

Subject: IJB 2019-20 BUDGET

Purpose: To update the IJB on the financial position for the partnership for 2019-20, including the proposed delegated funding, service budget pressures and plans developed to set a balanced budget.

Recommendation: That the Board approves the budget for 2019-20 for North Ayrshire Health and Social Care Partnership inclusive of all related 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
CRES	Cash Releasing Efficiency Saving
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 2019-20. The budget for NAC was set on 27 February and NHS AA will set their budget on 25 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 protracted negotiations over funding for 2019-20. This report instead focusses on balancing the budget for 2019-20 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 early in 2019-20.
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	The table below summarises the overall financial position for 2019-20:

		Social Care (NAC) £m	Health (NHS A&A) £m	Total £m
	Funding Increase	1.389	2.319	3.708
	Funded Pressures	(5.093)	(2.561)	(7.654)
	Budget Gap	(3.704)	(0.242)	(3.946)
	Add historic CRES	-	(2.188)	(2.188)
	TOTAL Savings Required	(3.704)	(2.430)	(6.134)
	The approval of the savings plans included in Appendix E will fully address the budget gap and result in approved balanced budget for 2019-20.			
1.5	A number of financial risks and unfunded pressures are highlighted in the report and the IJB are asked to note these at this stage, the IJB may be asked during 2019-20 to approve any appropriate action to mitigate or manages these areas.			
1.6	The proposed integrated budget for the IJB is £270.592m (inclusive of the estimated Set Aside budget of £30.094m). A summary of the 2019-20 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 			

	<p>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.</p> <ul style="list-style-type: none"> • 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.
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 2019-20 (copies in Appendices B and C).</p> <p>The specific requirements are as follows:</p> <ul style="list-style-type: none"> • In 2019-20, NHS payments to Integration Authorities for delegated health functions must deliver a real terms uplift in baseline funding, before provision of funding for pay awards, over 2018-19 cash levels. • £120 million will be transferred from the Health Portfolio to the Local Authorities in-year for investment in integration, including delivery of the Living Wage and uprating free personal care, and school counselling services. • £40 million has been included directly in the Local Government settlement to support the continued implementation of the Carers (Scotland) Act 2016 and extending free personal care to under 65s, as set out in the Programme for Government. • This funding is to be additional to each Council's 2018-19 recurrent spending on social care and not substitutional. This means that, when taken together, Local Authority social care budgets for allocation to Integration Authorities (plus those retained for non-delegated social care functions) and funding for school counselling services must be £160 million greater than 2018-19 recurrent budgets. • Mental Health Funding must be at least 1.8% higher than the recurring 2018-19, to be over and above the new investment of £14m in Mental Health services to be distributed in-year. • The set aside arrangements support the Health and Social Care Medium Term Financial Framework - reducing hospital utilisation variation. • On 31 January 2019 the Cabinet Secretary for Finance, Economy and Fair Work announced a package of further measures to secure agreement for the Scottish Government budget, this included flexibility for Local Authorities to offset their adult social care allocations to Integration Authorities by up to £50m in 2019-20 based on local need (a reduction of up to 2.2% of adult social care allocations). <p>The specific expectations from the Scottish Government have been open to interpretation and clarity was sought not only from North Ayrshire but nationally on how the conditions are practically to be met. This led to some uncertainty and confusion over funding requirements initially, however this clarity has now been provided and the expectations on both partners are clear.</p> <p>The Scottish Government have indicated that they will seek assurance from partnerships that these conditions are being met.</p>
2.3	NORTH AYRSHIRE POSITION – PARTNER FUNDING
2.3.1	North Ayrshire Council

North Ayrshire Council set their budget on 27 February 2019 where they approved a baseline funding increase for the IJB of £1.389m for 2019-20, with indicative increases noted for 2020-21 and 2021-22.

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 with the final uplift being reflective of these estimates.

Based on the Finance Settlement and subsequent letter of 31 January 2019 £160m of ring fenced funding was required to be passed through the IJB with local authorities being able to apply a maximum reduction of 2.2% on the adult social care budget (estimated £50m nationally).

A summary of the additional £160m funding is noted below:

Policy Area	National Allocation £'m	North Ayrshire Allocation £'m
Living Wage	25	0.704
Uplift to Free Personal Care	1	0.028
Carers Act	10	0.282
Free Personal Care for under 65's	30	tbc
School Counselling	12	tbc
General pressures	82	2.307
TOTAL	160	

The £30m of funding for Free Personal Care for under 65s has yet to be distributed, this will also be delegated to the IJB. The £12m funding for school counselling also remains to be distributed, it is likely that this will be delegated to the Education service and therefore outwith the partnership. It is expected that for the policy areas where funding is allocated, i.e. the Living Wage, FPC and the Carer's Act the cost of delivering on these priority areas will match the funding allocation.

In line with the Scottish Government directive in the finance settlement North Ayrshire Council are required to increase the settlement for the IJB by the share of £160m less the £50m flexibility. In comparing the £1.389m core uplift to the £82m allocation for general partnership pressures effectively £0.918m of this funding has not been passed through to the IJB. The Scottish Government budget allowed flexibility for £50m of this funding, the share of which for North Ayrshire IJB would be £1.2m. Therefore the Council has not fully applied the permitted £50m flexibility and is passing through £0.3m in excess of the minimum requirement.

