoked and completed should be maintained, ensuring that it is checked for accuracy and kept up-to-date. This log should include, as a minimum, the function(s) covered, any identifier (such as a log number), date of issue, identify to which delivery partner(s) issued, any delivery issues and the total resource committed. The log should be regularly monitored and reviewed by the IJB and used as part of performance management, including audit and scrutiny. This should include monitoring the implementation and/or status of directions that have been approved by the IJB.

5.3 To assist with monitoring and reviewing directions issued, the IJB may seek information from either the Health Board or the Local Authority, or both, about the delivery of a function that is the subject of a direction, including, but not exclusively, when issues are identified in implementation and delivery of a direction.

5.4 The Act does not set out fixed timescales for directions. This flexibility allows directions to ensure that the delivery of integrated health and social care functions is consistent with the strategic commissioning plan and takes account of any changes in local circumstances. In contrast with the strategic commissioning plan, there is therefore scope for directions to include detailed operational instructions in respect of particular functions.

5.5 A level of detail and specificity is highly desirable in directions, especially where a service is new or to be radically redesigned, or where a complex set of interdependent changes is planned.

5.6 Directions issued at the start of the financial year should subsequently be revised during the year in response to ongoing developments, including as a consequence of decisions made in year about service change by the IJB.

5.7 For example, should an overspend be forecast in either of the operational budgets for health or social care services delivered by the Health Board and Local Authority, the Chief Officer will need to agree a recovery plan to balance the overspending budget (this must be done in line with the Integration Scheme, which will detail arrangements for managing the balance of any over or underspends, and statutory guidance for finance under integration). This may require an increase in payment to either the Health Board or Local Authority funded by either:

- Utilising underspend on the other part of the operational integrated budget to reduce the payment to that body; and/or
- Utilising the balance of the general fund, if available, of the Integration Joint Board.

5.8 A revision to the directions will be required in either case.

6. Multi-partnership co-ordination

6.1 Effective co-ordination arrangements between contiguous IJBs within a Health Board area is essential where directions for acute care are under consideration. This will assist in effective planning for services that may be destabilised by conflicting or incompatible directions from different IJBs within the one area.

6.2 When unscheduled acute care is being planned, Chief Officers and their senior teams from across local partnerships should be meeting regularly in a joint forum with colleagues from the acute system. This will ensure effective co-ordination and collaboration across the multi-partnership area. This will also enable a joint plan to be developed that recognises the context, complexity or features relevant to each IJB. There may be other services and functions that also require this level of co-ordination.

6.3 Detailed directions will be necessary and particularly important where one Chief Officer is the lead for operational delivery of any given function on behalf of other Chief Officers, usually within the confines of a Health Board area and often referred to as “hosted services” or less often, lead partnership arrangements.

6.4 In such arrangements, all decisions about delegated functions still require to be made by constituent IJBs, whatever the operational delivery arrangements are in place for hosting services. Detailed directions will facilitate a feedback loop and IJBs should be seeking from the delivery partners any necessary information regarding progress with service change, investment or disinvestment. The issuing of more detailed directions will also be important for any other services not under the direct operational management of the Chief Officer.

6.5 In addition to officer level co-ordination, IJBs also require a degree of co-ordination in terms of governance and decision making when considering plans and therefore directions that span more than their area of jurisdiction. An IJB cannot delegate its responsibilities to another IJB or back to a Health Board or Local Authority. This, therefore, may be best managed by the same report being considered by each relevant IJB supplemented with any additional information or reflections required by each to ensure very localised matters are taken account of. The sequencing and co-ordination of this will require the full support of relevant IJB Chief Officers and others.

6.6 It is essential in pursuing effective co-ordination and collaboration on operational arrangements for managing delegated services and functions through the Chief Officer that this is not conflated with the statutory duties of the IJB for governance, decision making and resource allocation.

6.7 IJBs should maintain active consideration of whether the effect of delivery partners carrying out any direction they propose to issue would have an undesirable impact on another IJB (and its population) or for the local health and social care system more broadly. A process of co-ordination and mitigation will be needed in circumstances where issues of this nature are identified.

7. Improving practice and summary of key actions

7.1 This guidance is intended to provide impetus to improving practice in the issuing of directions by IJBs and their implementation by Health Boards and Local Authorities, and to deliver the proposal made in the MSG review about providing statutory guidance on directions.

7.2 The importance of directions as a vital aspect of governance and accountability between partners cannot be overstated. The need to learn from and implement good practice is evident. Chief Officers, through their network, are well placed to facilitate the sharing of practice and are key to implementing this locally.

7.3 As practice develops further, IJBs should continue to develop and improve their practice in respect of issuing directions. Local Authorities and Health Boards as the key delivery partners also need to accept and work with these new arrangements, and respond positively to direction issued to them, including the provision of any information regarding the delivery of a function that is the subject of a direction.

7.4 This guidance has been prepared as part of wider work to accelerate the pace and impact of integration. This can only be achieved by the partners working closely together, in mutual regard, and demonstrating a strong, shared commitment to integration through concerted action to deliver sustainable, and improved health and social care services, capable of delivering good outcomes for the people of Scotland.

7.5 Key actions identified throughout this guidance, which should be implemented as consistent practice include:

- A standard covering report format, which includes a brief section requiring the report author to decide and record if the report requires a direction to be issued to the Health Board, the local Authority or both, or that no direction is required.
- Directions should include detail on the required delivery of the function and financial resources.
- The content of a direction should be informed by the content of a report on the function(s) approved by the IJB and should be contained in the same report, using a standard format.
- Directions should be issued as soon as practicable following approval by the IJB, usually by the IJB Chief Officer to the Chief Executive of either the Health Board or the Local Authority, or both. Each in their role as accountable officers to the relevant statutory body.
- A log of all directions issued, revised, revoked and completed should be maintained. This log should be periodically reviewed by the IJB and used as part of performance management processes, including audit and scrutiny.

APPENDIX 1

Statement of responsibilities and accountabilities of Integration Authorities, Health Boards and Local Authorities and their accountable officers under integration.

Integration Authorities bring together Health Boards, Local Authorities and others to ensure the delivery of efficient, integrated services. Demographic change, rising demand and growing public expectations means that radical service redesign is required in health and social care in order to deliver sustainable services that meet these challenges and improve outcomes for people.

The Public Bodies (Joint Working) (Scotland) Act 2014 establishes governance and financial arrangements, together with principles and a set of outcomes. It is predicated on a collaborative approach between Integration Authorities, Local Authorities and Health Boards, each with their own accountabilities and responsibilities, to ensure effective delivery of integration.

Integration Authorities - are responsible for planning, designing and commissioning services in an integrated way from a single budget in order to take a joined up approach, more easily shifting resources to best meet need. They have a duty to publish a strategic (commissioning) plan for integrated functions and budgets under their control. Collectively, Integration Authorities manage almost £9 billion of resources that Health Boards and Local Authorities previously managed separately, and they have the power and authority to drive real change.

All requirements for quality and safety apply to the Integration Authority just as they do to the Local Authority and Health Board. Integration Authorities have available clinical and professional advice from a range of advisors to assist them in making decisions and explore issues of quality, supported by integrated clinical and care governance arrangements.

Directions are vitally important in clarifying responsibilities and requirements between partners, that is, between the Integration Authority, the Local Authority and the Health Board. Directions are the legal mechanism by which Integration Authorities action their strategic commissioning plans. These binding directions are issued to one or both of the Health Board and Local Authority. They are the means via which clarity and transparency on decision making and budgets is achieved under integration.

Chief Officers – are the chief accountable officer to the Integration Joint Board. Chief Officers also accountable to each of the constituent authorities, and report jointly to the relevant Chief Executive of the Health Board and Local Authority as senior operational directors.

Health Boards – are responsible for delegating functions and budgets to the Integration Authority. The legislation sets out what functions and budgets must be delegated and those that may be delegated. They are jointly responsible with the Local Authority for the development of an Integration Scheme and for submitting these to Scottish Ministers for approval.

Health Boards must comply with all directions received from the Integration Authority and they may not amend, ignore, appeal or veto any direction. The Health Board may not use resources allocated via the Integration Authority in pursuit of a direction for any other purpose than that intended.

Health Board Chief Executives – are the chief accountable officer to the Health Board. They are jointly responsible, together with the relevant Chief Executive of the Local Authority, for the line management of the Chief Officer. They should ensure that directions issued to the Health Board by the Integration Authority are implemented and remain responsible for the delivery of services that are delegated.

Local Authorities - are responsible for delegating functions and budgets to the Integration Authority. The legislation sets out what functions and budgets must be delegated and those that may be delegated. They are jointly responsible with the Health Board for the development of an Integration Scheme and for submitting these to Scottish Ministers for approval.

Local Authorities must comply with all directions received from the Integration Authority and they may not amend, ignore, appeal or veto any direction. The Local Authority may not use resources allocated via the Integration Authority in pursuit of a direction for any other purpose than that intended.

Local Authority Chief Executives – are the chief policy adviser to the Local Authority and are the link between Local Authority officials and elected members. They are jointly responsible, together with the relevant Chief Executive of the Health Board, for the line management of the Chief Officer. They should ensure that directions issued to the Local Authority by the Integration Authority are implemented and remain responsible for the delivery of services that are delegated.



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Integration Joint Board
19th March 2020

Subject:	South Ayrshire Integration Scheme for Health and Social Care – Consultation Response
Purpose:	To agree the IJB's response to the consultation on South Ayrshire's integration scheme, the legal partnership agreement between South Ayrshire Council and NHS Ayrshire and Arran.
Recommendation:	IJB to agree the response attached at Appendix 1, to the consultation on South Ayrshire's Integration Scheme.

Glossary of Terms	
NHS AA	NHS Ayrshire and Arran
HSCP	Health and Social Care Partnership
IJB's	Integration Joint Boards

1.	EXECUTIVE SUMMARY
1.1	<p>South Ayrshire require to undertake a review of their Integration Scheme and have invited North Ayrshire Council to respond to the consultation. The proposed updated Integration Scheme is provided as part of the consultation, which can be accessed through this link https://www.south-ayrshire.gov.uk/consultations/scheme-of-integration/. In addition to the proposed changes in the annotated scheme the parties have identified two further areas where change may be required but for which proposals have not yet been fully developed and consultees are invited to contribute views and comments on these areas, these are:</p> <ul style="list-style-type: none"> • Finance, and • Children's Social Work Services
1.2	The proposed response from North Ayrshire Council and North Ayrshire Integration Joint Board to the South Ayrshire consultation is attached at Appendix 1. This response will also be considered at the North Ayrshire Cabinet meeting on 17 March.
1.3	Specific comments have been provided in relation to proposed changes. However, the overall view is that as all three Integration Joint Boards (IJB) share a Health Board and as each IJB leads on different pan-Ayrshire services, care needs to be taken before unilaterally making changes, since these may have wider impacts. In these circumstances it is recommended that the South Ayrshire Integration Scheme should not be significantly changed out-with a review of Integration Schemes across the 3 Ayrshire partnerships and that this should follow on from the further work planned to be taken forward during 2020-21 in relation to Directions, Fair Shares and Set Aside.

2.	BACKGROUND
2.1	The Public Bodies (Joint Working)(Scotland) Act 2014 requires an Integration Scheme to be in place outlining the Partnership agreement between the Council and NHS Board. A Scheme sets out the functions which are delegated to the IJB, and the funding and other arrangements required by a Council and NHS Board to deliver this. The three Ayrshire Schemes also contain arrangements whereby different IJBs lead on different pan-Ayrshire services. Integration Schemes require to be reviewed every five years, which for South Ayrshire is by 31 March 2020.
2.2	A review of the North and East Ayrshire Integration Schemes concluded in June 2018 and the findings of this review were presented to the Health Board, Councils and IJBs. Following a consultation period at that time it was agreed that there was no requirement to change the Integration Schemes. South Ayrshire Council confirmed in June 2017 that they did not wish to participate in the review at that time. The Integration Schemes across the 3 IJBs areas are currently as they stand broadly similar.
2.3	South Ayrshire provided a copy of the draft updated Integration Scheme between South Ayrshire Council and NHS Ayrshire and Arran for consultation views on 30 January 2020 but have extended this to 31 March 2020 to allow for a North Ayrshire response to be submitted. In addition to specific changes to the Scheme the parties have identified two further areas where change may be required but for which proposals have not yet been fully developed and consultees are invited to contribute views and comments on these areas, these are:
	<p>2.3.1 Finance including:</p> <ul style="list-style-type: none"> • Resources to be made available to the Joint Board • In Year Variations • Dispute Resolution section of the Integration Scheme.
	<p>2.3.2 Children's Social Work Services- whether Social Work Services for Children and Young People and Justice Social Work Services should, in the future, be planned and delivered by South Ayrshire Council directly and not by means of delegation to the Integration Joint Board.. Areas where there have been some concerns around the current arrangements include:</p> <ul style="list-style-type: none"> • The limited focus on prevention resulting from services prioritising more challenging and urgent support for vulnerable children and families. • Lack of visible evidence of joint working across services. • Competition for resources across adult and children's services. • Lack of visibility and improvement around integration of health services.
2.4	This report considers the implications of the proposed changes from a North Ayrshire perspective alongside the potential implications of the two areas highlighted requiring further considerations. The draft response to the consultation is included in Appendix 1.

2.5	There are some general observations in relation to the proposed changes. However, these changes appear to have been the result of a 'light-touch' review of the existing Integration Scheme and whilst the consultation response picks up on proposed changes this does not consider other areas where the Integration Scheme may potentially benefit from a wider review.
2.6	<p>In relation to the two further specific areas where comments are requested, i.e. Children's Social Work Services and Finance, it is understood that any specific proposals will be the subject of further consultation. Therefore, the proposed response focusses on areas that should be considered when such proposals are being developed.</p> <ul style="list-style-type: none"> • Children's Social Work Services – Children's Services are currently delegated from all three Ayrshire Councils to their respective IJB. North Ayrshire view is that Children's services should currently remain within the delegated services in the Integration Scheme for South Ayrshire, in line with the two other Ayrshire and Arran IJBs. All three Integration Joint Boards (IJB) share a Health Board and as each IJB leads on different pan-Ayrshire services, care needs to be taken before unilaterally making changes, since these may have wider impacts. In these circumstances it is recommended that the South Ayrshire Integration Scheme should not be significantly changed out-with a review of Integration Schemes across the 3 Ayrshire partnerships and that this should follow on from the further work planned to be taken forward during 2020-21 in relation to Directions, Fair Shares and Set Aside; • Finance – the finance section requires a fundamental review, however the financial arrangements in particular require to be aligned across the 3 Ayrshire IJBs to ensure there is equity of treatment, for example in relation to risk sharing. The financial arrangements will also require to be updated to incorporate any changes identified and agreed as part of the Pan Ayrshire work in relation to Directions, Fair Shares and Set Aside which is to be further progressed during 2020-21.
3.	PROPOSALS
3.1	It is recommended that the IJB consider and approve the draft response provided to the consultation on the South Ayrshire Integration Scheme between South Ayrshire Council and NHS Ayrshire and Arran. The draft response will be shared with North Ayrshire Council's Cabinet on 17 th March, the IJB will provided with an update on any further feedback from Cabinet. If both the IJB and Cabinet agree, then this can be a joint response from the Council and IJB. If there are any differences in approach, this will entail separate responses from Council and IJB.
3.2	<u>Anticipated Outcomes</u>
	The Integration Scheme requires to be reviewed at least every 5 years, the outcome and impact of the South Ayrshire review of their own Integration Scheme will not be known until the end of the consultation period. The consultation response from North Ayrshire seeks to minimise any implications of any proposed changes for the other Ayrshire partnerships.

3.3	<u>Measuring Impact</u>
	A further update on any agreed changes or potential further consultation on outstanding areas in relation to the South Ayrshire Integration Scheme will be provided to the IJB to ensure due consideration is given to the impact on North Ayrshire.
4.	IMPLICATIONS
Financial:	Financial implications are highlighted in the draft consultation response.
Human Resources:	None.
Legal:	The legal implications of the proposals have been reviewed by the Head of Democratic services. Further consideration may be required depending on the proposed changes to Children's Social Work Services and Finance areas by South Ayrshire following the consultation period.
Equality:	None.
Children and Young People	Potential impact on services in North Ayrshire following the end of the consultation period and any changes to arrangements for Children's services which may be proposed, South Ayrshire have indicated that they will carry out further consultation if changes are proposed.
Environmental & Sustainability:	None.
Key Priorities:	There are several areas where joint working takes place across the 3 Ayrshire and Arran HSCPs which contribute to the Strategic Plans and priorities of the Integration Joint Boards.
Risk Implications:	None.
Community Benefits:	None.

Direction Required to Council, Health Board or Both <i>(where Directions are required please complete Directions Template)</i>	Direction to :-	
	1. No Direction Required	X
	2. North Ayrshire Council	
	3. NHS Ayrshire & Arran	
	4. North Ayrshire Council and NHS Ayrshire & Arran	

5.	CONSULTATION
5.1	A review of the consultation document has taken place between the North Ayrshire Head of Democratic Services and the IJB Chief Finance and Transformation Officer.
5.2	The draft consultation response will be updated in line with any feedback from Cabinet and the IJB and if responses are in line this will be submitted as a joint response. A follow up report will be provided to Cabinet and the IJB if required at the end of the consultation period. Any future proposals relating Finance and Children's Services in South Ayrshire will be the subject of a further consultation, the draft response to which would be considered by Cabinet and North Ayrshire IJB.

6.	CONCLUSION
6.1	The IJB to agree the response attached at Appendix 1, to the consultation on South Ayrshire's Integration Scheme. .

For more information please contact Andrew Fraser, Head of Democratic Services on 01294 324125 or afraser@north-ayrshire.gov.uk or Caroline Cameron, Chief Finance and Transformation Officer (HSCP) on 01294 324954 or carolinecameron@north-ayrshire.gov.uk

Background Papers

Link to invitation to respond to consultation:

<https://www.south-ayrshire.gov.uk/consultations/scheme-of-integration/>

CONSULTATION RESPONSE:

**SOUTH AYRSHIRE INTEGRATION SCHEME FOR HEALTH AND SOCIAL CARE –
MARCH 2020**

Dear XXX,

South Ayrshire Integration Scheme for Health and Social Care

Thank you for the opportunity to respond to the consultation on the South Ayrshire Integration Scheme. The North Ayrshire response to the consultation has been endorsed by the North Ayrshire Council Cabinet and the North Ayrshire Integration Joint Board during March 2020.

