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|-------------------------|---|---------------------------------|
| Report To: | Inverclyde Integration Joint Board | Date: 29 March 2021 |
| Report By: | Louise Long Corporate Director (Chief Officer) Inverclyde Health & Social Care Partnership | Report No: IJB16/2021/LA |
| Contact Officer: | Lesley Aird | Contact No: 01475 715381 |
| Subject: | INVERCLYDE IJB BUDGET 2021/22 | |

1.0 PURPOSE

- 1.1 The purpose of this report is to agree the budget for the Inverclyde Integration Joint Board (IJB) for 2021/22 in line with the Strategic Plan.

2.0 SUMMARY

- 2.1 Inverclyde Council will set their 2021/22 budget on 18 March and then confirm a proposed funding allocation for this IJB for the year. Greater Glasgow & Clyde Health Board confirmed their funding allocation to the IJB for 2021/22 on 2 March.
- 2.2 As part of its 2021/22 settlement, the Scottish Government announced a 1.5% funding uplift for Health, with a stipulation that the same level of uplift should be passed to IJBs. Inverclyde's share of this has been confirmed as £0.926m. The Government also announced extra funding for councils for onward transmission to IJBs of £72.6m. A condition of the local authority grant settlement is that the 2021/22 contribution by councils to their IJBs should be no less than the recurring 2020/21 IJB contribution plus that council's share of the £72.6m. The IJB's uplift from Inverclyde Council linked to this is £1.222m.
- 2.3 There are cost pressures within both the Social Care and Health services which are detailed in this report. Anticipated cost pressures, funding changes and service development proposals for 2021/22 currently total £3.329m (£2.022m social care, £1.307m health). The paper proposed some efficiency related savings which together with the uplift will balance the budget for the year.
- 2.4 There is no anticipated cash shortfall relating to part year delivery of these proposals which would require to be funded through either early delivery of other efficiencies or on a non-recurring basis in year.
- 2.5 This budget assumes that all ongoing covid related costs will be continue to be funded in full by Scottish Government. Financial Plans relating to these costs were submitted to Scottish Government in February 2021.
- 2.6 Mental Health Inpatients and Prescribing represent ongoing areas of financial risk area within the IJB budget. These will be monitored closely throughout the year.
- 2.7 The proposed Set Aside budget for 2021/22 has been uplifted by 1.5% and is now

£28.066m.

2.8 Any in year over/underspends will be funded from/carried forward into IJB reserves.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Integration Joint Board:

1. Notes the contents of this report;
2. Notes the anticipated funding of £53.971m from Inverclyde Council;
3. Notes the anticipated funding of £93.117m from Greater Glasgow & Clyde (GG&C) Health Board, including £28.066m for Set Aside;
4. Gives the Chief Officer delegated authority to accept the formal funding offers from the Council and Health Board;
5. Agrees indicative net revenue budgets of £72.363m, to Inverclyde Council and £102.790m, including the “set aside” budget, to NHS Greater Glasgow and Clyde and directs that this funding is spent in line with the Strategic Plan. These figures reflect the £18.393m of Resource Transfer from Health within Social Care;
6. Authorises officers to issue related Directions to the Health Board and Council;
7. Notes and approves the proposals relating to IJB reserves as per Appendix 5;
8. Approves the updated 5 year financial plan contained within the annual financial statement in Appendix 6, and
9. Notes the ongoing work in relation to the “set aside” budget.

Louise Long
Chief Officer

Lesley Aird
Chief Financial Officer

4.0 BACKGROUND

- 4.1 From 1 April 2016 the Health Board and Council delegated functions and are making allocations to the IJB in respect of those functions as set out in the integration scheme. The Health Board also “set aside” an amount in respect of large hospital functions covered by the integration scheme.
- 4.2 The IJB makes decisions on integrated services based on the strategic plan and the budget delegated to it. Now that the resources to be delegated have been proposed the IJB can set a 2021/22 budget, give directions and allocate budget where relevant to the Health Board and Local Authority for delivery of the services in line with the Strategic Plan.
- 4.3 This budget does not include any covid related costs and, in line with other IJBs, assumes that any covid costs incurred in year will be fully funded by Scottish Government. Financial Planning Returns were submitted by all HSCPs and Health Boards in February 2021 which detailed anticipated ongoing covid cost commitments. Initial funding for 2021/22 covid costs has already been received in 2020/21 and is being carried forward in a ringfenced earmarked reserve.