The Challenge Fund set aside in Council reserves has been reduced by £0.6m to remove the uncommitted element of the Challenge Fund to assist with the North Ayrshire Council financial position, this was not part of the delegated IJB funding. The original intended Challenge Fund investment have therefore reduced from the original £4m to £2m.

In addition to the delegated funding allocation to the IJB the Council budget includes £1.497m, set aside to support repayment of the IJB debt to the Council. The funding allocation for 2019-20 means the debt repayment period remains unchanged.

2.3.2 NHS Ayrshire and Arran

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 not the bottom up approach traditionally adopted under the Integration Scheme.

In relation to the Scottish Government directive, there are two elements which impact on the IJB Health funding allocation:

- In 2019-20, NHS payments to Integration Authorities for delegated health functions must deliver a real terms uplift in baseline funding, before provision of funding for pay awards, over 2018-19 cash levels.
- To support the mental health strategy.....In order to maximise the contribution from this direct investment, this funding is provided on the basis that it is in addition to a real terms increase in existing 2018-19 spending levels by NHS Boards and Integration Authorities. This means that funding for 2019-20 must be at least 1.8% greater than the recurrent budgeted allocations in 2018-19 plus £14 million.

NHS payments to Integration Authorities for delegated health functions must deliver a real terms uplift in baseline funding, before provision of funding for pay awards, over 2018-19 cash levels. Whilst the funding letter did not split these elements, of the 2.6% of funding received by NHS Ayrshire and Arran, 1.8% related to the GDP inflation uplift and 0.8% for pay pressures.

The expectation was that in practice, this would lead to a pass through of the Health Board uplift to Integration Authorities, on the understanding that the Integration Authorities received the GDP uplift and a proportionate share of the pay funding. Based on this the increase in baseline funding required to be passed through to the HSCP is a 2.6% uplift to the IJB baseline budget.

Discussions have taken place with Health Board colleagues in relation to the delegated funding for 2019-20. 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 2.6% to the IJB. The IJB will then plan to fund pressures and develop savings plans within the overall financial allocation. This has not been confirmed and the Health Board will meet on 25 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.

Assuming the 2.6% 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.

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	
2018-19 Budget	143.105	As per period 9 monitoring report.
Less:		
In-year allocations	(4.460)	Action 15, Mental Health Bundle, Health Visitors, pay award, Veterans, ADP
Risk Sharing	(31.625)	Prescribing
Different Uplift	(17.683)	General Medical Services (GMS)
Non-baselined	(0.135)	Daldorch
Revised Baseline	89.202	
2.6% Uplift	2.319	

The expectation is that on a managed basis a baseline funding uplift of £2.319m will be passed through to the IJB from the Health Board.

- 2.3.3 The benefits of a delegated funding approach from 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 Mental Health)
 - 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.
 - Would align with proposals in the review of integration for budget planning and resource delegation for IJBs.

3. PROPOSALS – 2019-20 REVENUE BUDGET PLANS

- 3.1 NAHSCP 2019-20 integrated budget is expected to be £240.498m (excluding Set aside) and £270.592 (including Set Aside budget).
- A summary of the 2019-20 total budget and net funding increase is detailed within Appendix A. The pressures and savings are detailed separately in Appendix D (pressures) and E (savings). Sections 3.2 to 3.6 provide an overview of the pressures and savings.

3.2 BUDGET PRESSURES - FUNDED

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

Budget pressures for health and social care services total £7.654m. 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 D:

Category	Social Care (NAC) £m	Health (NHS A&A) £m	TOTAL £m
Pay pressures	2.016	1.608	3.624
Demand pressures	2.112	0.557	2.669
Inflation	0.846	-	0.846
Lead Partnership pressures	-	0.353	0.353
Policy pressures	0.119	0.043	0.162
TOTAL	5.093	2.561	7.654

The provision for health Lead Partnership pressures recognise the North Ayrshire contribution towards pressures faced for services led by East or South. These pressures have been agreed with the Ayrshire Finance Leads with an agreement that the IJBs have a shared responsibility to fund.

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 Living Wage will increase from £8.75 per hour to £9 per hour from 1 April 2019. This increases the rates being paid to providers and self-directed support recipients as follows:

	2018-19 Rate Per Hour	2019-20 Rate Per Hour
Care at Home & Housing Support	£16.36	£16.81
Sleepovers	£10.70	£11.09
Personal Assistant Day Time Hourly Rate	£11.83	£12.26
Personal Assistant Sleepover Hourly Rate	£10.95	£11.36

3.3 BUDGET PRESSURES – UNFUNDED

Unfunded pressures are other areas where the pressures are not recommended to be specifically provided for in the budget. This is because the service can be re-designed to reduce the cost, there are uncertainties around the value of the pressure or the costs will be managed in-year either by developing a financial recovery plan or within the overall in-year financial position.