Proposed Changes:

Comments in relation to specific proposed changes to the Integration Scheme are noted below:

- *Section 4.4.2 Corporate Support Services* – it is unclear if a review of the arrangements for providing services has been undertaken and if so, it is not clear what agreements are in place to ensure the IJB has corporate support services aligned to requirements, it is not clear if there are Service Level Agreements in place or similar;
- *Section 4.4 Performance Targets, Improvement Measures and Reporting Arrangements* – there is no reference to regular performance management information sharing from Lead Partnership arrangements across IJBs, this has been noted previously by Internal Audit as a potential weakness in Governance arrangements;
- *Section 6.15 Chief Officer* – similar to above, there is no reference of responsibility to report Lead Partnership Services to IJBs across Ayrshire and Arran (reference to engagement with other Chief Officers only);
- *Section 11 Complaints* – it is unnecessary to include detail of operational complaints processes in the Integration Scheme when this is previously referred to as following the Council and Health Board operational complaints handling processes. The Integration Scheme should detail the process for complaints specifically in relation to the IJB only;
- *Section 14.1 Risk Management* – the frequency of review of the Strategic Risk Register is stated as every two years, the process and frequency of reporting should be contained in the Risk Management Strategy, however every two years does not seem adequate.

In addition, you have asked for feedback on two other areas under consideration. Our comments in relation to these are as follows: -.

Children's Social Work Services

As part of your review, South Ayrshire Council has indicated that it wishes consideration to be given to whether Social Work Services for Children and Young People and Justice Social

Work Services should, in the future, be planned and delivered by it directly and not by means of delegation to the Integration Joint Board.

You have noted areas where there have been some concerns around the current arrangements including:

- The limited focus on prevention resulting from services prioritising more challenging and urgent support for vulnerable children and families.
- Lack of visible evidence of joint working across services.
- Competition for resources across adult and children's services.
- Lack of visibility and improvement around integration of health services.

North Ayrshire does not support the transfer of Children's Social Work Services back to South Ayrshire Council for the reasons outlined below:

- In the main, the delegated services are the same across the 3 Ayrshire Partnerships. A significant change of this magnitude to remove a whole service would cause confusion in relation to the services delegated to both the North and East Partnerships and would limit the current and future potential to provide services in partnership or on a Pan Ayrshire basis;
- It is unclear how the clinical and professional leadership would be provided for Children's services, both upon return to South Ayrshire Council and for the Children's Health services which would revert back to NHS Ayrshire and Arran;
- Whilst there is a mixed picture across Scotland in terms of the IJBs with Children's Services delegated, the delegation arrangements across NHS Board areas are the same to avoid issues with clinical leadership and governance, therefore a different approach in South Ayrshire may have unintended consequences for both North and East Ayrshire and the Health Board;
- There are clear benefits from having Children's services delegated to the IJB and managed by the Health and Social Care partnership as this allows for more joined up services for individuals from birth through to adulthood and in a number of IJB areas, including North Ayrshire, individuals are achieving better outcomes as a result.;
- In general terms, the greater the degree of Health and Social Care integration, the greater the potential for integrated service delivery through a Strategic Plan. Taking services out of an IJB runs contrary to this.
- The 3 Ayrshire IJBs will require to move into the next refresh of Strategic Plans from 2021 onwards, any change to the delegation of Children's Services would require to be undertaken very quickly to ensure the impact is factored into the next iteration of the Strategic Plan. It would be better to consider any such changes on a pan-Ayrshire basis.

Finance

You have requested that key areas for consideration include:

- Resources to be made available to the Joint Board
- In Year Variations
- Dispute Resolution section of the Integration Scheme.

The Consultation notes that guidance relating to the use of Directions is soon to be issued by the Scottish Government. This guidance was developed by working with East, South and North HSCPs. It is anticipated that this guidance will assist in the development of arrangements which have the potential to resolve some of the concerns identified. The

parties intend to work closely with the IJB to implement the new guidance and review progress before seeking to revise the Integration Scheme at this stage.

Specific comments in relation to the current finance section include the below:

- *8.1.1 Available Resources* - requires amendment given that IJBs / HSCPs are well established (delegated and set aside budgets);
- *8.2.1 Recovery Plans* - it is not clear how dispute resolution would be invoked by either partners;
- *8.2.2 Windfall Underspend* - should be removed, as this related to early years aligned to the initial due diligence;
- *8.3.1 Chief Finance Officer* – role and responsibilities are different across the 3 Ayrshire areas, financial services are not necessarily managed by the CFO;
- *8.3.7 Finance Reports* – not currently possible to provide an integrated subjective and objective analysis of budgets on an ongoing basis,

It has not been referenced in the document, but financial accountability to funding partners should be captured, it may be useful to also reference both Internal and External Audit requirements.

The finance section of the Integration Scheme requires a fundamental review. There are a number of informal agreements in place which have been made in good faith in relation to for example risk sharing for Lead Partnership arrangements for in-year variations but these are not contained in the Integration Scheme.

The Finance section in particular needs to be aligned across the 3 Ayrshire IJBs to ensure there is equity of treatment for example in relation to risk sharing. There were also a number of Financial Management arrangements identified as part of the Ministerial Strategic Group review of Integration which required to be improved. It is not clear if the self-assessment for South Ayrshire in relation to these areas has been taken into consideration in the review of the Integration Scheme.

Overall Position

The consultation refers to the opportunity to update the scheme to reflect arrangements which may have been put in place since the document was originally drafted and consulted on 5 years ago. You will recall that a review of the North and East Ayrshire Integration Schemes concluded in June 2018 and the findings of this review were presented to the Health Board, Councils and IJBs. Following a consultation period at that time it was agreed that there was no requirement to change the Integration Schemes. South Ayrshire Council confirmed in June 2017 that they did not wish to participate in the review at that time.

The Integration Schemes across the 3 IJBs areas are currently as they stand broadly similar, therefore there are major implications of one partnership area undertaking a review in isolation. At the time of reviewing the East and North Integration Schemes, taking into consideration the findings from the consultation, it was agreed that any further consideration of review would be held in abeyance until further work on specific areas were addressed.

The review in 2018 confirmed a number of areas that required to be addressed in order to improve planning, governance and delivery of Health and Social Care Services in Ayrshire.

These included;

- **Collaboration across Ayrshire** has demonstrated strong alignment across all three Ayrshire Partnerships in developing the Integration Schemes and Lead partnership arrangements. The arrangements are however complex, human resource intensive and can be slow in decision making;
- **Decision making** being made by one IJB which impact on the other two IJB's without due regard or consultation with the other areas. This is particularly exacerbated in relation to lead partnerships;
- **Financial Governance** - The arrangements for financial accountability between IJB's in relation to Lead Partnership arrangements requires review, there is potential for conflict over budget setting, detrimental impact of decision by IJBs and overspends;
- **Performance Governance** - Legislation requires that decisions made by an IJB that have an impact on neighbouring IJBs require to be consulted upon. In the Ayrshire Lead Partnership model this is even more evident as decisions made by a Lead Partnership IJB have direct impact on services in other Ayrshire IJB areas and on Acute. These issues are not limited to lead partnership arrangements and can include strategic service and finance decisions of an IJB that impact adversely on residents of another area;
- **Financial Context** - On an annual basis the IJB's are required to agree that the finance available from NHS/Councils is sufficient to deliver on the Strategic Plan. With increasing demand and restrictions on public sector funding, this is increasingly difficult.

At that time and with Scottish Government support for the review of Integration Schemes it was anticipated that the full powers of the Integration Scheme had not been utilised and that with the appropriate use of Directions that further progress would be made.

As you will be aware the Statutory Guidance on Directions was published in January 2020 and the 3 Ayrshire partnerships were involved in supporting the Scottish Government to develop the guidance, in particular by providing clarity in relation to the complexity of governance for lead partnership arrangements. The Pan-Ayrshire work in relation to Directions and Fair Shares has reached a stage where real progress is expected to be made during 2020-21 to embed the requirements from the Statutory Directions guidance and also to develop a framework for risk and reward arrangements and mechanisms for re-balancing resources in line with Fair Shares across Ayrshire and Arran.

Given the early progress with this work and the significant implications this may have for Integration Schemes, i.e. this may prompt a further review, it would seem premature for South Ayrshire to proceed with changes to the Integration Scheme at this time. The fundamental underlying principles in the Integration Schemes are the same across the 3 Ayrshires and North Ayrshire Council and the North Ayrshire Integration Joint Board would support this synergy and equity moving forward and would suggest that a delay to the South review would allow all 3 Integration Schemes to be reviewed in parallel at a future point in time, preferably once the work in relation to Directions and Fair Share shares has been further progressed.

I hope that this information is helpful, and we are keen to be kept abreast of progress with the South review and in particular any potential impact across Ayrshire.

Craig Hatton
Chief Executive - North Ayrshire Council

Stephen Brown
Director – North Ayrshire Health and Social Care Partnership

Integration Joint Board
19 March 2020

Subject: IJB 2020-21 Budget

Purpose: To update the IJB on the financial position for the partnership for 2020-21, including the proposed delegated funding, service budget pressures and plans developed to set a balanced budget.

Recommendation: That the Board approves the budget for 2020-21 for North Ayrshire Health and Social Care Partnership inclusive of all related budget virements, pressures and savings, noting that the funding position is subject to confirmation by NHS AA.

Glossary of Terms	
NHS AA	NHS Ayrshire and Arran
IJB	Integration Joint Board
NAHSCP	North Ayrshire Health and Social Care Partnership
NAC	North Ayrshire Council
CAMHS	Child and Adolescent Mental Health Services
FPC	Free Personal Care
PCIF	Primary Care Improvement Fund
ADP	Alcohol and Drugs Partnership

1.	EXECUTIVE SUMMARY
1.1	The report outlines the funding allocations from NAC and NHS AA, the service pressures, resulting budget gap and the savings plan for 2020-21. The budget for NAC was set on 5 March and NHS AA will set their budget on 30 March, the funding assumption from NHS AA reflected in the report is based on the expected funding settlement, if this changes the plans for the IJB will require to be re-visited.
1.2	The intention was to bring a refreshed 3 year Medium Term Financial Plan to the IJB for approval, this has not been possible due to the one year Scottish Government finance settlement for Local Government and NHS Boards. This report instead focusses on balancing the budget for 2020-21 and gaining approval for the pressures and savings plans prior to the start of the new financial year. The MTFP will be refreshed and brought to the IJB for approval by June 2020.
1.3	The Scottish Government finance settlement set out a number of conditions and requirements for Health Boards and Councils in relation to funding delegated to Integration Authorities. The delegated funding outlined in the report (indicative for NHS AA) meets those Scottish Government requirements.

1.4	<p>The table below summarises the overall financial position for 2020-21:</p> <table><tr><td></td><td>Social Care (NAC) £m</td><td>Health (NHS A&A) £m</td><td>Total £m</td></tr><tr><td>Funding Increase *</td><td>1.612</td><td>2.894</td><td>4.506</td></tr><tr><td>Funded Pressures</td><td>(4.657)</td><td>(3.710)</td><td>(8.367)</td></tr><tr><td>Budget Gap</td><td>(3.045)</td><td>(0.816)</td><td>(3.861)</td></tr><tr><td>% Baseline Budget</td><td>3.1%</td><td>0.6%</td><td>1.6%</td></tr></table> <p>The approval of the savings plans included in Appendix C will fully address the budget gap and result in approved balanced budget for 2020-21.</p> <p>* NAC funding increase includes £1.119m of non-recurring funding.</p>		Social Care (NAC) £m	Health (NHS A&A) £m	Total £m	Funding Increase *	1.612	2.894	4.506	Funded Pressures	(4.657)	(3.710)	(8.367)	Budget Gap	(3.045)	(0.816)	(3.861)	% Baseline Budget	3.1%	0.6%	1.6%
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Budget Gap	(3.045)	(0.816)	(3.861)																		
% Baseline Budget	3.1%	0.6%	1.6%																		
1.5	A number of financial risks areas are highlighted in the report and the IJB are asked to note these at this stage, the IJB may be asked during 2020-21 to approve any appropriate action to mitigate or manages these areas.																				
1.6	A specific risk is the delegation of funding on a non-recurring basis by North Ayrshire Council. Whereby the permitted share of £50m flexibility nationally has not been taken by the Council for 2020-21 but the funding is allocated on a non-recurring basis to the IJB to allow the Council flexibility in future years to remove. This poses a greater risk for robust medium term financial planning and requires the IJB to balance the budget for 2020-21 to fund recurring pressures and costs whilst acknowledging the risk that £1.119m of resource is non-recurring in nature.																				
1.7	The proposed integrated budget for the IJB is £277.790m (inclusive of the estimated Set Aside budget of £30.997m). A summary of the 2020-21 budget and net budget increase is detailed within Appendix A.																				
2.	BACKGROUND																				
2.1	<p>The Integration Scheme outlines a process of planning for budgets in future years where the Chief Officer and the Chief Finance Officer develop the funding requirements for the Integrated Budget based on the Strategic Plan and present it to the Parties for consideration as part of the annual budget setting process. This includes consideration of pay awards, contractual uplifts, prescribing, resource transfer and ring-fenced funds. The Integration Scheme approved by Scottish Ministers states that following determination of the Council and NHS payments to the IJB, the IJB will refine its Strategic Plan to take account of the totality of resources available and there is an implicit requirement to set a balanced budget prior to the new financial year.</p> <p>The process as outlined in the Integration Scheme has been eroded in recent years with Scottish Government directives and expectations in relation to funding levels to be passed on to IJBs. Whilst the IJB are required to engage with the partner bodies in relation to budget pressures and savings the overall funding allocation will reflect an element of protection and ring fencing of funds for IJBs.</p>																				

2.2	NATIONAL POSITION – SCOTTISH GOVERNMENT FUNDING
2.2.1	Scottish Government Medium Term Health and Social Care Financial Framework
	<p>The Scottish Government published its Medium Term Health and Social Care Financial Framework in October 2018. This looked at current Health and Social Care expenditure, future demand, the future shape of health and social care expenditure and reforming health and social care.</p> <p>The focus of the financial framework is in the main health and social care expenditure commitments, as set out below:</p> <ul style="list-style-type: none"> • Baseline allocations to frontline Health Boards will be maintained in real terms with additional funding over and above inflation being allocated to support the shift in the balance of care. • Over the course of the next five years, hospital expenditure will account for less than 50% of frontline NHS expenditure. This relates to the policy commitment to ‘shift the balance of care’ with a greater proportion of care provided in a setting close to a person’s home rather than in a hospital. • Funding for primary care will increase to 11% of the frontline NHS budget by 2021-22. Half of this will be invested directly into GP services with the remainder in primary care services provided in the community; and • The share of frontline NHS budget dedicated to mental health, and to primary, community and social care will increase every year of the parliament. These services are managed by Integration Authorities. <p>The Scottish Government Medium Term Health and Social Care Financial Framework will be taken into consideration alongside the development of the IJB’s Medium Term Financial Plan.</p>
2.2.2	Finance Settlement Conditions
	<p>As part of the Scottish Government budget and finance settlement funding letters were issued to NHS Boards and Councils, these detailed the requirements in relation to the level of funding to be delegated to IJBs in 2020-21 (copies in Appendix E).</p> <p>The specific requirements are as follows:</p> <ul style="list-style-type: none"> • In 2020-21, NHS payments to Integration Authorities for delegated health functions must deliver an uplift of at least 3% over 2019-20 recurring budgets, representing a pass through of the baseline uplift for Territorial Health Boards. • In addition to this and separate from the Board Funding uplift, the Health Portfolio will invest a further £100m in Local Authorities for investment in health and social care integration, and continued support for school councillors. This will take the total funding transferred from the health portfolio to £811m in 2020-21. • The additional £100m for local government includes funding to continue the delivery of the Living Wage (£25m), uprating of free personal and nursing care payments (£2.2m), the implementation of the Carer’s Act (£11.6m), along with further support for school counselling support (£4m). • The funding allocated from Councils should be additional and not substitutional to the 2019-20 recurrent budgets for social care services that are delegated. This means that, when taken together, Local Authority social care budgets for allocation to Integration Authorities and funding for school counselling services must be £100m greater than 2019-20 recurring budgets. • In addition to the baseline funding uplift, a total of £461m will be invested to improve patient outcomes during 2020-21 including in Primary Care, Waiting Times Improvement, Mental Health and CAMHS and Trauma Networks. Full

	<p>details of the method of allocation and agreed outcomes will be communicated by individual Scottish Government policy areas.</p> <ul style="list-style-type: none"> • There is an additional £12.7m being made available nationally to tackle the harm associated with drugs and alcohol, with further information to follow on the investment of this funding. It is expected that in addition to this, investment by Health Boards and Integration Authorities will increase by 3% over and above the 2019-20 agreed recurring budgets for alcohol and drugs services. • In 2020-21 Integration Authorities will be responsible for more than £9.4bn of expenditure previously managed by Health Boards and Local Authorities and Integration Authorities must be empowered and supported by their partners to use the totality of the resources to better meet the needs of their local populations. • On 28 February 2020 the Scottish Government announced that similar to 2019-20, flexibility would again be available to Local Authorities to offset their adult social care allocations to Integration Authorities by up to £50m in 2020-21 based on local need (a reduction of up to 2% of adult social care allocations). <p>The expectations and the interpretation of what that means for IJBs is clear for 2020-21, as the funding allocations and conditions around the funding to be passed to IJBs follows on from the directives attached to the 2019-20 budget. However, despite this clarity the timescales for the Scottish Government budget process for 2020-21 has been challenging.</p> <p>It is anticipated that the Scottish Government will again seek assurance from partnerships that these conditions are being met.</p>
2.3	NORTH AYRSHIRE POSITION – PARTNER FUNDING
2.3.1	North Ayrshire Council
	<p>North Ayrshire Council set their budget on 5 March 2020 where they approved an additional contribution for the IJB of £3.257m for 2020-21. The additional funding includes a share of the £96m nationally transferred from the health portfolio (£2.713m) as well as the full year impact and adjustments to previously allocated funding (£0.544m).</p> <p>The partnership engaged with the Council budget process providing estimates of cost pressures and area of service redesign to deliver savings, this informed the financial settlement for the partnership.</p> <p>Based on the Finance Settlement £100m of ring fenced funding is required to be passed through to the IJB by local authorities, this includes the £4m of funding for school councillors not delegated to the IJB. The subsequent letter issued on the 28 February 2020 outlined that flexibility will be available again for Council's to apply a maximum reduction of 2% on the adult social care budget (a maximum of £50m nationally).</p>

A summary of the additional £96m funding is noted below:

Policy Area	National Allocation £'m	North Ayrshire Allocation £'m
Living Wage	25	0.705
Uplift to Free Personal Care	2.2	0.055
Carer's Act	11.6	0.341
General pressures	57.2	1.612
TOTAL	96	2.713

It is expected that for the policy areas where funding is allocated, i.e. the Living Wage, Free Personal Care and the Carer's Act the cost of delivering on these priority areas will match the funding allocation. Therefore, the uncommitted element of funding for general pressures is £1.612m for North Ayrshire.