5.0 REVENUE FUNDING ALLOCATION FROM INVERCLYDE COUNCIL AND PROPOSED SAVINGS FOR SOCIAL CARE FOR 2021/22

- 5.1 The draft Local Government Finance Settlement was received on 28 January 2021. The condition set out by the Scottish Government for 2021/22 regarding the level of funding from Councils to the IJB was that the funding level provided by Councils must be greater than the 2020/21 contribution to the IJB plus the Council’s share of the additional £72.6m. This additional funding is intended to cover: payment of the Living Wage, Carers Act and the Free Personal Care uprating. The value of additional funding for Inverclyde is £1.222m.
- 5.2 On 18 March, the Council will agree its budget for 2021/22. Included within this, the Council is expected to agree £53.971m to be designated as the Council’s recurrent contribution to the IJB in line with the Integration Scheme. The estimated net cost in 2021/22 of providing these services as outlined in this report is £78.363m, including £18.393m of Resource Transfer funded expenditure.
- 5.3 There are a number of cost pressures in Social Care some of which are not yet confirmed which require to be funded from the new 2021/22 monies and agreed savings. Social Care pressures for 2021/22 are detailed below:

| Estimated Cost Pressure | £000 |
|--|--------------|
| Pay Award | tba |
| National Care Home Contract (NCHC) & other Inflation | tba |
| Living Wage | 582 |
| Carers Funding | 488 |
| Free Personal Care | 152 |
| Children & Families Residential | 300 |
| Learning Disabilities | 350 |
| Homelessness | 150 |
| Additional Resource Transfer Spend | 99 |
| | 2,121 |

In addition there is a one off contribution of £0.700m to be passed to IJB Earmarked Reserves from Council Reserves to meet pressures totalling £0.950m on a non recurring basis in 2021/22 as follows:

- Children’s Residential Placements £0.600m
- Adults with Learning Disabilities £0.350m

The expectation around this additional one off funding is that the IJB would cover the

balance of £0.250m between the £0.950m estimated pressure and the £0.700m additional one off funding. A separate EMR has been set up to cover this within the IJB EMRs for the year.

- 5.4 The pressures outlined above are to be funded through a combination of new funding prior year agreed savings and new service efficiency proposals. These are detailed as follows:

| New Funding/Savings Already approved | £000 |
|--|--------------|
| Funding Increases | |
| Share of the additional £72.6m Social Care Funding | 1,222 |
| Children & Families Residential – additional funding agreed by IC Dec 2020 | 300 |
| Learning Disabilities – additional funding agreed by IC Dec 2020 | 350 |
| Homelessness – additional funding agreed by IC Dec 2020 | 150 |
| Increased Resource Transfer Income | 99 |
| Savings and Efficiencies | |
| Impact of prior year agreed savings | 107 |
| Deletion of vacant posts | 34 |
| Increased turnover saving | 80 |
| Facilities saving | 31 |
| Income Growth through Debt Advice Fees | 7 |
| Savings through new Mobile Phone contracts | 7 |
| | 2,387 |

Pay Award and NCHC inflation increases will be dependent on external agreements. Inverclyde Council is expected to fund these additional costs once the values have been confirmed.

- 5.5 The proposed budget for Social Care services based on the above is £53.971m. The net budget direction to the Council may be updated during the year.

6.0 REVENUE FUNDING ALLOCATION FROM GREATER GLASGOW & CLYDE (GG&C) HEALTH BOARD AND PROPOSED SAVINGS FOR HEALTH FOR 2021/22

- 6.1 The Health Board confirmed its funding allocation for 2021/22 on 2 March. The Inverclyde funding for 2021/22 for recurring budgets is indicatively confirmed to be £121.183m, including £28.066m for Set Aside and £18.393m Resource Transferred to social care. Health funding was uplifted by 1.5% for all recurring budgets. The Resource Transfer budget and funding was increased by £0.099m, this has been reflected in the Health and Social Care budgets and has a nil impact on the bottom line of the IJB. This uplift has helped reduce the overall anticipated budget pressure on health. A copy of the funding letter is enclosed at Appendix B.