The unfunded pressures are detailed below:

- a) 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 (circa £0.2m) from any underspend in the Primary Care Improvement Fund (PCIF).
- b) The staffing pressure (£0.3m) in relation to Ward 1 Woodland View which has been highlighted in the budget management reports during 2018-19 will be met by considering the total resources for Ward 1 and the wards (Douglas Grant and Redburn) which are being transferred to the partnership from acute services during 2019-20. Confirmation will be sought from the Health Board re the plans to address overspends in these acute wards prior to transfer to the IJB.
- c) Daldorch income pressure (£0.1m) has been funded on a non-recurring basis for more than five years, the funding was to address a shortfall in income as a result of less demand for the service. With the uplift being passed through to the IJB there will not be separate funding for this pressure. The service is pan-Ayrshire hosted, the service will be reviewed and brought within the overall financial envelope. The expenditure is linked to the East partnership and has input across a range of professions.
- d) Paid as if at work is a pressure relating to health employed staff and the payment of a holiday pay element for regular additional payments, eg overtime. The cost across the Health Board is estimated to be £1.4m but is unclear at this stage what the cost will be for each service, for North Ayrshire this is estimated to be around £0.2m. When the cost pressure value is known the partnership will look to services to fund from within existing resources where possible.
- e) Health Visitor pay regrade is in relation to the national agreement to re-grade health visitor posts from Bank 6 to Band 7. There is no additional funding expected for this, there is no definitive cost for this pressure but early estimates are around £0.3m. This will be managed from within existing resources in the first instance as the budget is currently reporting an underspend.
- f) Intermediate Care and Rehab investment was funded by the Health Board on a part-year basis in 2018-19. The business case was predicated on acute hospital savings offsetting the investment, however with the approach taken to pass through the funding uplift there is an expectation that the IJBs will fund the full year impact of the investment. Currently there is part year funding in the IJB budget to support the investment for about 5 months, the full year impact would be a further £0.5m. The partnership will review the impact of the investment early in 2019-20 and determine future funding alongside work to progress commissioning of acute services.

The IJB may be asked to take further decisions during 2019-20 in relation to managing the above pressures.

3.4 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	1.389	2.319	3.708
Funded Pressures	(5.093)	(2.561)	(7.654)
Budget Gap	(3.704)	(0.242)	(3.946)

	Add historic CRES	-	(2.188)	(2.188)																				
	TOTAL Savings Required	(3.704)	(2.430)	(6.134)																				
	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. In order to set a balanced budget the historic CRES savings target requires to be addressed on a recurring basis.																							
3.5	BUDGET SAVINGS																							
	Savings in relation to NAC and NHS commissioned services are detailed within Appendix E . 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.																							
	<table><tr><th>RAG Deliverability Status</th><th>Social Care (NAC) £m</th><th>Health (NHS A&A) £m</th><th>Total £m</th></tr><tr><td>Red</td><td>-</td><td>-</td><td></td></tr><tr><td>Amber</td><td>1.782</td><td>1.198</td><td>2.980</td></tr><tr><td>Green</td><td>1.922</td><td>1.232</td><td>3.154</td></tr><tr><td>TOTAL</td><td>3.704</td><td>2.430</td><td>6.134</td></tr></table>				RAG Deliverability Status	Social Care (NAC) £m	Health (NHS A&A) £m	Total £m	Red	-	-		Amber	1.782	1.198	2.980	Green	1.922	1.232	3.154	TOTAL	3.704	2.430	6.134
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TOTAL	3.704	2.430	6.134																					
	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.																							
3.6	MENTAL HEALTH SERVICES																							
	The Scottish Government financial settlement includes a requirement that resource for Mental Health services is protected and that Health Boards are required to ensure a real terms increase of 1.8% on mental health budgets before the application of any additional funding for investment.																							
	The North partnership lead on acute Mental Health services across Ayrshire and therefore require to ensure that this condition is met for those services which are led by the North. To meet the conditions there would be a maximum value of efficiency savings that can be applied to these services during 2019-20. This value has been calculated based on the baseline budget and the estimated pressures and is noted below:																							
				£																				
	1.8% Funding Increase Requirement			0.802																				

	<table> <tr> <td>Payroll pressures</td><td>(1.183)</td></tr> <tr> <td>Permitted Efficiency Reduction</td><td>(0.381)</td></tr> <tr> <td>Add unachieved historic CRES</td><td>(1.313)</td></tr> <tr> <td>TOTAL Savings</td><td>(1.694)</td></tr> </table> <p>The unachieved historic CRES reflects the current CRES target aligned to lead Mental Health services. The total maximum savings permitted from these services is aligned to the proposed savings recommended for approval. It would only be following the delivery of these savings that any future acute Mental Health funding released through service re-design could be released for reinvestment in Community Mental Health services.</p>	Payroll pressures	(1.183)	Permitted Efficiency Reduction	(0.381)	Add unachieved historic CRES	(1.313)	TOTAL Savings	(1.694)
Payroll pressures	(1.183)								
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3.7	ACUTE SET ASIDE BUDGET								
	<p>A draft 2018-19 calculation shows that North Ayrshire HSCP use £30.094m against the NRAC 'fair share' of £28.967m of acute set-aside resource, this is £1.127m above the NRAC allocation.</p> <p>The Scottish Government Finance Settlement letter for Health Boards (Appendix B) refers to the system reform assumptions in the Health and Social Care Medium Term Financial Framework. This includes material savings to be achieved from reducing variation in hospital utilisation across partnerships. Planning across the whole unplanned care pathway will be key to delivering this objective and partnerships must ensure that by the start of 2019-20, the set aside arrangements are fit for purpose and enable this approach.</p> <p>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 in June 2015. These arrangements must be in place in time for Integration Authorities to plan their use of their budgets in 2019-20. The Scottish Government Medium Term Financial Framework includes an assumption of efficiencies from reduced variation in hospital care coupled with 50% reinvestment in the community to sustain improvement. The workings of the set aside arrangements are key to delivering this commitment.</p> <p>Early planning has commenced 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 requirements.</p>								
3.8	IJB RESERVES								
	<p>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:</p> <ul style="list-style-type: none"> 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 2019-20 budget to allocate any resources to reserves, however consideration should be given to this in the future 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 £1.497m of resource set aside outwith the IJB delegated budget to repay this debt within a 4 year period.