The flexibility to offset this allocation against a maximum of 2% reduction on adult social care allocations was communicated from the Scottish Government on 28 February, therefore within a timescale that permitted North Ayrshire Council to take this into consideration when setting their budget for 2020-21. In many other areas across Scotland Council's had already approved funding allocations to IJBs prior to the flexibility being permitted.

The total flexibility permitted in North Ayrshire is £1.119m, representing 2% of the 2019-20 baseline allocation for adult social care services. In line with the flexibility permitted, North Ayrshire Council have approved the budget allocation to the IJB for 2020-21 with this element to be allocated on a non-recurring basis, providing the Council with flexibility to re-visit the allocation in future years.

The overall funding increase from North Ayrshire Council is summarised below:

	Funding Uplift £'m
Scottish Government Policy Areas (SLW, Carer's Act, FPC)	1.101
General Pressures Uplift	0.493
General Pressures Uplift (£50m – NON RECURRING)	1.119
Other Funding Allocations – (FPC u65's, Criminal Justice Grant)	0.544
TOTAL	3.257

Similar flexibility was permitted in 2019-20 and for that year £1.389m of flexibility was available, in line with this North Ayrshire Council retained £0.918m of the funding allocated as part of the additional investment in health and social care integration. Whilst the funding has been passed through in full for 2020-21 the non-recurring nature of the funding presents a difficulty to the IJB as this results in further uncertainty of funding in subsequent years and does not align with the evidence that the cost and demand pressures for the IJB are recurring and increasing at pace.

Included within other funding allocations is a funding reduction to the ring-fenced grant for Criminal Justice Services. This funding reduction alongside the requirement to fund inflationary cost increases for the service from within the ring-fenced grant will be challenging for the service during 2020-21. The service are working through the

	<p>potential impact and where this cannot be mitigated will follow this up with a report to the IJB.</p> <p>For years 2021-22 and 2022-23 the financial planning assumption from the Council is that that financial pressures facing the IJB will be fully met by savings, i.e. a flat cash financial settlement is assumed.</p> <p>In addition to the delegated funding allocation to the IJB the Council budget includes £1.486m, set aside to support repayment of the IJB debt to the Council, this budget allocation remains unchanged for 2020-21.</p>
2.3.2	NHS Ayrshire and Arran
	<p>The Scottish Government letter outlines the expectations in terms of resource for IJBs including a directive for a funding uplift to be applied, this is the same approach taken in 2019-20 and again is not the bottom up approach traditionally adopted under the Integration Scheme.</p> <p>In relation to the Scottish Government directive, the elements which impact on the IJB Health funding allocation are noted below:</p> <ul style="list-style-type: none"> • In 2020-21, NHS payments to Integration Authorities for delegated health functions must deliver an uplift of at least 3% over 2019-20 recurring budgets, representing a pass through of the baseline uplift for Territorial Health Boards. • Investment by Health Boards and Integration Authorities for alcohol and drugs services will increase by 3% over and above the 2019-20 agreed recurring budgets. • There will be further in-year allocations related to investment in improving patient outcomes, including the Primary Care Improvement Plans and Mental Health investment which will be allocated later in the year, in addition there is an expectation that a further reduction will be applied to the non-baseline funding for the Outcomes Framework.
	<p>NHS payments to Integration Authorities for delegated health functions must deliver an uplift of 3% over 2019-20 agreed recurring budgets. This in practice means a pass through of the Health Board uplift to Integration Authorities, on the understanding that the Integration Authorities.</p> <p>Discussions have taken place with Health Board colleagues in relation to the funding for 2020-21, whilst no formal communication or confirmation has been received there is an expectation that the Health Board plans will reflect the pass through of the 3% to the IJB. The IJB will then plan to fund pressures and develop savings plans within the overall financial allocation. This has not been formally approved and the Health Board will meet on 30 March to set their budget, including agreeing funding allocations for partnerships. The assumption in this financial position is that this will be basis of the funding allocation, if the Health Board decision does not reflect this position this will require to be updated and brought back to the IJB for further consideration.</p> <p>Assuming the 3% Health Board uplift is passed through to the IJB there has been a determination of the value of the uplift on that basis. The Health Board will delegate each IJB a budget based on a delegated service basis, the position in this report reflects the position on a managed basis as this is the position delegated to the North partnership to financially manage. The Ayrshire Finance Leads have agreed the reconciliation of the uplift and pressures from an IJB to managed basis.</p>

The baseline budget requires to be appropriately adjusted to not apply the uplift where:

- There are significant in-year allocations of funding, these allocations do not form part of the Health Board baseline funding to which the annual uplift is applied, for example Action 15 Mental Health funding;
- There are separate risk sharing arrangements in place, eg prescribing;
- There is a separate uplift basis other than the general board uplift, eg GMS.

The determination of the appropriate baseline budget to apply the uplift has been agreed with the Ayrshire Finance Leads and the Health Board Director of Finance.

The calculation of the baseline uplift is detailed in the table below:

	£m	
2019-20 Budget	146.846	As per period 9 monitoring report.
Less:		
In-year allocations	(3.227)	Action 15, Mental Health Bundle, Health Visitors, Veterans, ADP, Winter Plan
Risk Sharing	(29.461)	Prescribing
Different Uplift	(17.683)	General Medical Services (GMS)
Revised Baseline	96.475	
3% Uplift	2.894	

The expectation is that on a managed basis a baseline funding uplift of £2.894m will be passed through to the IJB from the Health Board.

The 2019-20 baseline budget excludes the Douglas Grant and Redburn Wards as although these are now operationally managed by the North HSCP the IJB have not accepted the delegated budget as following due diligence there is a budget shortfall in these wards which requires to be addressed prior to fully accepting financial responsibility for the wards.

Further detail on the uplift calculation and the reconciliation of this from a managed HSCP basis to IJB delegated basis is included as Appendix D.

2.3.3 The benefits of a delegated funding approach from both partners are:

- The IJB can manage the budget process in terms of developing pressures and savings (including providing for those pressures not planned to be funded by partners), providing greater transparency and governance re decision making.
- Allows resource to be allocated by the IJB in line with the priorities in the Strategic Plan.
- Allows the SG directive to be followed, not only in terms of application of the uplift but also in terms of priority areas to be protected (eg Drug and Alcohol services).
- Facilitates the ongoing in-year management of the IJB financial position in relation to the funding and budget being managed on an integrated way to deliver financial balance.
- Supports future years planning and the development of a Medium Term Financial Plan, supporting an earlier approach to financial planning and an integrated approach to distribution of resource.

	<ul style="list-style-type: none">Aligns with the proposals in the review of integration for budget planning and resource delegation for IJBs.																												
3.	PROPOSALS																												
3.1	2019-20 FINANCIAL POSITION																												
	<p>The IJB financial position has been challenging during 2019-20 with a projected overspend from early in the year, this led to a Financial Recovery Plan being approved by the IJB during the year to help work towards financial balance. The overall projected outturn position for 2019-20 as at period 10, is a projected year-end overspend of £1.541m, whilst still an overall overspend, this is a significant improvement in-year. The recovery plan was targeted at actions to reduce the overspend for the current year but also focused on actions which would address underlying recurring deficits in services to allow the IJB to move into the new financial year in a financially sustainable position.</p>																												
	<p>The financial benefits from the recovery plan have not been fully realised during 2019-20 due to being implemented part way through the year. Further work has been undertaken to establish, for the main areas where there has been a significant variation and movement during the year. to establish the impact on the opening financial position for those services next financial year. The summary position for these opening projections is noted below:</p> <table><tr><th>Service Area</th><th>2019-20 Proj @p9 £m</th><th>2020-21 Opening £m</th><th>Comments</th></tr><tr><td>Care at Home</td><td>over (0.5m)</td><td>under 0.2m</td><td>Significantly reduced costs of purchased care, remaining o/s in-house services</td></tr><tr><td>H&CC unfunded pressures</td><td>over (0.7m)</td><td>over (0.7m)</td><td>Unfunded posts, non-front line care CAH & CH costs, system costs</td></tr><tr><td>Care Homes</td><td>under 0.4m</td><td>under 1.2m</td><td>20-21 based on circa 810 funded places (840 in budget for 19-20), currently 782, can reduce and fund additional places</td></tr><tr><td>LD Care Packages</td><td>over (1.4m)</td><td>over (1.0m)</td><td>Reductions from reviews and two high cost packages transferred to another LA</td></tr><tr><td>Adult Community Care Packages (MH & PD)</td><td>over (0.1m)</td><td>under 0.5m</td><td>Significant movement in care packages due to people leaving the service</td></tr><tr><td>Children's Res Placements</td><td>over (1.1m)</td><td>under 0.1m</td><td>Position if all current places remained for the full year, plans to discharge 7 during 2020-21</td></tr></table>	Service Area	2019-20 Proj @p9 £m	2020-21 Opening £m	Comments	Care at Home	over (0.5m)	under 0.2m	Significantly reduced costs of purchased care, remaining o/s in-house services	H&CC unfunded pressures	over (0.7m)	over (0.7m)	Unfunded posts, non-front line care CAH & CH costs, system costs	Care Homes	under 0.4m	under 1.2m	20-21 based on circa 810 funded places (840 in budget for 19-20), currently 782, can reduce and fund additional places	LD Care Packages	over (1.4m)	over (1.0m)	Reductions from reviews and two high cost packages transferred to another LA	Adult Community Care Packages (MH & PD)	over (0.1m)	under 0.5m	Significant movement in care packages due to people leaving the service	Children's Res Placements	over (1.1m)	under 0.1m	Position if all current places remained for the full year, plans to discharge 7 during 2020-21
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	<p>There requires to be a re-alignment of the opening budget moving into 2020-21, this will allow services to start the year with a deliverable position and also make the reporting of any variations from plans to the IJB far clearer next year.</p>																												
	<p>The required budget re-alignment for older people's services is illustrated below:</p>																												

OLDER PEOPLE	£m
Care at Home	0.165
H&CC Unfunded Pressures	(0.658)
Care Homes	1.182
SURPLUS	0.689

- This requires virements across the 3 areas with the surplus to be retained in Care at Home services to provide additional capacity.
- This approach retains some capacity in care homes and care at home services above the current level, which can be targeted at reducing the waiting lists for these services.

The required budget re-alignment for adult services is illustrated below:

ADULTS	£m
Learning Disabilities	(1.044)
MH and PD Packages	0.474
SHORTFALL	(0.570)

- Adult care packages for Learning Disabilities, Mental Health and Physical Disabilities will be managed as one budget and resource next year
- Remaining shortfall to be addressed by consideration of pressures and savings against these service areas for 2020-21, some savings will remain on the plan to be delivered with the financial benefit contributing to financial balance instead of additional savings to be removed from the budget.

Addressing the underlying deficits in services moving into 2020-21 secures a financially sustainable position overall for the partnership and also will help to de-clutter financial monitoring and reporting for next year.

3.2 2020-21 REVENUE BUDGET PLANS

NAHSCP 2020-21 integrated budget is expected to be £246.793m (excluding Set aside) and £277.790m (including Set Aside budget).

A summary of the 2020-21 total budget and net funding increase is detailed within Appendix A. The pressures and savings are detailed separately in Appendix B (pressures) and C (savings). Sections 3.2.1 to 3.2.4 provide an overview of the pressures and savings.

3.2.1 BUDGET PRESSURES

NAHSCP service cost and demand pressures are detailed within Appendix B.

Budget pressures for health and social care services total £8.367m. These have been developed in partnership with finance supporting front line services to identify current and emerging financial pressures taking into account historic demand and costs and potential future variations. The provision of funding for pressures has the impact of increasing the budget gap to be addressed through savings, therefore the pressures are only included in budget plans where these are absolutely unavoidable. The pressures have been subject to a rigorous challenge process, both within the service, within the HSCP directorate, by finance and by peers. The pressures recommended for approval have been through this challenge process and are deemed to be unavoidable and therefore recommended for approval.

The pressures are noted below with full detail in Appendix B:

Category	Social Care (NAC) £m	Health (NHS A&A) £m	TOTAL £m
Pay pressures	1.440	2.872	4.312
Cost and Demand pressures	2.263	0.308	2.571
Service Developments	-	0.653	0.653
Inflation	0.954	-	0.954
Review 2019-20 Pressures		(0.123)	(0.123)
TOTAL	4.657	3.710	8.367

The pay pressure for NHS staff has significantly increased for 2020-21 to £2.9m (from £1.8m in 2019-20). The three year pay settlement for Agenda for Change will move into its final year in 2020-21, this resulted in a 3% increase in pay each year but also a reduction in the number of pay points in incrementing to the top of each grade. The NHS budgets were previously based on an average assumption re salary points for posts, this approach moving forward would result in shortfalls across budgets with more staff being at the top of the pay scale. The NHS finance team have carried out a detailed zero based budgeting exercise, similar to that carried out in the Council each year, to ensure salary budgets are aligned to the salaries of staff in post. This has resulted in a significant increase in the pay budget which requires to be funded to ensure the core budgeted establishment for staff is funded next year.

A new pressure of £0.5m has been identified for Unscheduled Care Investment, further detail on the plans for the targeting of this resource will be shared with the IJB early in the new financial year.

During 2019-20 provision was made for health Lead Partnership pressures recognising the North Ayrshire contribution towards pressures faced for services led by East or South. These pressures were agreed with the Ayrshire Finance Leads with an agreement that the IJBs have a shared responsibility to fund. Following a review of these pressures £0.123m has been identified as not being required for 2020-21, of this the pressure in relation to Prison Medical Contract VAT (£19k) is no longer required, the remainder of the reduction (£104k) relates to Ayrshire Urgent Care and the potential delay in further negotiations and contracts being agreed. A six month delay has been assumed for 2020-21, this pressure may require to be reinstated in 2021-22.

In addition to the above pressures there are the Scottish Government priorities as outlined in the table in paragraph 2.3.1. It is assumed that the costs associated with these pressures will be matched by the additional funding provided.

The IJB budget for 2019-20 included a number of unfunded pressures for areas where the pressures were not recommended to be specifically provided for in the budget. This is because the service could potentially be re-designed to reduce the cost, there were uncertainties around the value of the pressure or the costs were to be managed in-year either by developing a financial recovery plan or within the overall in-year financial position.

The pressures were noted as including:

- GP practices in difficulty – this pressure did not impact during 2019-20 but will remain a financial risk in future years
- Ward 1 Woodland View – no ability to reduce current costs of service, therefore pressure provided for on a recurring basis in the 2020-21 budget
- Daldorch income – pan-Ayrshire recurring pressure, provision in budget
- Paid as if at work – included in pay pressures for 2020-21
- Health Visitor pay regrade – included an element of pressure in pay pressures for 2020-21, part of the cost will remain to be balanced by a turnover target set at a level assessed as being achievable (£150k)
- Intermediate Care and Rehab investment – included in pressures at significantly reduced cost, as service are integrating with existing teams and have identified other areas to offset the cost

All previously highlighted unfunded pressure areas have not been addressed as part of the budget for 2020-21 and the only outstanding areas remaining are the known areas of financial risk in relation to service deliver and demands for services.

The Living Wage will increase from £9 per hour to £9.30 per hour from 1 April 2020. This increases the rates being paid to providers and self-directed support recipients as follows:

	2019-20 Rate Per Hour	2020-21 Rate Per Hour
Care at Home & Housing Support	£16.81	£17.22
Sleepovers	£11.09	£11.46
Personal Assistant Day Time Hourly Rate	£12.26	£12.66
Personal Assistant Sleepover Hourly Rate	£11.36	£11.73

3.2.2 BUDGET GAP

A summary of the budget gap and overall savings requirement is outlined below:

	Social Care (NAC) £m	Health (NHS A&A) £m	Total £m
Funding Increase	1.612	2.894	4.506
Funded Pressures	(4.657)	(3.710)	(8.367)
Budget Gap/Savings Requirement	(3.045)	(0.816)	(3.861)
% Budget	3.1%	0.6%	1.6%

Whilst there is no specific statutory responsibility for the IJB to set a balanced budget by a specific date, there is an implicit requirement outlined in the Integration Scheme and in terms of best practice for financial planning and management a balanced budget should be approved and set prior to the start of the new financial year.

3.2.3 BUDGET SAVINGS

Savings in relation to NAC and NHS commissioned services are detailed within Appendix C. The savings are RAG rated informed by an overall assessment of the ease of delivery and the impact on services, indicating an overall risk of deliverability.

RAG Deliverability Status	Social Care (NAC) £m	Health (NHS A&A) £m	Total £m
Red	-	-	-
Amber	2.527	-	2.527
Green	0.518	0.816	1.334
TOTAL	3.045	0.816	3.861

As previously referenced in relation to the financial impact of the 2019-20 position, the budget reductions for savings in Learning Disability services have been reduced by a total of £0.615m to allow part of the benefit from savings to assist with getting services into a sustainable financial position. Whilst these savings will not be removed from the service budget as is the case for all other savings, they do still require to be delivered to address the recurring overspend in this service area and their delivery is assumed to offset the opening deficit position for these services.

The IJB are recommended to approve the savings proposals. If any are deemed as not acceptable and hence not approved then alternative proposals will be required to be developed and brought forward for approval at a future meeting. There is an implicit obligation on the IJB to approve a balanced deliverable budget. If this is not achieved this poses a significant financial risk to the IJB and the Council and Health Board as funding partners.

Prescribing remains the responsibility for the Health Board to fund as under the terms of the Integration Scheme the Board underwrite the prescribing risk across all three Ayrshire IJBs. Prescribing is a volatile budget and the approach is to minimise risk across years with the Health Board retaining responsibility for any under or overspends, as such no pressures or savings are detailed for prescribing.

3.2.4 MENTAL HEALTH SERVICES

The North partnership lead on acute Mental Health services across Ayrshire and therefore require to ensure that the services have plans to balance the budget moving into 2020-21.

In 2019-20 the Scottish Government financial settlement included a requirement that resource for Mental Health services was protected and that there was a real-terms increase in spend on mental health services before the application of any additional funding for investment. This condition was met for 2019-20 and whilst there has not been a similar directive issued for next year the North partnership have developed plans to ensure that lead partnership Mental Health services are sustainable and are not impacted by pressures elsewhere in services.