- 6.2 Health anticipated cost pressures and funding changes are detailed below:

| Estimated Cost Pressure | £000 |
|---|--------------|
| Pay Award (including Agenda for Change) | 888 |
| Prescribing (3.5% less recurrent underspend from 2019/20) | 259 |
| Non Pay Inflation | 60 |
| Learning & Development Budget | 100 |
| | 1,307 |
| Funding Uplift 1.5% | 926 |
| Funding Gap | 381 |
| Assumed turnover efficiency generated in year | 381 |
| Overall Health Surplus/(Deficit) | 0 |

- 6.3 The estimated increase linked to Pay Award assumes worst case scenario around Agenda for Change increases and makes no allowance for the in year turnover of staff

which in the past few years has generated an underspend of between £1-2m. Factoring in an amount of turnover savings within an already cautious Employee Cost budget balances the Health elements of the budget, reduces the impact of in year unplanned underspends and ensures no reductions in front line services.

- 6.4 In 2019/20 Health savings of £0.235m were agreed and implemented. After the indicative budget for the year was set, the Health Board increased the uplift it was passing over to the IJBs so the IJB agreed to use the £0.235m non recurrently against Mental Health Inpatient pressures. It's proposed to continue using that money in the same way again for 2021/22.
- 6.5 The notional "set aside" budget for large hospital services is indicatively confirmed as £28.066m for 2021/22 (£27.651m 2020/21). This figure represents the estimated actual usage of in scope Acute services.
- 6.6 The IJB has historically taken a very prudent approach to Prescribing budgets to allow for the high volume and cost pressures within the local area. For 2021/22 it is proposed to increase the Prescribing budget by 1.5% in line with the overall uplift received. The rationale for the proposed increase is:
- Anticipated overall price increase advised by the Prescribing Team is 3.5%
 - In the last three financial years the IJB has taken a cautious approach and followed the inflationary advice from that team. Due to circumstances occurring in year Prescribing has substantially underspent each year.
 - The anticipated 2021/22 uplift will be partially offset by the additional tariff swap income
 - Prescribing volumes have been lower than normal in 2020/21 as a result of the pandemic and this is expected to continue for at least part of 2021/22
 - There are a number of system wide prescribing efficiencies to be delivered by the prescribing team in 2021/22
 - In the event the budget is not sufficient to cover in year pressures the IJB has a £0.700m smoothing reserve in place to cover any short term cost fluctuations and ongoing issues around prices relating to short supply and Brexit

Prescribing is a very volatile budget area due to cost fluctuations in year which are out with IJB control. Since this area presents a significant risk to all IJBs it requires careful in year monitoring.

6.7 Mental Health Inpatients

Mental Health Inpatients has been a risk area within the IJB budget since the IJB was formed. The IJB inherited a budget pressure around this area which had been funded non-recurrently since the IJB was established. The budget pressure is primarily linked to additional costs of covering medical vacancies through the difficulty of recruiting to these posts in Inverclyde.

- 6.8 There are ongoing discussions around the 5 Year Mental Health Strategy which is a GG&C wide exercise. This may change the way Inpatient services are delivered and funded across the system. On this basis it is proposed that the balance of the underlying cost pressure is covered non-recurrently again in 2021/22 as outlined in 6.3 above until the 5 year strategy work is concluded. This will remain an area of financial risk for the IJB until it is resolved and will be monitored closely until that time.
- 6.9 The proposed budget for Health services based on the above is £121.183m. The net budget direction to the Health Board may be updated during the year.

7.0 RESERVES

- 7.1 As per the Financial Monitoring reports issued throughout the year any over/under

spends in the final 2020/21 outturn will be offset against or added to reserves. An updated reserves position will be included in the IJB Revenue Monitoring reports issued throughout the year. Appendix 5 details the proposed carry forward of £11.303m to earmarked reserves based on the period 9 forecast information provided by the Council and Health Board.