The estimated position for IJB reserves is noted below:

	General Fund Reserves £m	Earmarked Reserves £m	Total Reserves £m
Opening Balance	(5.807)	-	(5.807)
Planned repayment	1.497	-	1.497
Projected Outturn (at period 10)	(0.332)	-	(0.332)
Estimated Balance 31 March 2019	(4.642)	-	(4.642)
Planned repayment	1.497	-	1.497
Estimated Balance at 31 March 2020	(3.145)	-	(3.145)

There are currently no earmarked reserve balances held by the IJB. There is an expectation that there will be a requirement to earmark balances at the 2018-19 year-end in relation to ring-fenced funding for the ADP, Mental Health Action 15 and PCIF.

3.9 FINANCIAL RISKS

There are a number of ongoing financial risk areas that may impact on the 2019-20 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
- Mitigating the costs and impact of the outlined unfunded pressures
- Implementation costs of the Scottish Government policy directives, for example Free Personal Care for under 65's
- Potential re-grading of posts due to erosion of grade differentials
- 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.

These risks will be monitored during 2019-20 and financial impact reported through the financial monitoring report.

3.10 TRANSFORMATION PROGRAMME

	<p>The partnership Transformation Board was established during 2018-19, their role is 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, Challenge Fund, Integrated Care Fund 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 2019-20 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 2019-20 Budget:</p> <ul style="list-style-type: none"> • Transformational Change for financial and service sustainability will figure at the forefront of the IJB and NAHSCP agenda throughout 2019-20 and beyond. • The proposed plans will deliver a balanced budget for 2019-20, 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.
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 2019-20 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</p>

	<p>estimated there is a requirement to deliver £6.134m of savings during 2019-20 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 eliminating the historic Health CRES on a recurring basis.</p> <p>Appendix A shows the total 2019-20 IJB Budget Appendix B shows the Scottish Government Finance Settlement letter for Health Boards Appendix C shows the Scottish Government Finance Settlement letter for Local Authorities Appendix D shows the proposed service pressures Appendix E shows the proposed savings</p>						
Human Resources:	<p>The Council pressures and savings result in a net increase in staffing of 24.7 WTE in 2019/20.</p> <p>The Council, as employer negotiates with trade union representatives on the overall workforce impact of the Council budget proposals.</p> <p>The NHS pressures and savings result in a net increase in staffing of 14.9 WTE (but some savings in WTE have still to be quantified). There will be full consultation with the Trade Unions as appropriate.</p>						
Legal:	<p>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.</p>						
Equality:	<p>Equality Impact Assessments (EIAs) have been undertaken for all savings proposals. The savings on the table below required a full impact assessment.</p> <table border="1"> <thead> <tr> <th>Saving Description</th><th>EIA Outcome</th></tr> </thead> <tbody> <tr> <td>LD - Reduction to Sleepover Provision</td><td>Adjust the policy</td></tr> <tr> <td>Learning Disability Day Service- Reprovide services from Fergushill and Hazeldene at Trindlemoss and redesign commissioned services.</td><td>Continue the policy.</td></tr> </tbody> </table>	Saving Description	EIA Outcome	LD - Reduction to Sleepover Provision	Adjust the policy	Learning Disability Day Service- Reprovide services from Fergushill and Hazeldene at Trindlemoss and redesign commissioned services.	Continue the policy.
Saving Description	EIA Outcome						
LD - Reduction to Sleepover Provision	Adjust the policy						
Learning Disability Day Service- Reprovide services from Fergushill and Hazeldene at Trindlemoss and redesign commissioned services.	Continue the policy.						
Children and Young People	<p>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.</p>						
Environmental & Sustainability:	<p>There are no environmental and sustainability implications.</p>						
Key Priorities:	<p>The 2019-20 budget proposals support delivery of the HSCP Strategic Plan Priorities, there would be no adjustment required to the Strategic Plan outcomes and priorities.</p>						
Risk Implications:	<p>Failure to operate within the delegated budget would delay the repayment of previous year's debts and add further to the requirement</p>						

	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 2019-20 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 2019-20. The IJB are recommended to approve the budget for 2019-20 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 early in 2019-20.</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

Appendix A

North Ayrshire Health and Social Care Partnership 2019-20 Total Budget

	NAC £m	NHS AA £m	Total £m
Baseline Budget	92.929	143.105	236.034
Baseline Funding Increase	1.389	2.319	3.708
SG Funding Adjustment*	0.756	-	0.756
2019-20 Budget excluding set aside	95.074	145.424	240.498
Draft set aside budget	-	30.094	30.094
2019-20 Budget including set aside	95.074	175.518	270.592

* SG Funding Adjustment:

	£m
Living Wage	0.704
Uplift to Free Personal Care	0.028
Carers Act	0.282
British Sign Language	(0.006)
Community Justice Services	(0.252)
Total Additional Funding	0.756

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Directorate for Health Finance,
Corporate Governance & Value
Christine McLaughlin, Director



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Chief Executives, NHS Scotland

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

Issued via email

Our Ref: A22950623

12 December 2018

Dear Chief Executives

Budget 2019-20 – Indicative Allocation

Following the announcement of the Scottish Government's Budget for 2019-20 by the Cabinet Secretary for Finance, Economy and Fair Work in Parliament today, I am writing to provide details of the funding settlement for Health Boards. A breakdown of the total is provided in the annex to this letter.