The overall position for the lead partnership element of the North managed budget is summarised below:

	£m
2019-20 Baseline Budget	46.584
3% Baseline funding uplift	1.398
Total Pressures (all pay related)	1.714
Budget Gap/Savings Requirement	0.316

Savings outlined to address this budget gap are included in Appendix C. Significant savings have been delivered to date from the review of Mental Health inpatient services at the Ailsa site and there may be further savings which can be released over and above those already on the plan. Any further potential savings will be finalised early in 2020-21 and agreement will require to be reached across the three Ayrshire partnerships on how any resource should be distributed. And crucially how plans can be aligned across the three IJBs to ensure there is the investment required in Community Mental Health services to sustain the reduced footprint and redesign of the inpatient services.

3.3 ACUTE SET ASIDE BUDGET

The Scottish Government's Health and Social Care Medium Term Financial Framework refers to system reform assumptions including material savings to be achieved from reducing variation in hospital utilisation across health and social care partnerships, with assumed efficiencies from reduced variation in hospital care coupled with 50% reinvestment in the community to sustain improvement. Furthermore, the Ministerial Strategic Group for Health and Community Care Review of Progress with Integration of Health and Social Care contained the proposal that delegated hospital budgets and set aside requirements must be fully implemented. Each Health Board, in partnership with the Local Authority and IJB, must fully implement the delegated hospital budget and set aside budget requirements of the legislation, in line with the statutory guidance published.

The full implementation of the set aside arrangements is key to delivering this commitment to planning across the whole unplanned care pathway and partnerships must ensure that set aside arrangements are fit for purpose and enable this approach.

This has not been achieved in Ayrshire and Arran during the current financial year. However preparatory work is well underway with the support of the Scottish Government, NHS AA and the other Ayrshire partnerships to progress and develop the set aside arrangements to fully implement the legislative requirement. This includes arrangements in relation to the use of Directions, Commissioning Plans and overall progression towards Fair Share allocations of resources.

The budget for set aside resources for 2020-21, this is assumed to be in line with the amount for 2019-20 (£30.094m) inflated by the 3% baseline uplift, this value is used in the absence of any updated information on the share of resources this is £30.997m. This may require to be updated following the further work being undertaken by the Ayrshire Finance Leads to establish the baseline resources for each partnership and how this compares to the Fair Share of resources. It is anticipated that 2020-21 will be used as a shadow year for these arrangements. A further update will be provided to IJBs as this work progresses.

3.4 IJB RESERVES

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

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

The balance of reserves should be considered as part of the budget setting process. The IJB has a reserves policy in place which outlines an optimum value of reserves to be held uncommitted in contingency, this is currently set as 2% to 4% of net expenditure, based on the lower value this would be £5m. Given the current financial position of the partnership and the ongoing requirement to deliver significant savings this optimum reserves balance is aspirational. There is no recommendation as part of the 2020-21 budget to allocate any resources to reserves, however consideration should be given to this in the future and considered as part of the Medium Term Financial Plan to allow the IJB to cushion some of the impacts of demand fluctuations for services and to support financial planning over a longer time period.

The position in the North Ayrshire IJB is unique in that we hold a negative reserve balance which has accumulated from previous year overspends, the negative reserve balance is offset by a debtor on the balance sheet reflecting the debt due to North Ayrshire Council. There is currently £1.486m of resource set aside outwith the IJB delegated budget to repay this debt.

The estimated position for IJB reserves is noted below:

	General Fund Reserves £m	Earmarked Reserves £m	Total Reserves £m
Opening Balance	(5.139)	0.277	(4.862)
Planned repayment	1.486	-	1.486
Projected Outturn (at period 10)	(1.541)	-	(1.541)
Planned Use of Reserves	-	(0.277)	(0.277)
Estimated Balance 31 March 2020	(5.194)	-	(5.194)
Planned repayment	1.486	-	1.486
Estimated Balance at 31 March 2021	(3.708)	-	(3.708)

The earmarked reserve balances relate to ring-fenced funding for the ADP, Mental Health Action 15 and PCIF. The Scottish Government provided additional funding for these areas during 2019-20 with a request that any earmarked balances are utilised first before any new funding is issued, therefore it is expected that these balances will require to be utilised in full during 2019-20.

3.5 FINANCIAL RISKS

There are a number of ongoing financial risk areas that may impact on the 2020-21 budget during the year, these include:

- High risk areas of low volume / high cost services areas e.g. Learning Disability care packages, children's residential placements, complex care packages
- Progress with the work to develop set aside arrangements and the risk sharing arrangements agreed as part of this

	<ul style="list-style-type: none"> • Ongoing implementation costs of the Scottish Government policy directives, for example Free Personal Care for under 65's • Lead / hosted service arrangements, including managing pressures and reporting this across the 3 IJBs • The impact on Lead partnership and acute services from decisions taken by other Ayrshire areas • North managed Health Wards where there is an impact from capacity used by other areas. For these wards the North financial assumptions include: <ul style="list-style-type: none"> • Ward 2 Woodland View – East Ayrshire partnership intention to reduce funding continuation following a decision to commission less beds, position being negotiated, current assumption is that the position can be mitigated • Lochranza – only South and East Ayrshire patients remain in this ward, assumption that from 1 April 2020 financial (and potentially operational) responsibility will transfer to South Ayrshire • Douglas Grant and Redburn – assumption that financial responsibility for wards will transfer to North Ayrshire once costs are reduced and contained within delegated budget, shared responsibility with East Ayrshire. • The potential financial impact of the HSCP response to the Covid 19 pandemic and the wider public sector financial impact, including on the Council and Health Board <p>These risks will be monitoring during 2020-21 and financial impact reported through the financial monitoring report.</p>
3.11	TRANSFORMATION PROGRAMME
	<p>The partnership Transformation Board has a key role to:</p> <ul style="list-style-type: none"> • Monitor, track and challenge the delivery of the Health and Social Care Partnership Change Programme. • Monitor track and challenge the budget position including pressures, and savings. • Provide oversight of the delivery of service transformational change priorities. <p>The Transformation Board meets monthly to oversee the change programme, the group is solutions focussed with a view to identifying and implementing actions to get any off track plans back on target. The planned 2020-21 transformation and savings plans have been reviewed and the change team resource has been aligned to the delivery of these plans and these will be monitored through the Transformation Board.</p>
4.	<u>Anticipated Outcomes</u>
	<p>There are a number of outcomes anticipated in relation to the 2020-21 Budget:</p> <ul style="list-style-type: none"> • Transformational Change for financial and service sustainability will feature at the forefront of the IJB and NAHSCP agenda throughout 2020-21 and beyond. • The proposed plans will deliver a balanced budget for 2020-21, this will enable the IJB and NAHSCP to have plans to operate within the delegated funding. • All savings need to be delivered per the agreed timetable. • Financial resources shall be effectively targeted to improve the health and care outcomes for the people of North Ayrshire. • The pan-Ayrshire work will provide further clarity on the use of resources and how we work together this move towards Fair Shares, this will facilitate improved reporting during 2020-21.

5.	<u>Measuring Impact</u>
	<ul style="list-style-type: none"> • A financial framework tracker is used to monitor all key budget spend areas on a monthly basis focused on highlighting those areas not performing as required, reasons why and agreeing early corrective action. • Full year financial outturn forecasts will be compiled monthly with variance analysis and relevant explanations. • Detailed monthly financial review sessions will be undertaken with the Director, all Heads of Service and relevant senior managers in NAHSCP to ensure timely action is being taken where needed to stay within budgets. • Regular financial performance reports will be presented to the IJB to ensure it is kept fully informed of performance and importantly any major areas of concern requiring corrective action. • The Transformation Board will meet monthly to review progress with savings and any corrective action required to bring any plans back on line. • Monthly monitoring and progress of all savings will be undertaken and reported on alongside budgetary performance, with any projects delivering adversely versus the agreed plans being highlighted at the earliest opportunity and having corrective action agreed accordingly.
6	IMPLICATIONS
Financial:	<p>It is essential that the IJB and NAHSCP operate within the 2020-21 delegated budget, this is supported by approving a balanced budget before the new financial year.</p> <p>The report outlines estimated delegated funding and the pressures required to be met from within the overall integrated budget. It is estimated there is a requirement to deliver £3.861m of savings during 2020-21 alongside dealing with a number of other known pressures and the risk of managing fluctuating demand for services. The plans outlined in the report allow for a balanced position to be approved, this includes addressing a number of pressure areas which were previously unfunded.</p> <p>Appendix A shows the total 2020-21 IJB Budget Appendix B shows the proposed service pressures Appendix C shows the proposed savings Appendix D shows the NHS baseline uplift for 2020-21 on a managed and IJB basis Appendix E shows the Scottish Government Finance Settlement letters</p>
Human Resources:	There will be full consultation with the Trade Unions as appropriate.
Legal:	The IJB has an implicit obligation to funding partners to set a balanced budget prior to the start of the new financial year. The financial position and funding as detailed out would result in both partners complying with the Scottish Government directives re delegated funding for Integration Authorities.
Equality:	Equality Impact Assessments (EIAs) have been undertaken for all savings proposals. None of the new proposals require a full impact assessment.

Children and Young People	Approval of relevant pressures will allow continued and greater investment in early intervention and prevention in relation to children and young people, hence reducing the future likelihood of the need for care in institutional settings.
Environmental & Sustainability:	There are no environmental and sustainability implications.
Key Priorities:	The 2020-21 budget proposals support delivery of the HSCP Strategic Plan Priorities, there would be no adjustment required to the Strategic Plan outcomes and priorities.
Risk Implications:	Failure to operate within the delegated budget would delay the repayment of previous year's debts and add further to the requirement to repay any further overspends to NAC and NHA AA. This would impact on the overall financial sustainability and credibility of the partnership.
Community Benefits:	Effective delivery of services as per the 2020-21 budget and associated plans should allow key strategic priorities to be met which should maximise benefits for the North Ayrshire community as a whole, but also benefit those areas of the community most in need.

Direction Required to Council, Health Board or Both	Direction to :-	
	1. No Direction Required	
	2. North Ayrshire Council	
	3. NHS Ayrshire & Arran	
	4. North Ayrshire Council and NHS Ayrshire & Arran	√

8.	CONSULTATION
8.1	The budget plans detailed in this report have been produced in consultation with relevant budget holders, the NAHSCP Senior Management Team and IJB members. The funding assumptions align with information shared and agreed with the Directors of Finance for NAC and NHS AA.
9.	CONCLUSION
9.1	<p>The plans outlined in the report support the IJB to approve a balanced budget for 2020-21. The IJB are recommended to approve the budget for 2020-21 inclusive of all related pressures and savings. The IJB may be asked to re-visit plans if the Health Board delegated funding changes from that outlined in the report.</p> <p>The IJB will be asked to consider a 3 year Medium Term Financial Plan for the partnership in June 2020.</p>

For more information please contact:

Caroline Whyte, Chief Finance & Transformation Officer on 01294 324954 or carolinewhyte@north-ayrshire.gov.uk

Or

Eleanor Currie, Principal Manager – Finance on 01294 317814 or eleanorcurrie@north-ayrshire.gov.uk

**North Ayrshire Health and Social Care Partnership
2020-21 Total Budget**

	NAC £m	NHS AA £m	Total £m
Budget @ P9 2019-20	95.005	146.846	241.851
Adjust for Non-Recurring 2019-20 Funding	(1.299)	0.090	(1.209)
Baseline Funding Increase	0.493	2.894	3.387
Baseline Funding Increase – Non-recurring	1.119	-	1.119
SG Funding Adjustment*	1.645	-	1.645
2020-21 Budget excluding set aside	96.963	149.830	246.793
Draft set aside budget	-	30.997	30.997
2020-21 Budget including set aside	96.963	180.827	277.790

* SG Funding Adjustment:

	£m
Living Wage	0.705
Uplift to Free Personal Care	0.055
Carers Act	0.341
Whole Systems Approach	(0.025)
Community Justice Services	(0.152)
FPC for under 65's	0.696
Appropriate Adults	0.025
Total Additional Funding	1.645

Appendix B

North Ayrshire Health and Social Care Partnership 2020-21 Revenue Budget Pressures

Social Care Pressures	2020/21 £m
Pay Award, Living Wage and Pension Auto Enrolment	1.440
Demographic Pressure Older People Community Services (Care at Home)	0.458
Demand Pressure - Physical Disabilities	0.032
Demand Pressure - Mental Health	0.095
Transition Pressure - Mental Health	0.267
Demand Pressure - Learning Disabilities (Older Clients and Carers)	0.260
Transition Pressure - Learning Disability	0.737
Demand Pressure - Children	0.244
National Care Home Contract Inflationary Increase	0.641
Kinship Care - Impact of Universal Credit	0.082
Contract Inflation outwith the Living Wage and NCHC	0.313
Corporate Parenting Team	0.090
Total Service Pressures	3.217
Total Pressures Including Pay	4.657

Health Pressures	Lead Partnership £m	North Services £m	TOTAL £m
Pay Award and Pensions	1.632	1.013	2.645
Ward 1 Woodland View		0.308	0.308
AHP - Intermediate Care Rehab/Speech and Language Therapy		0.063	0.063
Health Visitors		0.090	0.090
Paid as if at Work	0.082	0.076	0.076
Unscheduled Care Investment		0.070	0.151
		0.500	0.500
<i>Pan Ayrshire Pressures - 19-20 adjustment</i>			
VAT on prison medical contract		(0.019)	(0.019)
Ayrshire Urgent Care		(0.104)	(0.104)
Total Service Pressures	0.082	0.983	1.065
Total Pressures Including Pay	1.714	1.996	3.710

TOTAL NORTH HSCP PRESSURES	8.367
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North Ayrshire Health and Social Care Partnership 2020-21 Savings

Social Care:

Ref	Description	R/A/G	2020-21 £m
Children, Families & Criminal Justice			
1	Children and Young People - External Residential Placements [impact from localities model]	Amber	0.583
2	Adoption Allowances	Amber	0.074
3	Children's Services - Early Intervention and Prevention	Amber	0.050
4	Fostering - Reduce external placements	Green	0.036
5	Community Support - Children's Care Packages	Amber	0.008
Mental Health and LD Services			
6	LD - Reduction to Sleepover Provision	Amber	0.200
7	Learning Disability Day Services	Amber	0.279
8	Trindlemoss	Green	0.150
9	Mental Health - Flexible Intervention Service	Amber	0.008
Health and Community Care			
10	Roll out of multidisciplinary teams - Community Care and Health	Amber	0.110
11	Carers Act Funding - Respite in Care Homes	Amber	0.273
12	Care at Home - Reablement Investment	Amber	0.300
13	Care at Home - Efficiency and Capacity Improvement	Amber	0.135
14	Day Centres - Older People	Amber	0.038
15	Charging Policy - Montrose House	Amber	0.050
Whole System			
16	Adults - New Supported Accommodation Models	Amber	0.063
17	Adult Community Support - Commissioning of Services	Amber	0.638
18	Charging Policy - Inflationary Increase	Green	0.050
			3.045

Health:

Ref	Description	R/A/G	2020-21 £m
19	Trindlemoss	Green	0.120
20	Packages of care	Green	0.100
21	Elderly Mental Health inpatients (lead partnership)	Green	0.216
22	MH Payroll Turnover (lead partnership)	Green	0.100
23	North Payroll Turnover	Green	0.280
			0.816
TOTAL NORTH HSCP SAVINGS			3.861

* denotes a previously approved saving

NHS Ayrshire and Arran 3% Baseline Uplift 2020-21

Overall Summary	East £	North £	South £	Total £
HSCP Managed Basis	£1,957,443	£2,894,257	£1,436,394	£6,288,094
IJB Delegated/Population Basis	£2,127,107	£2,173,508	£1,987,480	£6,288,094

IJB Managed Basis Calculation				
	East	North	South	Total
HSCP Annual Budget 19/20 @ M9	183,046,164	146,845,975	87,326,804	417,218,944
Less Prescribing	- 25,006,336	- 29,460,424	- 23,423,001	- 77,889,761
Less GMS	- 15,481,134	- 17,683,029	- 14,720,508	- 47,884,672
Less East Central FHS	- 48,108,485			- 48,108,485
Less East Central PMS	- 16,403,505			- 16,403,505
Less PCIF	- 5,133,721			- 5,133,721
Less Combat Stress/War pensions	- 1,424,090			- 1,424,090
Less Action 15		- 1,124,783		- 1,124,783
Less Mental Health Bundle		- 1,492,428		- 1,492,428
Less Family Nurse Partnership			- 755,191	- 755,191
GP OOH	- 369,663			- 369,663
Public Dental Service	- 1,950,000			- 1,950,000
Veterans First Point		- 103,923		- 103,923
Dental Outcomes Framework	- 898,705			- 898,705
Additional ADP Funding	- 364,478	- 406,138	- 338,316	- 1,108,932
Vaccinations & Immunisations	- 1,026,994			- 1,026,994
Community Prescribing	- 1,530,946			- 1,530,946
Winter Plan NR Funding	- 100,000	- 100,000	- 100,000	- 300,000
South Care Home N/R			- 440,000	- 440,000
South Biggart Funds			- 300,000	- 300,000
Community Store NC DEL			630,000	630,000
Revised HSCP Baseline	65,248,107	96,475,249	47,879,789	209,603,145
Uplift at 3%	1,957,443	2,894,257	1,436,394	6,288,094

IJB Baseline Calculation				
	East	North	South	Total
HSCP Annual Budget 19/20 @ M9	183,046,164	146,845,975	87,326,804	417,218,944
Less Hosted Services per budgets	- 4,719,198	- 215,571	- 1,393,536	- 6,328,305
Less Lead Services per budgets	- 86,956,720	- 49,304,885		- 136,261,605
Subtotal				
Recharges Lead	44,785,744	49,904,794	41,571,067	136,261,605
Recharges Hosted	2,079,954	2,317,694	1,930,657	6,328,305
Base budgets by IJB	138,235,943	149,548,008	129,434,993	417,218,944
Less Prescribing	- 25,006,336	- 29,460,424	- 23,423,001	- 77,889,761
Less GMS	- 15,481,134	- 17,683,029	- 14,720,508	- 47,884,672
Less East Central FHS	- 15,812,043	- 17,619,373	- 14,677,070	- 48,108,485
Less East Central PMS	- 5,391,417	- 6,007,661	- 5,004,427	- 16,403,505
Less PCIF	- 1,687,324	- 1,880,187	- 1,566,210	- 5,133,721
Less Combat Stress/War pensions	- 468,062	- 521,562	- 434,465	- 1,424,090
Less Action 15	- 369,688	- 411,944	- 343,152	- 1,124,783
Less Mental Health Bundle	- 490,523	- 546,591	- 455,314	- 1,492,428
Less Family Nurse Partnership	- 248,212	- 276,583	- 230,396	- 755,191
GP OOH	- 121,499	- 135,386	- 112,778	- 369,663
Public Dental Service	- 640,916	- 714,173	- 594,911	- 1,950,000
Veterans First Point	- 34,157	- 38,061	- 31,705	- 103,923
Dental Outcomes Framework	- 295,382	- 329,144	- 274,179	- 898,705
Additional ADP Funding	- 364,478	- 406,138	- 338,316	- 1,108,932
Vaccinations & Immunisations	- 337,547	- 376,129	- 313,318	- 1,026,994
Community Prescribing	- 483,674	- 591,367	- 455,905	- 1,530,946
Winter Plan NR Funding	- 100,000	- 100,000	- 100,000	- 300,000
South Care Home N/R			- 440,000	- 440,000
South Biggart Funds			- 300,000	- 300,000
Community Store NC DEL			630,000	630,000
Revised IJB Baseline	70,903,551	72,450,257	66,249,337	209,603,145
Uplift at 3%	2,127,107	2,173,508	1,987,480	6,288,094

Directorate for Health Finance and Governance
Richard McCallum, Interim Director



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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
TOTAL	340	461	121

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

	Total 2019-20			2020-21 Total
NHS Territorial Boards	Allocation	Uplift	Uplift	allocation
	£m	£m	%	£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
	10,086.2	319.7	3.2%	10,405.9
NHS National Boards				
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
	1,270.7	39.8	3.1%	1,312.1
Total NHS Boards	11,357.0	359.5	3.2%	11,718.0
Improving Patient Outcomes	340.0	121.0	-	461.0
Total Frontline NHS Boards***	10,861.9	453.8	4.2%	11,315.7

* 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
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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



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Chief Executives, Local Authorities
Chief Executives, NHS Boards
Chief Officers, Integration Authorities

Copy to: Directors of Finance, Local Authorities
Directors of Finance, NHS Boards
Chief Finance Officers, Integration Authorities

Issued via email

28 February 2020

Dear Colleagues

Budget 2020-21

The Scottish Government's Budget for 2020-21, which was announced in Parliament on 6 February by the Minister for Public Finance and Digital Economy, confirmed that the Health Portfolio will transfer a further £100 million to Local Authorities for investment in social care and integration, and for continued support for school counselling services. This will take the total funding transferred from the health portfolio to £811 million in 2020-21.