A central component of the Portfolio settlement and approach taken is that the Budget will support the delivery of the core priorities set out in the Programme for Government, which focus on; waiting times improvement, investment in mental health and delivering greater progress and pace in the integration of health and social care, as well as evidencing a further shift in the balance of spend to mental health and to primary, community and social care.

Baseline Funding

Territorial Boards will receive a minimum baseline uplift of 2.5%, which includes funding for the 2019-20 pay award. In addition to this, those Boards furthest from NRAC parity will receive a share of £23 million, which will continue to mean that no Board is further than 0.8% from NRAC parity in 2019-20.

The four patient facing National Boards, (Scottish Ambulance Service, NHS 24, Golden Jubilee Foundation and The State Hospital) will each receive a minimum uplift of 1.7%, including funding for the 2019-20 pay award. In addition, the Scottish Ambulance Service will receive a further £6 million to support the implementation of their strategy. NHS National Services Scotland, Healthcare Improvement Scotland, NHS Education for Scotland and NHS Health Scotland will receive funding for the 2019-20 pay award.

The National Board savings requirement of £15 million is reflected in opening budgets, with final amendments to be agreed before the start of the financial year.

Investment in Improving Patient Outcomes

In addition to the baseline funding uplift, a total of £392 million will be invested in reforming service delivery in 2019-20, as set out below:

Improving patient outcomes	2018-19 (£m)	2019-20 (£m)	Increase for 2019-20 (£m)
Primary Care	120	155	35
Waiting Times Improvement	56	146	90
Mental Health and CAMHS	47	61	14
Trauma Networks	10	18	8
Cancer	10	12	2
TOTAL	243	392	149

When combining the £149 million increase in investment in reform with an increase of £281 million in baseline funding for frontline NHS Boards, the total additional funding for frontline NHS Boards will amount to £430 million (4.2 per cent) in 2019-20. Further detail is set out in the annex to this letter.

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

Core Areas of Investment

Primary Care

Investment in the Primary Care Fund will increase to £155 million in 2019-20. This will support the transformation of primary care by enabling the expansion of multidisciplinary teams for improved patient care, and a strengthened and clarified role for GPs as expert medical generalists and clinical leaders in the community.

Waiting Times Improvement Plan

Investment of £146 million will be provided to support delivery of the trajectories set out in the Waiting Times Improvement Plan. Up to £40 million will be accelerated into 2018-19 to allow Boards to support immediate priorities.

Mental Health and CAMHS

To support the mental health strategy, in 2019-20 a further £14 million will be invested which will go towards the commitment to increase the workforce by an extra 800 workers; for transformation of CAMHS; and to support the recent Programme for Government commitments on adult and children's mental health services. In order to maximise the contribution from this direct investment, this funding is provided on the basis that it is in addition to a real terms increase in existing 2018-19 spending levels by NHS Boards and Integration Authorities. This means that funding for 2019-20 must be at least 1.8% greater than the recurrent budgeted allocations in 2018-19 plus £14 million. Directions regarding the use of £14 million will be issued in year.

Trauma Networks

This funding will increase by £8 million to £18 million, taking forward the implementation of the major trauma networks.

Cancer

This reflects continued investment in the £100 million cancer strategy.

Health and Social Care Integration

In 2019-20, NHS payments to Integration Authorities for delegated health functions must deliver a real terms uplift in baseline funding, before provision of funding for pay awards, over 2018-19 cash levels.

In addition to this, and separate from the Board Funding uplift, will be two elements of funding for Social Care:

- £120 million will be transferred from the Health Portfolio to the Local Authorities in-year for investment in integration, including delivery of the Living Wage and uprating free personal care, and school counselling services; and
- £40 million has been included directly in the Local Government settlement to support the continued implementation of the Carers (Scotland) Act 2016 and extending free personal care to under 65s, as set out in the Programme for Government.

This funding is to be additional to each Council's 2018-19 recurrent spending on social care and not substitutional. This means that, when taken together, Local Authority social care budgets for allocation to Integration Authorities (plus those retained for non-delegated social care functions) and funding for school counselling services must be £160 million greater than 2018-19 recurrent budgets.

The system reform assumptions in the Health and Social Care Medium Term Financial Framework include material savings to be achieved from reducing variation in hospital utilisation across partnerships. Planning across the whole unplanned care pathway will be key to delivering this objective and partnerships must ensure that by the start of 2019-20, the set aside arrangements are fit for purpose and enable this approach. The Scottish Government will work with Integration Authorities, Health Boards and Local Authorities to ensure the legislation and statutory guidance on hospital specialties delegated to Integration Authorities, particularly in relation to set aside budgets, is put into practice. This does not change the balance of risk and opportunity for this objective, which remains shared between Integration Authorities and Health Boards and can only be delivered in partnership, but it recognises the lead role of the Integration Authority in planning for the unscheduled care pathway set out in the legislation.