The distribution of the additional £100 million for Local Authorities is set out in the **Annex**, and 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.

Similar to last year, flexibility will be available to Local Authorities to offset their adult social care allocations to Integration Authorities by up to 2% and a maximum of £50 million in 2020-21 based on local needs.

The Scottish Government and COSLA have agreed joint work to support ongoing local plans to manage the deficit position with a small number of Integration Joint Boards (IJBs) and their partner Health Boards and Local Authorities. The aim of this support is to ensure that structural deficits in funding do not impact on the operational budgets of IJBs, giving them the time and space to redesign and reform services to deliver within agreed budget parameters.

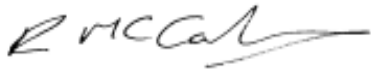
Finally, the Scottish Government and COSLA have agreed joint political oversight to drive improved performance in health and social care through a combination of enhanced joint accountability and a streamlined improvement and development offer for IJBs. This will be achieved by working with Local

Government and NHS Boards to agree a shared national and local approach to accountability for delivery. This will take account of standards, data and measures and we have agreed to work together to develop a small number of deliverable outcomes to help ensure Integration Authorities use their total resources to focus on delivery of key areas for improvement, including reducing delays in care. This work will be progressed quickly using normal mechanisms and we will keep you informed of progress.

Yours sincerely

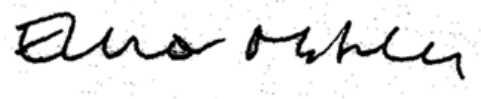
RICHARD MCCALLUM

Interim Director of Health Finance and Governance

A handwritten signature in black ink, appearing to read 'R McCallum', with a stylized flourish at the end.

ELINOR MITCHELL

Director of Community Health and Social Care

A handwritten signature in black ink, appearing to read 'Elinor Mitchell', with a stylized flourish at the end.

Annex

Allocation of £100m from Health and Social Care Budget	
	Total (£m)
Aberdeen City	3.51
Aberdeenshire	3.99
Angus	2.29
Argyll and Bute	1.74
Clackmannanshire	0.87
Dumfries and Galloway	3.14
Dundee City	2.77
East Ayrshire	2.26
East Dunbartonshire	1.93
East Lothian	1.80
East Renfrewshire	1.63
Edinburgh, City of	8.28
Eilean Siar	0.62
Falkirk	2.75
Fife	6.62
Glasgow City	10.98
Highland	4.24
Inverclyde	1.63
Midlothian	1.45
Moray	1.80
North Ayrshire	2.70
North Lanarkshire	5.69
Orkney	0.43
Perth and Kinross	2.96
Renfrewshire	3.20
Scottish Borders	2.24
Shetland	0.36
South Ayrshire	2.41
South Lanarkshire	5.75
Stirling	1.57
West Dunbartonshire	1.63
West Lothian	2.77
SCOTLAND	96.00
School Counselling (to Education)	4.00
Total	100.00

DIRECTION

From North Ayrshire Integration Joint Board

1.	Reference Number	19032020-XX	
2.	Date Direction Issued by IJB	19 March 2020	
3.	Date Direction takes effect	1 April 2020	
4.	Direction to	North Ayrshire Council	
		NHS Ayrshire & Arran	
		Both	√
5.	Does this direction supercede, amend or cancel a previous direction – if yes, include the reference numbers(s)	Yes	
		No	√
6.	Functions covered by the direction	All services as set out in the Integration Scheme.	
7.	Full text of direction	North Ayrshire Council and NHS Ayrshire and Arran are to note the balanced budget position and plans approved by North Ayrshire IJB on 19 March 2020 for the financial year 2020-21. Use resources available to invest in pressures as noted in Appendix B (totalling £8.367m) and the savings approved by the IJB (totalling £3.861m), as noted in Appendix C of the report.	
8.	Budget allocated by Integration Joint Board to carry out direction	Partnership budget for 2020-21 is £277.790m, which consists of £180.827m NHS Ayrshire and Arran (£30.997m of which set aside) and £96.963m North Ayrshire Council. Partners will continue to transfer resources within the IJB budget in line with standing arrangements, for example Resource Transfer, ICF, Integration Funding.	
9.	Performance Monitoring Arrangements	Performance will be monitored through routine budget monitoring process, including any in-year changes to the funding from North Ayrshire Council and NHS Ayrshire and Arran.	
10.	Date of Review of Direction (if applicable)	August 2020 (following financial monitoring report to IJB)	

Integration Joint Board
19 March 2020

Subject:	Budget Monitoring – Month 10 (January 2020)
Purpose:	To provide an update on financial performance to January 2020, including the projected outturn for the 2019-20 financial year.
Recommendation:	It is recommended that the IJB: <ul style="list-style-type: none"> a) Note the projected year-end overspend of £1.541m; b) Approve the changes in funding as detailed in section 2.13 and Appendix E; and c) Note the North Ayrshire IJB position in the context of the national financial position for Integration Authorities across Scotland.

Glossary of Terms	
NHS AA	NHS Ayrshire and Arran
HSCP	Health and Social Care Partnership
MH	Mental Health
CAMHS	Child & Adolescent Mental Health Services
BRAG	Blue, Red, Amber, Green
UNPACS	UNPACS, (UNPlanned Activities) – Extra Contractual Referrals
CRES	Cash Releasing Efficiency Savings
NES	NHS Education Scotland – education and training body
NRAC	NHS Resource Allocation Committee

1.	EXECUTIVE SUMMARY
1.1	The report provides an overview of the financial position for the partnership and outlines the projected year-end outturn position informed by the projected expenditure and income commitments, these have been prepared in conjunction with relevant budget holders and services. It should be noted that although this report refers to the position at the January period end that further work is undertaken following the month end to finalise projections, therefore the projected outturn position is as current and up to date as can practicably be reported.
1.2	<p>The projected outturn is a year-end overspend of £1.541m for 2019-20 which is an adverse movement of £0.107m from the previous reporting period. The main areas of pressure continue to be learning disability care packages, care at home services, looked after children, and adult in-patients within the lead partnership. There has been an adverse movement in the position which mainly relates to residential placements for children and Trindlemoss double running costs. Partly offsetting these increases is an increased underspend in mental health lead partnership services, additional recovery of charging order income and improved position for LD community packages.</p> <p>There are a number of variances across budgets noted in the report, there is an intention to review and realign service budgets moving into 2020-21, this will be</p>

	informed by opening projections for services next year and the outcome of this review is included in the 20/21 budget report.
1.3	There is scope for this position to fluctuate due to in-year cost and demand pressures and assumptions in relation to funding and the achievement of savings, but this is minimal given the proximity to the financial year end. A financial recovery plan was approved by the IJB in September to work towards delivering financial balance and following this progress has been made across all service areas to reduce the projected overspend. The recovery plan includes actions to address the areas of overspend to help work towards financial balance this year whilst also delivering a recurring benefit to ensure financial sustainability in future years. Alongside the specific actions outlined in the financial recovery plan services continue to deploy tight financial management controls to support bringing expenditure back into line with budget.
1.4	<p>The financial position has deteriorated in month 10 and reinforces that financial balance cannot be delivered by the year-end. It isn't possible to recover this overspend by this point in the financial year as there would be a significant impact of short-term decisions and actions that would require to be taken to fully recover this position. Those actions would inevitably have longer term consequences, both financially and for individual people's outcomes and would not necessarily address the areas where we continue to have financial and operational pressures.</p> <p>Realistically the IJB will not be in a position as planned to make this year's instalment to the outstanding debt to North Ayrshire Council in full and the IJB should focus on ensuring the final outturn position is limited to £1.5m, to ensure that there is no increase to the overall debt position at the year-end. The projected outturn position offset by the debt repayment budget is £0.055m overspent which would result in an increased debt owed to North Ayrshire Council.</p>
1.5	<p>Across Scotland Integration Joint Boards are facing similar financial challenges, whilst there are different individual local circumstances there are similarities with the factors contributing to financial pressures. The total budget delegated for Health and Social Care services to IJBs across Scotland is £9.4bn. The most recent collated Q3 position for 2019-20 reports that 22 out of 31 IJBs are reporting an overspend position totalling £78m, the main areas contributing to this are delays in delivering planned savings and demographic service pressures or increase in demand for services.</p> <p>With the exception of prescribing costs, which in North Ayrshire are underwritten by the Health Board, these are all pressures recognised for the North Ayrshire IJB. The partnership continues to actively engage in national networks, best practice forums and review examples of good practice and transformation from other areas.</p>
2.	CURRENT POSITION
2.1	The report includes an overview of the financial position including commitments against the available resource, explanations for the main budget variances, an update on progress in terms of savings delivery and actions required to work towards financial balance.
	FINANCIAL PERFORMANCE
2.2	Against the full-year budget of £243.191m there is a projected overspend of £1.541m (0.6%). An integrated view of the financial position should be taken; however, it is

	<p>useful to note that this overall position consists of a projected overspend of £2.288m (£0.308m adverse movement) in social care services offset by a projected underspend of £0.747m (£0.201m favourable movement) in health services. The Integration Scheme outlines that there is an expectation that the IJB takes account of the totality of resources available to balance the budget in year.</p> <p>Appendix A provides the financial overview of the partnership position. The sections that follow outline the significant variances in service expenditure compared to the approved budgets with detailed analysis provided in Appendix B.</p>
2.3	<p>Community Care and Health Services</p>
	<p>Against the full-year budget of £68.323m there is a projected overspend of £0.431m (0.6%) which is a favourable movement of £0.115m. The main reasons for the projected overspend are:</p> <ul style="list-style-type: none"> a) Care home placements including respite placements – projected to underspend by £0.152m (£0.001m favourable movement). The projection can vary due to factors other than the number of placements e.g. the impact of interim funded places and outstanding requests for funding, this position is monitored closely. Charging order income is projected to over-recover by £0.423m (£0.153m favourable movement) which is based on income received to date and expected income prior to the year end. This is partly due to the improved processes to track the charging orders. The care home budget has moved into a sustainable position and if this can be maintained until the year end the opening position for the budget for 2020-21 will be an underspend. b) Independent Living Services are projected to overspend by £0.125m (adverse movement of £0.015m) which is due to an overspend on physical disability care packages within the community and direct payments. There will be further work undertaken with the implementation of the Adult Community Support framework which will present additional opportunities for reviews and will ensure payment only for the actual hours of care delivered. c) Packages of care are projected to underspend by £0.027m which is an adverse movement of £0.004m. This is due to delays in new packages offsetting the use of supplementary staffing for existing packages, this has significantly improved from the 2018-19 position. d) Care at home is projected to overspend by £0.426m which is a favourable movement of £0.052m. The projection assumes: <ul style="list-style-type: none"> i. An assumption on the number of hours potentially to be refunded following an internal review of the hours provided and an ongoing contractual issue with a commissioned provider ii. A favourable movement due to planned reviews to the year-end with an actual reduction in hours provided. This reduction will allow for capacity to be freed up in the internal service to facilitate hospital discharge and manage waiting lists and a reduction in cost from commissioned services. <p>The overspend for in-house services relates to providing additional hours to cover a service that a provider handed back and the in-house service had to increase capacity to ensure the safety of vulnerable service users within the community of the North Coast locality and also the need to facilitate patient discharges from Crosshouse Hospital. The service currently has, between</p>

hospitals and community a managed waiting list of individuals waiting on a care at home package or an increase in their existing care package. There would be additional costs to clear this waiting list.

The planned action around reviews to reduce purchased care and maximise the capacity of the in-house service will reduce the ongoing overspend in care at home, despite this based on current plans there may remain an overspend moving into 2020-21. This is addressed as part of the 2020-21 budget planning alongside consideration of demand pressure funding and savings to ensure a sustainable position moving forward. This will include addressing the recurring overspends on care at home admin (£0.163m inc £.078m for CM2000), supplies (£0.128m) and transport (£0.094m).

- e) Long Term Conditions (Ward 1), projected overspend of £0.273m (favourable movement of £0.033m) which is mainly due to an overspend in employee costs to ensure staffing levels are at a safe level. This is a recurring pressure and funding is provided in the 20/21 budget. Ward 2 is projected to be online, but this is subject to continuing to receive £0.504m of funding from East HSCP for their patients, East have indicated their intention to reduce the number of commissioned beds, this is not anticipated to be implemented during 2019-20.
- f) Community Care employee costs are projected to overspend by £0.285m (adverse movement of £0.048m) due to supernumerary / unfunded posts, overtime and the non-achievement of payroll turnover. Some of these posts have been allocated to the care at home service and others have still to be allocated to the appropriate service to manage the costs within the delegated budget. The 20/21 budget will be realigned to ensure these posts are funded on a recurring basis.
- g) Locality services employee costs are projected to overspend by £0.248m (adverse movement of £0.047m) due to a projected shortfall in payroll turnover targets.
- h) Carers Act Funding is projected to underspend by £0.268m (no movement) based on the currently committed spend. This could fluctuate depending on the number of carers' support plans undertaken and the level of demand/services identified from these plans. An allocation has previously been allocated to offset an overspend on care home respite placements.
- i) Intermediate Care (excluding Models of Care) is projected underspend by £0.096m (favourable movement of £0.004m) due to vacancies.
- j) Intermediate Care and Rehab Models of Care is projected to overspend by £0.243m (£0.004m favourable movement) which represents the full year funding impact of the model. The projected overspend is based on the posts which are currently filled, with an assumption that any vacancies would be held until a longer-term decision on funding investment is taken. The permanent funding of this service is addressed as part of the 20/21 budget setting paper.
- k) Aids and adaptations – are projected to underspend by £0.323m (£0.050m adverse movement) of which £0.200m is per the approved recovery plan with the balance due to a reduction in the number of occupational therapy assessments due to recruitment / staffing levels.

	<p>l) Community Care income is projected to under recover by £0.305m (no movement). The is mainly due to :</p> <ul style="list-style-type: none"> Community Alarm income is projected to under recover by £0.191m (no movement), this represents a reduction in income. The income budget was increased in 2019-20 to reflect the new charge and removal of means testing, the budget will be reviewed alongside other income budgets and realigned as part of the 20/21 budget coding. Care at Home and Day Care income is projected to under recover by £0.114m (no movement). This is under review to establish if it will be a recurring under recovery. <p>m) District Nursing – is projected to underspend by £0.103m (£0.007m favourable movement) due to vacancies.</p> <p>n) Integrated Island Services are projected to underspend by £0.085m due to vacancies.</p>
2.4	<p>Mental Health Services</p>
	<p>Against the full-year budget of £76.380m there is a projected overspend of £0.831m (1.1%) which is an adverse movement of £0.079m. The main reasons for the projected overspend are:</p> <ul style="list-style-type: none"> Learning Disabilities (exc Trindlemoss) – projected overspend of £1.422m (favourable movement of £0.007m), of which £0.980m is in relation to community care packages, £0.281m for direct payments and £0.087m for residential placements. These overspends are partially offset by vacant posts. The projection assumes that savings of £0.050m will be made before the year end. Community Learning Disability Care packages are proving to be one of the most challenging areas to address overspends, as the care packages are aligned to meet an individual's assessed needs. The recovery plan includes the prioritised review of all packages. Progress with the reviews has been slower than planned due to the implementation of the Adult Community Support Contract and also a number of packages that have been reviewed, particularly the higher cost packages, have concluded that no change is possible at this time. This work is ongoing and will continue to be a fluid position until the year-end. The 20/21 budget for all adult care packages (LD, PD and MH) will be realigned with any projected underspends being used to reduce the LD projected overspend. Trindlemoss – is projected to overspend by £0.162m (adverse movement of £0.162m) which is due to the double running costs (Trindlemoss staffing costs and purchased care packages). These costs will continue until all of the service users move into Trindlemoss. Community Mental Health – is projected to underspend by £0.299m (favourable movement of £0.036m) mainly due to vacancy savings and an underspend in care packages. Addictions – is projected to be underspent by £0.100m (adverse movement of £0.001m) due to vacant posts. Lead Partnership for Mental Health – overall projected underspend of £0.354m (favourable movement of £0.041m) which consists of:

Overspends:

- Adult inpatients £0.500m (favourable movement of £0.100m) - mainly due to the delay in closing the Lochranza ward on the Ailsa site. The ability to close Lochranza is dependent on discharging at least two patients from South Ayrshire. South HSCP have been advised that the Lochranza ward will close, the projection also assumes subsequent redeployment costs. The favourable movement is due to a continues reduction is the use if supplementary staffing.
- UNPACS £0.333m (£0.117m adverse movement) – based on current placements. There are increased costs for the General Psychiatry service level agreement due to increased activity.
- Elderly inpatients £0.400m (£0.130m adverse movement) - due to holding vacancies in relation to reconfiguring the wards. This resulted in using supplementary staff in the interim.

Underspends:

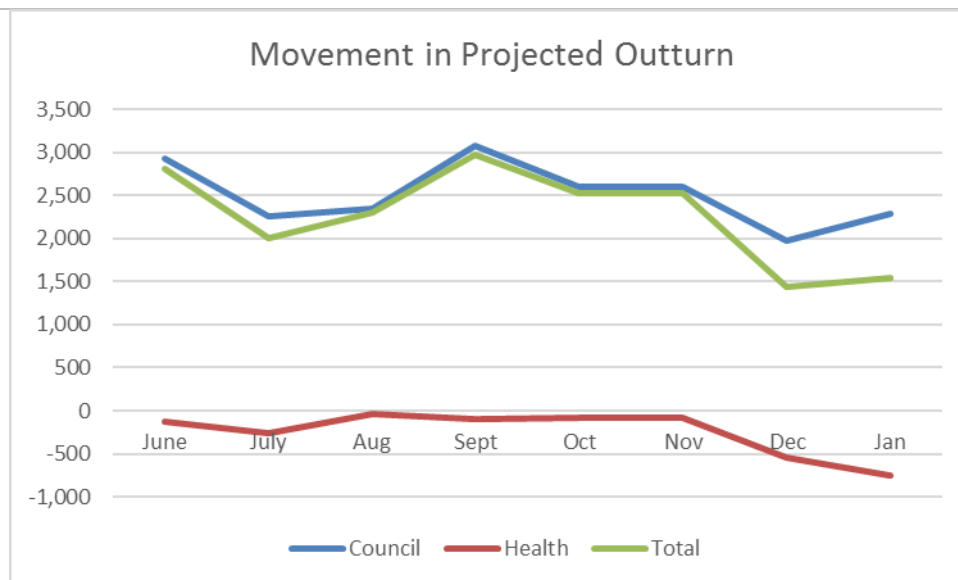
- CAMHS £0.232m (£0.018m favourable movement) – due to vacancies and delays with recruitment. This is after applying £0.150m of payroll turnover.
- Psychology £0.395m (no movement) – due to vacancies. This is after applying £0.150m of payroll turnover.
- Adult Community Mental Health £0.120m (£0.005m favourable movement) - due to vacancies.
- Psychiatry £0.300m (favourable movement of £0.090m) – underspend primarily due to vacancies and reduced locum costs. This is after settlement of the Medical Pay Award (£0.160m) which was not funded.
- MH Pharmacy £0.126m (no movement) – underspend due to continued lower substitute prescribing costs.
- MH Admin £0.160m (£0.050m favourable movement) - due to vacancies.

2.5 Children & Justice Services

Against the full-year budget of £35.780m there is a projected overspend of £1.149m (3.2%) which is an adverse movement of £0.162m. The main reasons for the projected overspend are:

- a) Residential Schools and Community Placements – projected overspend of £1.340m (£0.195m adverse movement). The movement is due to one placement not being funded by the Scottish Govt as assumed (£0.099m), a change in discharge dates (£0.038m), one secure placement (£0.028m – now ended) and one placement returning following a previous discharge. The projection is based on the current number of placements and estimated discharge dates for each placement. There are currently 18 external residential placements and no

	<p>secure placements, with one external placement ending on 29/02/20 and 1 Secure Placement ended 28/02/20. The reported projection assumes that the remaining 18 places remain until March 2020. These assumptions are based on individual plans for children. There is no provision for any increase in placements and this area of service remains high risk financially as any small movement in the current plans for children or new services required would have a significant impact given the high cost of services. The service is working with housing colleagues to develop alternatives for older children in care to free up local care capacity to support the reduction in external residential placements. This work ties in with future plans to further reduce the requirement for residential placements and if the planned timescales are met by March 2020 then the budget will be back into a sustainable position and on track to deliver further savings moving into 2020-21.</p> <p>b) Looked After Children Placements – projected overspend of £0.093m (favourable movement of £0.043m) due to the current demand for fostering, adoption and kinship placements. External placements were made in previous months as there were no internal foster carers available. A recruitment campaign is ongoing to attract more in-house foster carers to ensure there is no ongoing requirement for external foster placements.</p> <p>c) Children with Disabilities – employee costs projected overspend £0.082m (adverse movement of £0.014m) as the turnover target will not be met.</p> <p>d) Children with Disabilities Residential Placements – projected underspend of £0.197m (adverse movement of £0.011m).</p>
2.6	Allied Health Professionals
	AHP services are projected to underspend by £0.136m due to vacancies (favourable movement of £0.005m).
2.7	Management and Support Costs
	Against the full-year budget of £8.434m there is a projected underspend of £0.790m (9.4%) which is an adverse movement of £0.075m. The underspend relates to the delay in commitment for pressure funding set aside in the 2019-20 budget. The requirement for this funding will be closely monitored and delegated to services as and when required. The adverse movement relates to an additional pension recharge for a former employee.
2.8	Primary Care and Prescribing
	Prescribing is the responsibility for the Health Board to fund and under the terms of the Integration Scheme the Health Board continues to underwrite the prescribing position across the three Ayrshire IJBs. At month 10 prescribing is projected to be £1.277m overspent (£0.106m favourable movement). This is not included in the projected outturn due to the NHS underwriting the risk of overspend.
2.9	Movement in Projected Outturn Position
	The table below shows the overall movement in the projected outturn position throughout the financial year:



The partnership financial position has been challenging since the start of the year, with a significant projected overspend projected in the first reporting period. This is reflective of the challenges in delivering savings against a backdrop of continuing to prioritise and meet existing and new demand for services. The position has steadily improved since the IJB approved the financial recovery plan in September with a minor adverse movement in month 10 relating to known risk areas (Trindlemoss and children's placements).

The IJB approved a balanced budget for 2019-20 in March 2019. The budget was underpinned by a requirement to deliver savings of £6.1m and to manage a number of in-year unfunded pressures. Whilst the budget and savings plans are completely aligned to the IJB's Strategic Plan and ambitions within that to change how we deliver health and social care services, we have never underestimated the challenge in delivering service change across all services at pace whilst continuing to meet new demand for services. So many of the delegated services, particularly for social care, are demand led and for some services these are very specialist and high cost. This leads to a greater risk of being able to plan for and respond to in-year demands for services.

The financial position has deteriorated in month 10 and reinforces that financial balance cannot be delivered by the year-end. It isn't possible to recover this overspend by this point in the financial year as there would be a significant impact of short-term decisions and actions that would require to be taken to fully recover this position. Those actions would inevitably have longer term consequences, both financially and for individual people's outcomes and would not necessarily address the areas where we continue to have financial and operational pressures.

Realistically the IJB will not be in a position as planned to make this year's instalment to the outstanding debt to North Ayrshire Council in full and the IJB should focus on ensuring the final outturn position is limited to £1.5m, to ensure that there is no increase to the overall debt position at the year-end. The projected outturn position offset by the debt repayment budget is £0.055m overspent which would result in an increased debt owed to North Ayrshire Council.

2.10 Savings Progress

- a) The approved 2019-20 budget included £6.134m of savings.

RAG Status	Position at Budget Approval £m	Position at Period 10 £m
Red	-	0.311
Amber / Red	-	1.254
Amber	2.980	0.555
Green	3.154	4.014
TOTAL	6.134	6.134

b) The projected year-end outturn position assumes:

- i) £0.311m of the Red savings in relation to reducing LD sleepovers (£0.190m), the roll out of MDTs (£0.055m), the LEAN efficiency programme and Buckreddan ICF Project will not be delivered as planned and this is reflected in the overall projected outturn position; and
- ii) The £0.328m risk of savings relating to Trindlemoss is partially reflected (£0.178m) in the projected overspend position as there is ongoing work to establish the deliverability of the saving given that the savings were based on the service being operational from September.

If progress is made to deliver the savings this would improve the overall outturn position or prevent the overspend increasing further.

Some savings have been reclassified as Amber / Red as the budget has been removed from the service area, but these areas are overspending.

The projected financial position assumes that all remaining savings on the plan will be delivered. Progress with savings delivery requires to be closely monitored to ensure the impact on the financial position can be assessed and corrective action taken where necessary. It is essential that if a saving cannot be achieved by the year end that there are plans in place to achieve it moving into 2020-21.

Appendix C provides an overview of the savings plan, this highlights that at this stage a total of £4.392m of savings have been delivered successfully.

The Transformation Board is in place to provide oversight and governance to the programme of service change. A focus of the Board is to ensure plans are in place to deliver savings and service change, with a solution focussed approach to bringing programmes back on track.

2.11 **Financial Recovery Plan**

The Integration Scheme requires the implementation of a recovery plan if an overspend position is being projected, to take action to bring overall service delivery back into line with the available resource. The previously approved financial recovery plan is included in Appendix D. The plan has in the main been delivered with further potential for improvement from the ongoing reviews of Care at Home and Community Learning Disability Services, for both of which ongoing improvements are factored into the projections.

The plan includes specific targeted actions with a focus on addressing the pressure areas, the actions will not only improve the projected overspend this year but will also address recurring overspends in service areas moving into future years. The plan is underpinned by more detailed plans with clear actions for high risk service areas. One of the most significant risk areas is Learning Disabilities, a more detailed plan with all

	<p>actions including tracking progress with reviews is co-ordinated between the service and finance and transformation team. Weekly cross-service progress meetings are being held to track progress and to ensure progress at pace.</p> <p>The further actions noted below were subsequently noted to be undertaken:</p> <ol style="list-style-type: none"> 1) Care at Home – review feedback from the Thinking Differently Doing Better sessions to identify the main ‘themes’ that can be taken forward to maximise capacity, including visits, assessment and review process, electronic communication with staff. Since September almost all of the communication with staff has moved to an electronic format and the reviews have commenced resulting in a significant reduction in the projected spend. 2) Learning Disability – continue the focussed work with weekly progress updates. Hold a development session with the learning disability team to ensure that progress made to date is embedded moving forward. Progress the responder service on a geographical cluster basis with Trindlemoss being the piloted area. The development session took place on the 8th of January and a follow up session is being arranged which will focus on assessments and the eligibility criteria. Reviews and the sleepover development are progressing but will not have a material impact until 20/21. 3) In house fostering – grow the number of in-house foster carers through a recruitment campaign (advertising, radio and social media campaign). Review the terms and conditions for foster carers. An internal communications campaign has been developed as well as wider recruitment campaign which was in place throughout February. The results of this will be known in due course. It will still take time to train any new foster carers so the impact will not be until part way through 20/21. 4) Children’s Residential Placements – work with housing colleagues to develop alternatives for older children in care to ensure local capacity can be used to reduce the numbers of external placements. <p>The plan includes actions to address the areas of overspend to help work towards financial balance this year whilst also delivering a recurring benefit to ensure financial sustainability in future years. Alongside the specific actions outlined in the financial recovery plan services will continue to deploy tight financial management controls to support reducing expenditure in 2019/20 with a view to bringing 20/21 back into line with budget.</p>
2.12	<p>Financial Risks</p>
	<p>The 2019-20 budget setting paper noted unfunded pressures which could present a risk to the projected outturn position. A number of these risks have now materialised, and the financial implications included in the partnership position.</p> <p>The remaining risks for 2019-20 include:</p> <ol style="list-style-type: none"> a) Trindlemoss – delay in service users moving into the development. Trindlemoss is now open but there has been a delay in some service users moving in due the legal measures required to be in place (guardianships). Until they are approved by the court, we may incur double running costs, i.e. staff in Trindlemoss and care packages in the community as well as void rent loss

	<p>payments. This risk is reported in month 10. Any further delay to the placements will impact adversely on the 20/21 budget position.</p> <p>b) There is a potential pressure in relation to GP practices in difficulty. This is a dynamic pressure which we will look to manage in-year. If this cannot be achieved, then the default position would be to fund the North fair share of this from any underspend in the Primary Care Improvement Fund (PCIF). At month 10 there are no GP practices in difficulty.</p> <p>In addition to these pressures there is a potential reduction to the funding available for Ward 2 in Woodland View as East HSCP are reviewing the number of beds they want to commission from the ward. It is unlikely that this will be implemented during 2019-20 due to the limited notice given re the intent to reduce.</p>
2.13	<p>Budget Changes</p> <p>The Integration Scheme states that <i>“either party may increase it’s in year payment to the Integration Joint Board. Neither party may reduce the payment in-year to the Integration Joint Board nor Services managed on a Lead Partnership basis....without the express consent of the Integration Joint Board”</i>.</p> <p>Appendix E highlights the movement in the overall budget position for the partnership following the initial approved budget.</p> <p>Reduction Requiring Approval:</p> <p>a) Distinction Award Funding for retired consultant £0.018m – funding returned to the Scottish Government.</p> <p>This reduction of budget has been negotiated and agreed with the partnership.</p> <p>Future Planned Changes:</p> <p>Further areas which are outstanding and will be included in future reports include:</p> <p>1) The transfer of the Douglas Grant and Redburn rehab wards from acute services to the North HSCP. The operational management of these wards has already transferred to the partnership, but the due diligence undertaken on the budget has highlighted a funding shortfall. It has been agreed with NHS Ayrshire & Arran that the financial responsibility will not transfer until balance is found. In the meantime, we are managing services and working to reduce the projected overspend prior to any transfer.</p>
2.14	<p>Lead Partnerships</p> <p>North Ayrshire HSCP Services managed under Lead Partnership arrangements by North Ayrshire Health and Social Care Partnership are projected to be £0.350m underspent. Full detail on the underspend is given in section 2.4 above. This position is shared across the 3 partnerships on an NRAC allocation basis and is reflected in Appendix A.</p> <p>South Ayrshire HSCP Services led by the South Partnership are forecast to be £0.288m overspent (no movement). The Community Equipment Store was funded with an additional £0.280m as part of the budget for this year, however it continues to be a source of</p>

	<p>pressure and represents the majority of the overspend. It should be noted that expenditure is volatile depending on the timing of purchases. This issue is being discussed by SPOG.</p>
	<p>East Ayrshire HSCP East Ayrshire don't report at month 10 so there is no update to the month 9 position reported below.</p> <p>Services managed under Lead Partnership arrangements by East Ayrshire are projected to underspend by £0.340m in total. This is a favourable movement of £0.386m. The projected underspend includes the following:</p> <ul style="list-style-type: none"> • Primary Care is projected to underspend by £0.329m and is after taking account of additional costs within Primary Medical Services related to GP Practices in Difficulty which have handed back contracts. Additional costs of £0.450m have been incurred for the year-to-date. This has been offset by underspends in AUC and Dental Services. • Ayrshire Urgent Care Services (AUCS) are underspent by £0.390m as a result of vacancies across the support teams, including drivers and call handlers, as well as Advance Nurse Practitioner vacancies and medical sessions not being filled. • Dental services continue to deliver services within their financial envelope and are currently projected to underspend by £0.250m, mainly due to clinical and administration vacancies.
	<p>Further work is being taken forward to develop a framework to report the financial position and impact of risk sharing arrangements across the 3 partnerships in relation to hosted or lead service arrangements. This is to ensure the IJB are fully sighted on the impact for the North Ayrshire partnership. The IJB will be kept informed of progress with this work which is being progressed by the Ayrshire Partnership Finance Leads.</p> <p>At month 9 the impact of the Lead Partnerships has been calculated based on the average NRAC share which is the method that was used in previous years and has been agreed by the Ayrshire Finance Leads. The NRAC shares are: North 36.6%, South 30.5% and East 32.9%</p>
2.15	<p>Set Aside</p> <p>The Integration Scheme makes provision for the Set Aside Budget to be managed in-year by the Health Board with any recurring over or under spend being considered as part of the annual budget setting process. The 2019-20 set aside budget for North HSCP is £30.094m, based on expenditure in 2018-19. The acute directorate, which includes the areas covered by the set aside budget, is overspent by £10.2m after 10 months.</p> <p>58 additional and unfunded beds were open at the 31st March 2019. Crosshouse and Ayr hospitals have experienced a high level of demand and delayed discharges, resulting in increased operational pressures and additional expenditure. At 31st January there were 74 unfunded beds across Crosshouse and Ayr hospital.</p> <p>During 2018-19 the North Partnerships use of the set aside resources was £30.094m against the NRAC 'fair share' of £28.697m which is £1.127m above the 'fair share'. There is an expectation that the North Partnership will move towards its 'fair share'. The Models of Care programmes including the Intermediate Care and Rehab</p>

	investment and the Palliative End of Life proposals being developed represent agreed or potential investment in community services with a view to reducing acute beds. This is in effect a mechanism to reduce the set aside resources. Currently however the funding for the ICR model is not able to be released from the acute set-aside budget due to service pressures and the overall overspend in acute services.
2.16	National Position
	<p>Across Scotland Integration Joint Boards are facing similar financial challenges, whilst there are different individual local circumstances there are similarities with the factors contributing to financial pressures. The total budget delegated for Health and Social Care services to IJBs across Scotland is £9.4bn. The most recent collated Q2 position for 2019-20 reports that 22 out of 31 IJBs are reporting an overspend position totalling £78m, the main areas contributing to this are delays in delivering planned savings and demographic service pressures or increase in demand for services.</p> <p>Key highlights include:</p> <ul style="list-style-type: none"> • The challenge to deliver savings, in particular planned reductions in services not materialising due to increased demand being experienced • Increased activity of acute services • Additional demand for services and the increasing complexity of health and social care needs across older people, adult and children's services • The timeline to implement new models of service delivery taking longer than originally anticipated • Ongoing challenges associated with identifying further cost reduction and savings opportunities • Prescribing cost pressures; and • Staffing costs including the cost of locums. <p>With the exception of prescribing costs which in North Ayrshire are underwritten by the Health Board, these are all pressures recognised for the North Ayrshire IJB. The partnership continues to actively engage in national networks, best practice forums and review examples of good practice and transformation from other areas.</p>
3.	PROPOSALS
3.1	<u>Anticipated Outcomes</u>
	<p>Continuing to implement and monitor the financial recovery plan will allow the IJB to work towards reducing the overspend for 2019-20 whilst ensuring these plans align with securing financial sustainability in future years, thereby limiting the financial risk the funding partners, i.e. NAC and NHS AA.</p> <p>The transformational change programme will have the greatest impact on the financial sustainability of the partnership, the IJB require to have a clear understanding of progress with plans and any actions that can be taken to bring the change programme into line.</p>
3.2	<u>Measuring Impact</u>
	Updates to the financial position are provided at every IJB meeting.
4.	IMPLICATIONS

Financial:	<p>The financial implications are as outlined in the report.</p> <p>Against the full-year budget of £243.191m there is a projected overspend of £1.541m (0.6%). The report outlines the action being taken and proposed action to reduce the projected overspend.</p> <p>There are a number of assumptions underpinning the projections which could change as we progress through the year. We will continue to work with services to ensure the most accurate and reliable position is reported.</p> <p>The financial recovery plan details planned actions to reduce the projected overspend, delivery of the plan is being closely monitored.</p> <p>The main areas of financial risk which may impact on this position are highlighted in the report.</p> <p>At this stage in the financial year it is unlikely the IJB will be in a position to make the full planned debt repayment for 2019-20.</p>
Human Resources:	None
Legal:	None
Equality:	None
Children and Young People	None
Environmental & Sustainability:	None
Key Priorities:	None
Risk Implications:	Within the projected outturn there are various over and underspends including the non-achievement of savings which need to be addressed on a recurring basis to ensure financial sustainability in future years. The Financial Recovery Plan is focussed on those areas which will help the current year financial position but also support ongoing future financial sustainability of the partnership. Several budgets will be realigned moving into 20/21.
Community Benefits:	None

Direction Required to Council, Health Board or Both	Direction to :-	
	1. No Direction Required	
	2. North Ayrshire Council	
	3. NHS Ayrshire & Arran	
	4. North Ayrshire Council and NHS Ayrshire & Arran	√

4.	CONSULTATION
4.1	This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.

	The IJB financial monitoring report is shared with the NHS Ayrshire and Arran and North Ayrshire Council Directors of Finance after the report has been finalised for the IJB.
5.	CONCLUSION
	<p>It is recommended that the IJB:</p> <ul style="list-style-type: none"> a) Note the projected year-end overspend of £1.541m and the positive progress made by the partnership to contain the projected overspend; b) Approve the changes in funding as detailed in section 2.13 and Appendix E; and c) Note the North Ayrshire IJB position in the context of the national financial position for Integration Authorities across Scotland.