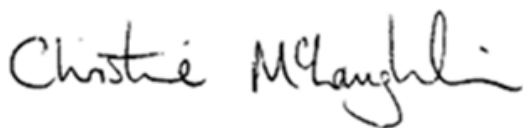
Capital Funding

We will continue to prioritise funding for existing commitments and Boards should assume an unchanged initial capital formula allocation.

3 Year Financial Plan

We will shortly set out the requirements for the three year planning and performance cycle. This will set out a number of principles to be delivered in relation to finance and wider performance.

Yours sincerely



CHRISTINE MCLAUGHLIN

Director of Health Finance, Corporate Governance and Value
Scottish Government

Annex – Board Funding Uplifts

	Total 2018-19 Allocation £m	Baseline uplift £m	Uplift (exc 18-19 pay) £m	Uplift (exc 18-19 pay) %	NRAC & National Board adjs £m	2019-20 Total allocation £m	Total uplift (exc 18-19 pay) %
NHS Territorial Boards							
Ayrshire and Arran	695.3	24.1	17.8	2.6%	0.6	720.0	2.6%
Borders	200.7	7.0	5.1	2.6%	0.0	207.7	2.6%
Dumfries and Galloway	289.3	9.8	7.3	2.5%	0.0	299.1	2.5%
Fife	637.0	22.2	16.4	2.6%	2.2	661.4	2.9%
Forth Valley	507.1	17.7	13.1	2.6%	2.2	527.0	3.0%
Grampian	921.1	32.6	23.9	2.6%	4.2	957.9	3.1%
Greater Glasgow and Clyde	2,155.7	75.4	55.6	2.6%	0.0	2,231.2	2.6%
Highland	604.7	21.0	15.5	2.6%	1.8	627.5	2.9%
Lanarkshire	1,156.8	40.4	29.8	2.6%	2.2	1,199.3	2.8%
Lothian	1,385.1	48.7	35.8	2.6%	7.7	1,441.5	3.1%
Orkney	48.0	1.6	1.2	2.5%	0.0	49.6	2.5%
Shetland	49.0	1.6	1.2	2.5%	0.0	50.6	2.5%
Tayside	735.2	25.6	18.9	2.6%	2.1	762.9	2.8%
Western Isles	73.4	2.4	1.8	2.5%	0.0	75.7	2.5%
	9,458.4	330.2	243.4	2.6%	22.9	9,811.4	2.8%
NHS National Boards							
National Waiting Times Centre	54.0	2.3	1.3	2.5%	-2.1	54.2	-1.4%
Scottish Ambulance Service	241.0	9.2	4.4	1.8%	9.6	259.9	5.8%
The State Hospital	34.8	0.9	0.6	1.7%	-0.3	35.3	0.7%
NHS 24	66.4	2.4	1.5	2.2%	-0.2	68.6	1.8%
NHS Education for Scotland	423.4	6.5	0.5	0.1%	-4.0	425.9	-0.8%
NHS Health Scotland	18.3	0.4	0.2	1.1%	-0.4	18.3	-1.1%
NHS National Services Scotland	332.3	12.8	10.3	3.1%	-6.7	338.5	1.1%
Healthcare Improvement Scotland	24.7	0.4	0.2	0.8%	-0.3	24.9	-0.3%
	1,194.9	35.1	19.1	1.6%	-4.5	1,225.6	1.2%
Total NHS Boards	10,653.3	365.3	262.5	2.5%	18.4	11,037.0	2.6%
Improving Patient Outcomes	243.0	149.0	149.0	-	-	392.0	-
Total Frontline NHS Boards*	10,097.5	494.0	400.2	3.9%	29.9	10,621.4	4.2%

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

Cabinet Secretary for Finance, Economy and Fair
Work

Derek Mackay MSP



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

Copy to: The Leaders of all Scottish local
authorities

12 December 2018

Dear Alison,

Today I set out the Scottish Government's draft spending and tax plans for 2019-20. Further to my announcement I write now to confirm the details of the local government finance settlement for 2019-20.

As agreed with COSLA, details of the indicative allocations to individual local authorities for 2019-20 will be formally published on 17 December in a Local Government Finance Circular.

This settlement takes into account the fact that the finances I have at my disposal are constrained by continuing UK Government policies that do not meet Scotland's needs. Even after the additional Health consequential and other non-Barnett allocations in 2019-20 announced as part of the 2018 UK Budget, Scotland's fiscal resource block grant is still almost £2.0 billion (6.9%) lower in real terms than it was in 2010-11.

If the consequential for investment in the NHS are excluded, this year's block grant would be £340 million or 1.3% less in real terms than it was last year.

Nobody should understate the real financial challenges that has posed and the tough and difficult decisions that means for us, both collectively and individually. Despite that, I am absolutely clear that the Budget plans I have announced are ambitious for Scotland and continue to be targeted at providing value for tax payers and support our vital public services.

The total revenue funding to be provided through the settlement for 2019-20 will be £9,987 million, which includes distributable non-domestic rates incomes of £2,853 million.

The core Capital funding is set at £759 million but with the inclusion of the continuing expansion of Early Years provision, the addition of an extra £50 million Town Centre Fund and the repayment of the reprofiled capital this increases the Capital funding within the settlement to £1,084 million.

The total funding which the Scottish Government will provide to local government in 2019-20 through the settlement is therefore £11,071 million. This includes;

- Baseline from 2019-20 of the full £170 million additional revenue investment announced earlier this year at Stage 1 of the Budget Bill for 2018-19;
- An additional £210 million revenue and £25 million capital to support the expansion in funded Early Learning and Childcare (ELC) entitlement to 1,140 hours by 2020;
- In addition to the £66 million baselined provision from 2018-19, a further £40 million is included to support expansion of Free Personal and Nursing Care for under 65s, as set out in the Programme for Government, and implementation of the Carers Act;
- £120 million to be transferred from the health portfolio to the Local Authorities in-year for investment in integration, including delivery of the Living Wage and uprating free personal care, and includes £12 million for school counselling services;
- The ongoing additional £88 million to maintain the pupil teacher ratio nationally and secure places for all probationers who require one under the teacher induction scheme;
- An indicative allocation of £3.3 million for Barclay implementation costs;
- Repayment in full of the reprofiled £150 million capital funding; and
- A new £50 million Town Centre Fund to enable local authorities to stimulate and support place-based economic improvements and inclusive growth through a wide range of investments which contribute to the regeneration and sustainability of town centres.

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

For 2019-20, local authorities will continue to have the flexibility to increase Council Tax by up to a maximum of 3%. This local discretion will preserve the financial accountability of local government, whilst also potentially generating around £80 million to support services.

The revenue allocation, including the additional resources to meet our commitments on the expansion of Early Years and support for social care and mental health, delivers a real terms increase for local government for 2019-20 compared to 2018-19. Taken together with the additional spending power that comes with the flexibility to increase Council Tax (worth around £80 million next year) the total funding (revenue and capital) delivers a real-terms increase in the overall resources to support local government services of £289 million or 2.7%.

The total additional funding of £160 million allocated to Health and Social Care and Mental Health is to be additional to each Council's 2018-19 recurrent spending on social care and not substitutional. It means that, when taken together, Local Authority social care budgets for allocation to Integration Authorities (plus those retained for non-delegated social care functions) and funding for school counselling services must be £160 million greater than 2018-19 recurrent budgets.


In addition to this, the Scottish Government will work with Integration Authorities, Health Boards and Local Authorities to ensure the legislation and statutory guidance on hospital specialties delegated to Integration Authorities, particularly in relation to set aside budgets, is put into practice.

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. 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. We recognise that discussions on teachers' pay are on-going through the tri-partite Scottish Negotiating Committee for Teachers and any additional allocation to fund a negotiated agreement will require to be agreed.

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 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 inflation at 49 pence, a 2.1 per cent increase, ensuring over 90 per cent of properties in Scotland pay a lower poundage than they would in other parts of the United Kingdom.

I believe that the outcome of the financial settlement for local government, presented in the measures set out in this letter, is the best that could be achieved in the circumstances and continues to provide a fair settlement to enable local authorities to meet our priorities of inclusive economic growth and investment in our vital health and social care and education services.



DEREK MACKAY

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Health and Social Care Integration

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Chief Executives, Local Authorities
Chief Officers, Integration Authorities

Copied to:

Chief Executives, NHS Boards

Directors of Finance, Local Authorities

Chief Finance Officers, Integration Authorities

NHS Directors of Finance

14 February 2019

Dear Colleagues

Budget 2019-20

In the December 2018 Budget announcement the Scottish Government confirmed it was making available additional funding of £160 million in 2019-20 from the health portfolio budget. This includes £12 million to support school counselling services, with the remaining £148 million for Integration Authorities to continue to meet various commitments to social care and integration. Therefore Local Authority social care budgets for allocation to Integration Authorities and funding for school counselling services must be £160 million greater than 2018-19 recurrent budgets. Shares of the additional £160m by Local Authority are included in Annex A.

On 31 January 2019 the Cabinet Secretary for Finance, Economy and Fair Work announced a package of further measures on local taxation and local government finance. As part of this further package, flexibility will be available for Local Authorities to offset their adult social care allocations to Integration Authorities by up to £50 million in 2019-20 compared to 2018-19 based on local needs (up to 2.2% of Local Government adult social care allocations). To support transparency on the allocation and use of the total £160 million funding, and to provide assurance that these conditions are met, in quarter one of 2019-20 we will require further information from partnerships. The Scottish Government and COSLA will continue to work with local partnerships to ensure the successful implementation of integration locally.

Yours sincerely

Richard McCallum
Deputy Director Health Finance

Alison Taylor
Deputy Director Integration



Annex A

Allocation of the £160m from the Health and Social Care Budget	
	Total*(£m)
Aberdeen City	5.815
Aberdeenshire	6.235
Angus	3.401
Argyll and Bute	2.609
Clackmannanshire	1.360
Dumfries and Galloway	4.633
Dundee City	4.402
East Ayrshire	3.468
East Dunbartonshire	2.861
East Lothian	2.779
East Renfrewshire	2.464
Edinburgh, City of	13.037
Eilean Siar	0.900
Falkirk	4.256
Fife	10.114
Glasgow City	17.497
Highland	6.400
Inverclyde	2.460
Midlothian	2.236
Moray	2.632
North Ayrshire	4.037
North Lanarkshire	9.001
Orkney	0.634
Perth and Kinross	4.336
Renfrewshire	4.932
Scottish Borders	3.315
Shetland	0.583
South Ayrshire	3.459
South Lanarkshire	8.778
Stirling	2.423
West Dunbartonshire	2.578
West Lothian	4.367
SCOTLAND	148.000
School Counselling (to Education)	12.000
Total	160.000