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Partnership Budget - Objective Summary	2019/20 Budget									Over/ (Under) Spend Variance at Period 9	Movement in projected budget variance from Period
	Council			Health			TOTAL				
	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
COMMUNITY CARE AND HEALTH	55,059	55,379	320	13,264	13,375	111	68,323	68,754	431	546	(115)
: Locality Services	25,470	25,121	(349)	4,713	4,598	(115)	30,183	29,719	(464)	(367)	(97)
: Community Care Service Delivery	26,043	27,352	1,309	0	0	0	26,043	27,352	1,309	1,315	(6)
: Rehabilitation and Reablement	1,742	1,383	(359)	1,946	2,021	75	3,688	3,404	(284)	(335)	51
: Long Term Conditions	1,443	1,214	(229)	4,595	4,779	184	6,038	5,993	(45)	(1)	(44)
: Integrated Island Services	361	309	(52)	2,010	1,977	(33)	2,371	2,286	(85)	(66)	(19)
MENTAL HEALTH SERVICES	24,432	25,975	1,543	51,950	51,238	(712)	76,382	77,213	831	752	79
: Learning Disabilities	18,600	20,313	1,713	511	382	(129)	19,111	20,695	1,584	1,429	155
: Community Mental Health	4,462	4,282	(180)	1,611	1,492	(119)	6,073	5,774	(299)	(263)	(36)
: Addictions	1,370	1,380	10	1,345	1,235	(110)	2,715	2,615	(100)	(101)	1
: Lead Partnership Mental Health NHS Area Wide	0	0	0	48,483	48,129	(354)	48,483	48,129	(354)	(313)	(41)
CHILDREN & JUSTICE SERVICES	32,170	33,308	1,138	3,610	3,621	11	35,780	36,929	1,149	987	162
: Intervention Services	3,864	3,823	(41)	325	290	(35)	4,189	4,113	(76)	(21)	(55)
: Looked After & Accommodated Children	16,287	17,520	1,233	0	0	0	16,287	17,520	1,233	1,059	174
: Fieldwork	4,774	4,832	58	0	0	0	4,774	4,832	58	84	(26)
: CCSF	266	250	(16)	0	0	0	266	250	(16)	(19)	3
: Criminal Justice	2,692	2,692	0	0	0	0	2,692	2,692	0	0	0
: Early Years	338	292	(46)	2,868	2,910	42	3,206	3,202	(4)	(13)	9
: Policy & Practice	3,949	3,899	(50)	0	0	0	3,949	3,899	(50)	(103)	53
: Lead Partnership NHS Children's Services Area Wide	0	0	0	417	421	4	417	421	4	0	4
PRIMARY CARE	0	0	0	47,143	47,143	0	47,143	47,143	0	0	0
ALLIED HEALTH PROFESSIONALS				5,164	5,028	(136)	5,164	5,028	(136)	(131)	(5)
MANAGEMENT AND SUPPORT COSTS	6,751	6,129	(622)	1,683	1,515	(168)	8,434	7,644	(790)	(865)	75
CHANGE PROGRAMME	1,003	912	(91)	964	908	(56)	1,967	1,820	(147)	(34)	(113)
TOTAL	119,415	121,703	2,288	123,778	122,828	(950)	243,193	244,531	1,338	1,255	83
Return Hosted Over/Underspends East	0	0	0		0	115			115	103	12
Return Hosted Over/Underspends North	0	0	0		0	0			0	0	0
Return Hosted Over/Underspends South	0	0	0		0	107			107	95	12
Receive Hosted Over/Underspends South	0	0	0		0	105			105	105	0
Receive Hosted Over/Underspends East	0	0	0		0	(124)			(124)	(124)	0
REVISED PROJECTED OUTTURN	119,415	121,703	2,288	123,778	122,828	(747)	243,193	244,531	1,541	1,434	107

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
COMMUNITY CARE AND HEALTH	68,323	68,754	431	
Locality Services	30,183	29,719	(464)	<p>Older People care homes inc respite - projected underspend of £0.152m based on 773 placements. Income from Charging Orders - projected over recovery of £0.423m'</p> <p>Independent Living Services : * Direct Payment packages- projected overspend of £0.073m on 65 packages. * Residential Packages - projected underspend of £0.076m based on 30 packages. * Community Packages (physical disability) - projected overspend of £0.128m based on 48 packages</p> <p>NHS Packages of Care - projected underspend of £0.027m due to use of supplementary staffing offset by slippage in other packages. District Nursing - projected underspend of £0.103m due to vacancies.</p>
Community Care Service Delivery	26,043	27,352	1,309	<p>Care at home - in house service - projected overspend of £0.298m based on the current level of contracted costs remaining until the year end. Care at home staff have been incurring additional hours as there are moratoria on four of the purchased care providers. - Purchased Care at home - projected overspend of £0.193m. This is after reducing the budget by £0.500m to reflect the agreed 19-20 saving and assumes that the number of hours provided will reduce per week until the end of 19-20. It also assumes a refund from a provider in relation to an ongoing query on their costs.</p> <p>Direct Payments - projected underspend of £0.155m based on 27 packages continuing until the year end. New packages have been approved but have yet to commence.</p> <p>Transport costs - projected overspend of £0.115m due to increase in staff mileage within care at home. Admin costs - projected overspend of £0.085m mainly due to mobile phone equipment. Supplies and Services - projected overspend of £0.235m in relation to uniforms, other supplies and CM2000 costs. Voluntary Organisations - projected overspend £0.088m mainly in relation to the Alzheimer service.</p>

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Rehabilitation and Reablement	3,688	3,404	(284)	<p>Employee costs - projected underspend £0.152m due to vacancies.</p> <p>Intermediate Care and Rehab Models of Care - projected to overspend by £0.243m which is the full year funding impact.</p> <p>Aids and Adaptations - projected underspend of £0.323m of which £0.200m is per the approved recovery plan and the balance is related to the reduced number of OT assessments taking place.</p>
Long Term Conditions	6,038	5,993	(45)	<p>Ward 1 - projected overspend of £0.273m due to the use of supplementary staffing.</p> <p>Ward 2 - projected underspend of £0.006m assuming £0.504m of funding transfers from East HSCP in relation to Kirklandside patients.</p> <p>Elderly CMHT - underspend of £0.091m due to vacancies.</p> <p>Carers Act Funding - projected underspend of £0.268m based on the committed spend. This could fluctuate depending on the volume of carers' assessments undertaken and the level of demand/services identified from these assessments. This underspend will be used in the first instance to cover the projected overspend on care home respite placements.</p>
Integrated Island Services	2,371	2,286	(85)	
MENTAL HEALTH SERVICES	76,382	77,213	831	
Learning Disabilities	19,111	20,695	1,584	<p>Residential Packages - projected overspend of £0.087m based on 37 current packages.</p> <p>Community Packages (inc direct payments) - projected overspend of £1.397m based on 300 current packages less 3.75% invoice variances. The projection assumes a further £0.050m of review savings will be achieved before the year end and that any new packages or increases to current packages will be cost neutral. The direct payments projection is based on 41 current packages less £0.103m recovery of unspent balances.</p> <p>Employee costs - projected underspend £0.079m mainly due to vacant posts</p> <p>Trindlemoss - projected overspend of £0.162m due to double running costs until all of the service users move to the new facility.</p>
Community Mental Health	6,073	5,774	(299)	<p>Employee costs - projected underspend £0.149m mainly due to vacant posts</p> <p>Community and Residential Packages - projected underspend of £0.249m based on 104 community packages and 28 residential placements.</p>
Addictions	2,715	2,615	(100)	<p>Employee costs - projected underspend £0.100m due to vacant posts</p> <p>ADP - projected online position as any underspend will be carried forward into 2020/21.</p>

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Lead Partnership (MHS)	48,483	48,129	(354)	<p>Adult Community - projected underspend of £0.120m due to vacancies.</p> <p>Adult Inpatients- projected overspend of £0.500m due to a delay in closing the Lochranza wards.</p> <p>UNPACs - projected overspend of £0.333m which includes increased costs for the General Psychiatry service level agreement.</p> <p>LDS - assumed online pending completion of the relocation of services to Woodland View.</p> <p>Elderly Inpatients - projected overspend of £0.400m due to use of supplementary staffing after ward closures. This could fluctuate pending the finalisation of the elderly mental health bed redesign.</p> <p>CAMHS - projected underspend of £0.232m due to vacancies.</p> <p>MH Admin - projected underspend of £0.160m due to vacancies..</p> <p>Psychiatry - projected underspend of £0.300m due to vacancies and after accounting for the medical pay award and agency costs.</p> <p>MH Pharmacy - projected underspend of £0.126m mainly within substitute prescribing.</p> <p>Psychology- projected underspend of £0.395m due to vacancies.</p> <p>Action 15 - assumed online position</p>
CHIDREN'S AND JUSTICE SERVICES	35,780	36,929	1,149	
Intervention Services	4,189	4,113	(76)	<p>Care Leavers - projected underspend of £0.044m based on 7 leavers</p> <p>Employee costs - projected to underspend by £0.033m due to vacancies.</p>

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Looked After & Accom Children	16,287	17,520	1,233	<p>Looked After Children placements - projected overspend of £0.093m based on the following:-</p> <p>Kinship - projected overspend of £0.076m. Budget for 339 placements, currently 342 placement but projecting 348 placements by the year end.</p> <p>Adoption - projected overspend of £0.020m. Budget for 74 placements, currently 74 placements.</p> <p>Fostering - projected overspend of £0.164m. Budget for 120 placements, currently 130 placements and projecting 130 placements by the year end.</p> <p>Fostering Xtra - projected underspend of £0.095m. Budget for 32 placements, currently 26 placements but projecting 25 placements by the year end.</p> <p>Private fostering - projected overspend of £0.041m. Budget for 11 placements, currently 12 placements.</p> <p>IMPACCT carers - projected underspend of £0.016m. Budget for 4 placements, currently 2 placements.</p> <p>Residential School placements including community packages - projected overspend of £1.340m. There are currently 18 external residential placements and no secure placements, with one external placement ending on 29/02/20 and 1 Secure Placement ended 28/02/20. The reported projection assumes that the remaining 18 places remain until March 2020. These assumptions are based on individual plans for children. The projection is based on the current number of placements and estimated discharge dates for each placement based on the support from the mainstreamed Challenge Fund project.</p>
Fieldwork	4,774	4,832	58	Third Party Payments - projected overspend of £0.076m mainly in relation to respite payments.
CCSF	266	250	(16)	Outwith the threshold for reporting
Criminal Justice	2,692	2,692	0	Outwith the threshold for reporting
Early Years	3,206	3,202	(4)	Outwith the threshold for reporting
Policy & Practice	3,949	3,899	(50)	Employee costs - projected overspend £0.082m due to the payroll turnover target not being met.
Lead Partnership (CS)	417	421	4	Outwith the threshold for reporting

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
PRIMARY CARE	47,143	47,143	0	Outwith the threshold for reporting
ALLIED HEALTH PROFESSIONALS	5,164	5,028	(136)	Employee costs - projected underspend £0.136m due to vacancies.
MANAGEMENT AND SUPPORT	8,434	7,644	(790)	Projected underspend - this underspend relates to pressure funding awarded as part of the 2019-20. This funding will be closely monitored and delegated to services as and when required.
CHANGE PROGRAMME & CHALLENGE FUND	1,967	1,820	(147)	Slippage and employee costs underspend.
TOTAL	243,193	244,531	1,338	

Threshold for reporting is + or - £50,000

2019-20 Savings Tracker

Appendix C

Savings reference number	Description	Responsible Senior Management Lead	Deliverability Status at budget setting	Approved Saving 2019/20 £	Deliverability Status Month 10	Net Saving Achieved at Period 10 £
	Health and Community Care					
SP-HSCP-19-02	Roll out of multidisciplinary teams - Community Care and Health	Helen McArthur	Amber	55,000	Red	0
SP-HSCP-19-04	Day Centres - Older People	Helen McArthur	Green	38,232	Green	38,232
SP-HSCP-19-05	Deliver the Strategic Plan objectives for Older People's Residential Services	Helen McArthur	Green	130,350	Green	130,350
SP-HSCP-19-09	Care at Home - Reablement Investment	Helen McArthur	Amber	500,000	Amber / Red	74,000
SP-HSCP-19-12	Assessment and Self Directed Support	Isabel Marr	Green	150,000	Amber / Red	0
NHS - HSCP-9	Packages of Care	Isabel Marr	Amber	150,000	Green	150,000
	Mental Health and Learning Disabilities					
SP-HSCP-19-01	Integration of the Learning Disability team	Jan Thomson	Amber	56,000	Green	56,000
SP-HSCP-19-07	Mental Health - Tarryholme / Trindlemoss (Council element)	Jan Thomson	Amber	328,000	Amber	150,000
NHS - HSCP-1	Trindlemoss (full year impact is £0.370m)* NHS element	Jan Thomson	Amber	250,000	Amber	250,000
SP-HSCP-19-10	LD - Reduction to Sleepover Provision	Jan Thomson	Amber	215,000	Red	25,000
SP-HSCP-19-11	Reprovide Fergushill/Hazeldene at Trindlemoss & redesign commissioned services	Jan Thomson	Green	111,000	Green	111,000
SP-HSCP-19-06	Adult Community Support - Commissioning of Services	Jan Thomson /Julie Barrett	Green	388,000	Amber / Red	1,500
NHS - HSCP-4	UnPACs - 7% reduction*	R Ralston	Green	200,000	Amber / Red	0
NHS - HSCP-5	Substitute Prescribing - 5% reduction*	R Ralston	Green	135,000	Green	135,000
NHS - HSCP-3	Review of Elderly Mental Health Inpatients*	William Lauder	Green	727,000	Green	727,000
NHS - HSCP-6	See a 5th bed at Woodland View - MH inpatients*	William Lauder	Amber	90,000	Amber / Red	0

Savings reference number	Description	Responsible Senior Management Lead	Deliverability Status at budget setting	Approved Saving 2019/20 £	Deliverability Status Month 10	Net Saving Achieved at Period 10 £
	Children, Families and Justice Services					
SP-HSCP-19-03	Fostering - reduce external placements.	Mae Henderson	Green	127,408	Amber	127,408
SP-HSCP-19-08	Children's residential placements (CF)	Mae Henderson	Amber	355,000	Green	355,000
	Partnership Wide					
SP-HSCP-19-13	Charging Policy	Eleanor Currie	Green	200,000	Green	200,000
NHS - HSCP-10	Reduce business admin services	Julie Davis	Green	50,000	Green	50,000
NHS - HSCP-11	ICF Project - Partnership Enablers	Michelle Sutherland	Amber	27,000	Green	27,000
NHS - HSCP-12	ICF Project - Buckreddan care home	Michelle Sutherland	Amber	16,000	Red	0
NHS - HSCP-13	Uncommitted ICF Funding	Michelle Sutherland	Green	80,000	Green	80,000
SP-HSCP-19-20	Living Wage	n/a	Green	187,000	Green	187,000
NHS - HSCP-7	Resource Transfer to South Lanarkshire	n/a	Green	40,000	Green	40,000
SP-HSCP-19-14	19/20 impact of 18/19 part year savings	Stephen Brown	Green	113,000	Green	113,000
SP-HSCP-19-15	Respite	n/a	Green	200,000	Green	200,000
SP-HSCP-19-16	Payroll Turnover Target	Stephen Brown	Amber	500,000	Green	500,000
SP-HSCP-19-17	Lean Efficiency Programme	Stephen Brown	Green	50,000	Red	0
NHS - HSCP-2	Payroll Turnover Target - Mental Health *	Thelma Bowers	Amber	300,000	Green	300,000
NHS - HSCP-8	Payroll Turnover Target - Other Services	Thelma Bowers	Amber	365,000	Green	365,000
				6,133,990		4,392,490