*The distribution formula for Free Personal Care for people aged under 65 (£29.5 million) included in the total of £148 million is awaiting political approval by COSLA Leaders (22nd February)

North Ayrshire Health and Social Care Partnership
2019/20 Revenue Pressures

Ref	Partner	Category	Pressure Description	2019/20 £'000s	FTE Increase
1	NAC	Demand Pressure	Demographic Pressure - Older People Community Services	263	31.63
2	NAC	Demand Pressure	Demand Pressure - Physical Disabilities	72	-
3a	NAC	Demand Pressure	Demand Pressure - Mental Health	74	-
3b	NAC	Demand Pressure	Transition Pressure - Mental Health	577	-
4a	NAC	Demand Pressure	Pressure - Learning Disability (Older Clients and Carers)	268	-
4b	NAC	Demand Pressure	Transition Pressure - Learning Disability	642	-
5	NAC	Demand Pressure	Demographic and Demand Pressure - Children	215	-
6	NAC	Inflation	National Care Home Contract Inflationary Increase	494	-
7	NAC	Policy Pressure	Kinship Care - Impact on Universal Credit	119	-
8	NAC	Inflation	Contract Inflation Outwith the Living Wage & NCHC increase	352	-
9	NAC	Pay Pressure	Pay Award	1,705	-
10	NAC	Pay Pressure	Pensions	312	-
TOTAL				5,093	31.63

Ref	Partner		Pressure Description	2019/20 Updated £	FTE Increase
11	NHS	Policy	Legislative changes to the provision of Augmentative and Alternative Communication	43	-
12	NHS	Demand	Care Packages - Physical Disabilities	557	16.90
13	NHS	Lead Partnership Pressure	Ayrshire Urgent Care	208	
14	NHS	Lead Partnership Pressure	GP Inflation Payments	24	
15	NHS	Lead Partnership Pressure	Joint Equipment Store	102	
16	NHS	Lead Partnership Pressure	Prison Contract VAT	19	
17	NHS	Pay Pressure	Pay Award	1,608	-
TOTAL				2,561	

GRAND TOTAL **7,654**

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North Ayrshire Health and Social Care Partnership 2019/20 Savings

a) Council Commissioned Services

HSCP Strategic Plan Priority	Ref	Description	Deliverability Status	2019/20 Part Year Impact	Full Year Impact	FTE Reduction
TRANSFORMATION SAVINGS						
Bringing services together	1	Integration of the Learning Disability team	Amber	56	56	1.00
	2	Roll out of multidisciplinary teams - Community Care and Health	Amber	55	55	1.00
	3	Fostering - reduce external placements.	Amber	128	128	-
	4	Day Centres - Older People	Green	38	76	1.53
	5	Deliver the Strategic Plan objectives for Older People's Residential Services	Green	130	130	-
Improving mental health and wellbeing	6	Adult Community Support - Commissioning of Services	Green	388	1,276	-
	7	Mental Health - Tarryholme / Trindlemoss	Amber	328	478	-
Prevention and early intervention	8	Children's residential placements	Green	355	355	-
	9	Care at Home - Reablement Investment	Amber	500	500	-
Tackling inequalities	10	LD - Reduction to Sleepover Provision	Amber	215	415	-
	11	Learning Disability Day Service - Reprovide services from Fergushill and Hazeldene at Trindlemoss and redesign commissioned services	Green	111	191	3.42
	12	Assessment and Self Directed Support	Green	150	150	-
	13	Charging Policy	Green	200	200	-
TRANSFORMATION SAVINGS TOTAL				2,654	4,010	6.95
OTHER SAVINGS						
	14	19/20 impact of 18/19 part year savings	Green	113	113	-
	15	Respite	Green	200	200	-
	16	Payroll Turnover Target	Amber	500	500	-
	17	Lean Efficiency Programme	Green	50	50	-
	18	Removal of Living Wage - implementation of sleepovers	Green	187	187	-
OTHER SAVINGS TOTAL				1,050	1,050	-
TOTAL				3,704	5,060	6.95

b) NHS Commissioned Services

HSCP Strategic Plan Priority	Ref	Description	Deliverability Status	2019/20 Part Year Impact	Full Year Impact	FTE Reduction
	19	Trindlemoss (full year impact is £0.370m)*	Amber	250	370	TBC
	20	Payroll Turnover Target - Mental Health *	Amber	300	300	-
	21	Review of Elderly Mental Health Inpatients*	Green	727	850	TBC
	22	UnPACs - 7% reduction*	Green	200	200	-
	23	Substitute Prescribing - 5% reduction*	Green	135	135	-
	24	See a 5th bed at Woodland View - MH inpatients*	Amber	90	180	-
	25	Resource Transfer to South Lanarkshire	Green	40	40	-
	26	Payroll Turnover Target - Other Services	Amber	365	365	-
	27	Packages of Care	Amber	150	150	-
	28	Reduce business admin services	Green	50	50	2.00
	29	ICF Project - Partnership Enablers	Amber	27	27	-
	30	ICF Project - Buckreddan care home	Amber	16	33	-
	31	Uncommitted ICF Funding	Green	80	80	-
TOTAL				2,430	2,780	2.00
GRAND TOTAL				6,134	7,840	8.95

* Denotes a mental health saving