Ref	Service Area	Action	Service Impact	IJB Support	Included in P10 Position £000's	Planned Impact £ 000's	Responsible Officer
Health and Community Care:							
1	Care at Home	Reduction in Care at Home Provision: <ul style="list-style-type: none"> - reduce weekly hours of purchased provision by between 50 and 100 hours per week, by closing cases for clients admitted to hospital. - review care packages with any reduction in hours closed to offset the overspend. - continue to review the actions of Independent Providers in the use of CM2000 for maximum efficiency - further roll out and embedding of reablement approach in CAH service to allow packages to be reduced 	May lead to delays in care at home packages being delivered and may impact on hospital discharges and increase delayed discharges. May have impact on waiting list. Risk of this will be mitigated by ensuring resources are used efficiently, with a risk based approach to allocating resources.		277	200	Helen McArthur
2	Care Homes - Respite Placements	Health and Community Care Service to enforce a policy and criteria in relation to emergency respite in commissioned care home settings: <ul style="list-style-type: none"> - significant increase in emergency respite where in many cases residents are placed in long term care, action taken to fund long term placements in September - change of practice for social workers in relation to use of respite - provide clarity to commissioned care home providers that respite beds will be used for short term care to ensure expectations of service, care home and service user are aligned 	Action has been taken to address current placements to ensure the service delivered is equitable, that the HSCP are appropriately financially assessing residents and that the commissioned care homes are funded for long term care placements. The appropriate use of emergency respite placements will be reinforced to the social work team. The longer term commissioning and use of respite provision for older people is being considered as part of the Care Home Strategy.	v	0	-	Helen McArthur
3	Equipment & Adaptations	Temporary reduction (2019-20 only) in the equipment and adaptations budget. <ul style="list-style-type: none"> - mirrors the reduction made in 2018/19 to assist with overall financial position, would not be sustainable on a recurring basis as provision of equipment fundamental to keeping people safe at home - priority for equipment provision will be: <ol style="list-style-type: none"> 1. support for end of life care 2. complete adaptations started or committed to in writing prior to tightened control of expenditure 3. maintain equipment and adaptations in situ and on which service users depend 4. provide essential equipment to support avoidance of hospital admission 	Potential delays to equipment and adaptations for service users, this will be kept under review together with any waiting lists and impact on delivery of community based services, including monitoring the costs of any delays in supporting individuals to be supported in the community.		323	200	Helen McArthur

Ref	Service Area	Action	Service Impact	IJB Support	Included in P10 Position £000's	Planned Impact £ 000's	Responsible Officer
Mental Health and Learning Disabilities:							
4	Learning Disabilities	Prioritised Review of Adult Community Packages: - targeted reviews to be carried out immediately, reviews co-ordinated on a prioritised list with a focus on individuals moving service provider following the outcome of the tender exercise and with high cost packages being prioritised - will be supported with significant additional LD social work capacity with additional professional lead, additional social workers and the employment of agency staff to accelerate planned reviews - reviews will ensure the split of personal and non-personal care is appropriate and equitable (to ensure equity of provision and charging) - direct payments to be reviewed to progress claw-back of underspends - incorporates looking at clients where the service provided has been less than than commissioned to formalise re-alignment of care packages based on need.	Service users will be reviewed by a dedicated review team, the outcome should ensure that all reviews are up to date and appropriate and equitable levels of care are being provided. This process may cause some anxiety for service users as there is an expectation that significant reductions can be made to care packages. No reduction will be made to care packages unless deemed to be safe and appropriate by the service, however there may be some resistance to change from service users, their families and advocates.	√	479	750	Thelma Bowers
5	Learning Disabilities	Trindlemoss development finalise the financial impact of the new service (LD day service, complex care unit and supported accommodation): - for 2019/20 require to plan to mitigate delay in savings being achieved - opportunities to further reduce cost of amalgamating day services - identifying supports required for service users in supported accommodation - policy in relation to eligibility and prioritisation for supported accommodation, model of care blueprint for other supported accommodation coming online	The opening of the new service at Trindlemoss (originally planned August 2019) has been delayed due to delays in the building works, this has impacted on the timescales for service users and patients transferring. The service will require to be configured around the affordability of the care and support, taking into account the positive environment and the opportunities the shared accommodation space offers in terms of reducing existing high cost care packages.	√	0	tbc	Thelma Bowers
6	Learning Disabilities	Sleepovers - develop policy in relation to 24 hour care for Adults in the Community: - policy decision to not provide one to one 24 hour sleepover service where there are: * supported accommodation alternatives available; * opportunities for service users to share a service (will be identified by geographically mapping services); or * where technology supports can be provided supported by a responder service. - Recovery plan action and financial impact is based on a plan to deliver a responder service from the Trindlemoss supported accommodation to support removal of sleepovers in the area	This will result in the removal of one to one 24 hour support from service users, an enhanced overnight service will be provided from Trindlemoss to support capacity for response. Individual service user safety will be a priority and the one to one support will only be removed where safe to do so.	√	0	128	Thelma Bowers
7	Learning Disabilities	Transition Cases (Adults aged 65+): - reviews undertaken jointly with LD and Older People's service which will deliver some savings, some work outstanding in relation to these reviews where changes to care packages have been identified - further action to scrutinise outcome of reviews and equity of service provision across client groups, particularly for high cost care packages which are not equitable with community care provided in Older People's services - requires a clear policy decision in relation to transitions of care and funding for community based supports <i>Note that there have been several reviews undertaken which indicate that savings will be made. These savings can be limited in some of the more complex care packages as care is required on a 24/7 basis.</i>	Service users are being reviewed with a view to reducing the cost of packages as the clients transition to the Older People's service. Some reviews for high cost community packages have identified individuals suitable for the criteria of long term care but resistance from service users to change from current care and support. If care packages cannot be reduced the IJB will be asked to agree a policy decision on the level of care provided in such cases.		70	134	

Ref	Service Area	Action	Service Impact	IJB Support	Included in P10 Position £000's	Planned Impact £ 000's	Responsible Officer
8	Adult Community Packages	Adult Resource Group no overall increase in care package provision: <ul style="list-style-type: none"> - ARG in place for Mental Health and Learning Disability care packages for approval, ARG will no longer be permitted to approve any increase to existing or new care packages unless there has been a reduction in service elsewhere - will require social workers to proactively review caseload and use finite resource available to support whole client group - arrangements will remain in place until the service brings the overall expenditure on community care packages back into line 	Service users assessed as requiring a service will have to wait until resource has been identified to fund the care package, this is equitable with waiting lists for other services where resources are limited. This may result in delays in supports being provided but will also ensure that the service is managing, directing and prioritising resources effectively.	v	0		Thelma Bowers
9	All	Self Directed Support: <ul style="list-style-type: none"> - exploring how to embed this alongside the asset based approach promoted through the HSCP <i>Thinking Different, Doing Better</i> experience into services to change how we deliver services and balance service user and community expectations - undertaking self-evaluation for North Ayrshire against good practice, this will include stakeholder engagement to develop future approach 	Positive impact to embed Self Directed Support, with a view to being realistic in managing expectations of services and service users. Address a perceived inequity in how services are delivered and how embedded SDS is across social care services.	v	0	-	Stephen Brown
Children and Families:							
10	Looked After and Accommodated Children	Children's External Residential Placements bring forward planned discharge dates: <ul style="list-style-type: none"> - overspend due to delays in bringing children back from expensive external residential placements due to timescales slipping, recovery action based on pulling forward all estimated timescales by one month and moving to planned level of 14 placements by March 2020 - scrutiny of detailed plans for individual children, to be reviewed alongside the internal children's houses to free up capacity to bring children back to NA sooner - close working with Education services as shared ambition and requirements to provide educational supports within NA - formalise and reinforce governance arrangements for approval of new external children's placements 	Transformation plan to support more looked after children in North Ayrshire is focussed on delivering more positive outcomes for Children. Accelerating plans to move children to different care settings is challenging for the service as these are sensitive complex cases.		214	200	Alison Sutherland

Ref	Service Area	Action	Service Impact	IJB Support	Included in P10 Position £000's	Planned Impact £ 000's	Responsible Officer
Other:							
11	All	Recruitment freeze non-front line posts: - hold recruitment to all vacant non-front line care posts, eg support services, admin support - partnership vacancy scrutiny group remains in place and will ensure posts are not approved for recruitment until the new financial year	Minimal impact on front line services but depending on where vacancies arise during the rest of the year could have an impact on the capcity of support services, in particular to respond to service requests. The HSCP vacancy scrutiny group will ensure consideration is given to the impact on services when recruitment is delayed for individual posts.		200	200	Caroline Whyte
12	All	Moratorium non-essential expenditure: - communication issued to all budget holders (social care and health) with an instruction to delay or cease any areas of discretionary spend (areas including supplies and services, training, third party payments etc) - finance teams will liaise with budget holders as part of regular engagement and budgets will be removed non-recurringly to allow target reduction to be met	Minimal impact on front line services but is a short term one-off approach to reducing expenditure.		184	184	Caroline Whyte
13	All	Systems improvements re care packages: - Extension of CM2000 to adult services which will enable payment to care providers based on actual service delivered, being rolled out to some providers in advance of new tender - finance working with services to review areas where service delivered differs from that commissioned to improve systems and basis of financial projections, this work also supports ongoing reviews - action plan in relation to improving projections and actions identified from recent internal audit report re Community Based Care, including streamlining systems and processes to remove duplication, scope for error and reliability of information	Significant work required to review systems across social care services where different approaches are used for different service areas, some areas involve duplication of information and systems. Work will result in more assurance re the information reported, including financial projections and will also ensure the partnership has assurance that we only pay for the direct care delivered.		0	-	Thelma Bowers/ Helen McArthur/ Caroline Whyte
TOTAL					1,747	1,996	

NB - cost reductions in relation to the recruitment freeze and moratorium on non-essential expenditure have not been tracked at individual budget line level, but it is likely that these target reductions have been exceeded as these arrangements have been in place across all services since September 2019 and meetings with budget managers have identified significant areas where expenditure and posts are being held.

2019-20 Budget Reconciliation

Appendix E

COUNCIL	Period	Permanent or Temporary	£
Initial Approved Budget			95,067
Resource Transfer			23,112
ICF Procurement Posts - Transfer to Procurement	3	T	(85)
FPC under 65's Scottish Government Funding	3	P	702
Transfer to IT WAN circuit Kilwinning Academy	4	P	(3)
Waste Collection Budget	4	P	27
CLD Officer from ADP Budget to E & C	4	T	(31)
Transfer £10k to Communities for Youth PB	7	T	(10)
Challenge Fund Drawdown from Earmarked Funds	7	T	690
Hub Co-ordinator	9	P	(59)
Insurance	9	P	5
Period 10 reported budget			119,415

HEALTH	Period	Permanent or Temporary	£
Initial Approved Budget (based on month 9 of 2018-19)			145,425
Adjustments to reflect month 10 -12 of 2018-19 including non-recurring amounts			(1,845)
Opening baseline budget for 19-20			143,580
Resource Transfer			(23,112)
Superannuation Uplift	3	P	2,994
Voluntary Redundancy Scheme	3	P	271
Post from acute - PA to Clinical Nurse Manager, Long Term conditions	3	P	15
Post from acute - Clinical Nurse Manager, Long Term Conditions	3	P	34
Functional Electrical Stimulation Equipment from acute			10
Pharmacy Fees	3	P	19
HPV Boys Implementation	3	P	18
Action 15 (anticipated increase)	3	P	930
Post from Acute -Specialist Pharmacist in Substance Misuse	3	T	12
Old age liaison psychiatrist from acute	3	P	108
Patient Transport Service	3	P	49
Infant feeding nurse	3	T	41
Assoc Medical Director responsibility payment to Medical Director	3	T	(24)
Associate Medical Director sessions to the Medical Director	3	T	(71)
Contribution to the Technology Enabled Care (TEC) project	3	T	(50)
Superannuation Uplift Overclaimed	4	P	(270)
Action 15 overclaimed	4	T	(485)
Prescribing Reduction	5	P	(550)
Medical Training Grade Increase	5	P	51
Admin Transfer from South HSCP	6	P	19
NMAHP Clinical Lead	6	T	16
Woodland View – Hairdressing transfer from South	8	P	12
SLA Superannuation uplift	8	P	79

Medical Training Grade Increase	9	P	15
Arrol Park Enhanced GP service	9	P	(8)
Prescribing-Freestyle Libra Funding	9	P	97
Prescribing-Top slice 2019/20	9	P	(90)
GP ABI Contribution	9	T	(14)
Action 15 – Underclaimed	9	P	66
Distinction Award Funding for retired consultant	10	P	(17)
East HSCP Daldorch contribution	10	P	33
Period 10 reported budget			123,778
GRAND TOTAL			243,193

CIPFA IJB CFO Section

Integration Authorities

Financial Performance

Financial Year 2019/20 (Quarter 3)



OVERVIEW - BUDGET POSITION 2019/20

This is the third summary report which presents the overview of financial performance for all Integration Authorities (IA's) for quarter 3 of the financial year 2019/20. The position in respect of the NHS Highland Lead Agency arrangement is also included.

The total budget for health and social care services at quarter 3 is £9,424m. This is an increase of £75m (1%) from £9,349m at quarter 2 as follows:

- 26 IAs reported a set-aside budget which now totals £821m, an increase of £5m across 10 IAs.
- The NHS non-set aside budget increased by £59m to £5,767m.
- The local authority budget increased by £2m to £2,791m.
- The use of reserves increased by £9m to £45m.



FINANCIAL VARIANCES 2019/20 – FORECAST OUTTURN

At quarter 3, all 31 IAs have provided a forecast outturn to 31 March 2020. The projected net overspend for all IAs is £54.3m.

Projected outturns across the 31 IAs vary as follows:

- 22 IAs are projecting net overspends totalling £78.0m ranging from £0.2m to £15.6m
- 9 IAs are projecting net underspends totalling £23.7m ranging from £0.4m to £9.4m

This is the position before IAs take into consideration additional financial support from partners, the impact of financial recovery plans and the further use of reserves.

Forecast Outturns At 31 March 2020

Projected Cost Pressures

• Non delivery of savings	£43.0m
• Demographics	£20.8m
• Prescribing	£11.3m
• Staffing pressures	£10.4m
• Price increases	£2.6m
Total Cost Pressures	£88.1m

Projected Net Underspends £33.8m

Projected Net Cost Pressures £54.3m



SIGNIFICANT FACTORS 2019/20

The factors contributing to the variances reported by IAs are detailed on the schedule which accompanies this covering report. The key highlights are summarised as follows:

- the ongoing challenge of delivering savings, in particular planned reductions in services not materialising due to increased demand being experienced
- increased activity of acute services
- additional demand for services and the increasing complexity of health and social care needs across older people, adult and children's services
- the timeline to implement new models of service delivery taking longer than originally anticipated
- ongoing challenges associated with identifying further cost reduction and savings opportunities
- prescribing cost pressures; and
- staffing costs including the cost of locums.

16 IAs are relying on the planned use of reserves totalling £45m. The increase in costs is also partly offset by underspends as a result of staff vacancies and slippage in the implementation of new funding. These options provide only non-recurring financial relief and recurring financially sustainable strategies need to be identified across IAs.

Work continues to be progressed to develop the set-aside monitoring arrangements.



IMPACT ON FUNDING 2019/20

It is currently estimated that the projected overspend totalling £54.3m will be addressed as follows:-

▪ Anticipated additional funding from NHS Boards	£26.3m
▪ Anticipated additional funding from Local Authorities	£5.8m
▪ Agreed financial recovery plan with no impact for partners	£8.7m
▪ Other funding solutions	£10.3m

Additional funding contributions from partner bodies have been required for those IA's who hold no contingency reserves or have fully utilised the contingency reserves which they hold.

The balance of cost pressures is projected to be offset by the net impact of 'further actions still to be determined or publicly reported' (£18m) and planned transfers to IJB reserves (£14.8m).

4 IAs remain in repayment arrangements with partners (£14.7m).

Repayment of Funding Advances

- £2.7m in 19/20
- £12m due 20/21 or later



UPDATE ON RESERVES

Reserves is a key component of the IA's funding strategy. It is important for the long term financial stability and the sustainability of the IA that sufficient contingency funds are held in reserve to manage unanticipated pressures from year to year. Similarly, it is also important that in-year funding available for specific projects and Government priorities are able to be earmarked and carried forward into the following financial year, either in whole or in part, to allow for the spend to be committed and managed in a way that represents best value for the IA in its achievement of the national outcomes. This includes Mental Health, Primary Care and Alcohol and Drugs services. The IJBs have also agreed to a flexible funding approach with some IAs whereby these reserves are accessed first before any further funding is released in order to afford flexibility for the Scottish Government in passing new funding to IJBs.

The requirement for financial reserves is acknowledged in statute and is part of a range of measures in place to ensure that s106 bodies do not over-commit themselves financially. The Ministerial Strategic Group also recognised the need for reserves and the need for IAs to have a prudent and transparent reserve policy. IAs face a number of financial risks including demand, inflation and the scale and pace of transformation, which can require IA's to access reserves.

General practice advises that contingency reserves should be held at 2% of the funding available. In the absence of a contingency reserve, reliance will require to be placed on each IA's Integration Scheme and additional contributions from partners to address unfunded cost pressures.

The IA's reserves have reduced by £0.5m at quarter 3 to £110m (Earmarked £83m; Contingency £27m). The contingency reserve represents only 0.3% of the total financial envelope of £9,424m. 7 IAs do not have any reserves. 9 IAs do not have a contingency reserve. 1 IA has a negative reserve. For 14 IAs, the contingency reserves range from 0.004% to 1.9% of their available funding.

Integration Joint Board
19th March 2020

Subject: **Appointment to North Ayrshire Integration Joint Board**

Purpose: To advise the Integration Joint Board of the change of Independent Sector representative on the IJB.

Recommendation: IJB are asked to approve the Scottish Care nomination of Jackie Weston as Independent Sector representative on the NAIJB.

Glossary of Terms	
NHS AA	NHS Ayrshire and Arran
HSCP	Health and Social Care Partnership
IJB	Integration Joint Board

1.	EXECUTIVE SUMMARY
1.1	In January 2020, Nigel Wanless resigned from his position as Independent Sector representative on the North Ayrshire IJB.
1.2	Scottish Care have nominated Jackie Weston, Regional Manager with the Care Concern Group to take on this role. Val Allen, Scottish Care will continue to act as Depute.
2.	BACKGROUND
2.1	After five years as Independent Sector representative on the IJB, Nigel Wanless resigned from this position in January 2020.
2.2	Scottish Care confirmed on 2 nd March 2020, their nomination of Jackie Weston, Regional Manager with the Care Concern Group as Nigel's replacement on the IJB. Val Allen will also continue as a Depute.
3.	PROPOSALS
3.1	IJB members are asked to approve Scottish Care's nomination of Jackie Weston as Independent Sector representative on the IJB.
3.2	<u>Anticipated Outcomes</u>
	N/A
3.3	<u>Measuring Impact</u>
	N/A

4.	IMPLICATIONS	
Financial:	None	
Human Resources:	None	
Legal:	None	
Equality:	None	
Children and Young People	None	
Environmental & Sustainability:	None	
Key Priorities:	None	
Risk Implications:	None	
Community Benefits:	None	
Direction Required to Council, Health Board or Both	Direction to :-	
	1. No Direction Required	x
	2. North Ayrshire Council	
	3. NHS Ayrshire & Arran	
	4. North Ayrshire Council and NHS Ayrshire & Arran	
5.	CONCLUSION	
5.1	IJB are asked to approve the nomination put forward by Scottish Care for the Independent Sector representative on the NAIJB.	

For more information please contact [Stephen Brown, Chief Officer] on [(01294) 317723] or [sbrown@north-ayrshire.gov.uk]