- 7.2 In addition Inverclyde Council has agreed to transfer a further £0.700m of EMR to the IJB in 2021/22 to offset demand pressures in Children & Families Residential Services and Learning Disabilities Services. The total cost of the pressure is £0.950m, the £0.250m balance will be funded by an IJB EMR created for Children & Families Residential Services in 2020/21.

8.0 ANNUAL FINANCIAL STATEMENT

- 8.1 Appendix 6 contains the annual financial statement for the IJB. This shows the anticipated 2020/21 outturn, proposed 2021/22 budget and indicative budgets for the next 4 years to 2025/26. The indicative future year budgets are based on the 2021/22 budget adjusted for known variations and the same core assumptions and scenario planning that was used in developing the Medium Term Financial Plan to 2023/24 which was agreed by the IJB in March 2019 and the updated plan to 2024/25 which was agreed by the IJB in March 2020.

- 8.2 The statement indicates that based on current projections there is a potential budget gap of £7.336m by 2025/26. Work is ongoing to mitigate any financial risks and develop sustainable operational and budget plans for the future.

9.0 DIRECTIONS

| | | |
|---|---------------------------------------|---|
| 9.1 Direction Required to Council, Health Board or Both | Direction to: | |
| | 1. No Direction Required | |
| | 2. Inverclyde Council | |
| | 3. NHS Greater Glasgow & Clyde (GG&C) | |
| | 4. Inverclyde Council and NHS GG&C | X |

10.0 IMPLICATIONS

FINANCE

- 10.1 The IJB is being asked to set an indicative 2021/22 budget at this stage in line with the recommendations above.

One off Costs

| Cost Centre | Budget Heading | Budget Years | Proposed Spend this Report £000 | Virement From | Other Comments |
|-------------|----------------|--------------|---------------------------------|---------------|----------------|
| N/A | | | | | |

Annually Recurring Costs / (Savings)

| Cost Centre | Budget Heading | With Effect from | Annual Net Impact £000 | Virement From | Other Comments |
|-------------|----------------|------------------|------------------------|---------------|----------------|
| N/A | | | | | |

LEGAL

10.2 There are no specific legal implications arising from this report.

HUMAN RESOURCES

10.3 There are no specific human resources implications arising from this report.

EQUALITIES

10.4 There are no equality issues within this report.

10.4.1 Has an Equality Impact Assessment been carried out?

| | |
|---|---|
| | YES (see attached appendix) |
| √ | NO – This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required. |

10.4.2 How does this report address our Equality Outcomes

There are no Equalities Outcomes implications within this report.

| Equalities Outcome | Implications |
|---|--------------|
| People, including individuals from the above protected characteristic groups, can access HSCP services. | None |
| Discrimination faced by people covered by the protected characteristics across HSCP services is reduced if not eliminated. | None |
| People with protected characteristics feel safe within their communities. | None |
| People with protected characteristics feel included in the planning and developing of services. | None |
| HSCP staff understand the needs of people with different protected characteristic and promote diversity in the work that they do. | None |
| Opportunities to support Learning Disability service users experiencing gender based violence are maximised. | None |
| Positive attitudes towards the resettled refugee community in Inverclyde are promoted. | None |

10.5 **CLINICAL OR CARE GOVERNANCE IMPLICATIONS**

There are no clinical or care governance issues within this report.

10.6 **NATIONAL WELLBEING OUTCOMES**

How does this report support delivery of the National Wellbeing Outcomes

There are no National Wellbeing Outcomes implications within this report.

| National Wellbeing Outcome | Implications |
|--|--------------|
| People are able to look after and improve their own health and wellbeing and live in good health for longer. | None |

| | |
|--|---|
| People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community | None |
| People who use health and social care services have positive experiences of those services, and have their dignity respected. | None |
| Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services. | None |
| Health and social care services contribute to reducing health inequalities. | None |
| People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing. | None |
| People using health and social care services are safe from harm. | None |
| People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide. | None |
| Resources are used effectively in the provision of health and social care services. | Development of a robust budget and effective budget management can ensure that resources are used effectively |

11.0 CONSULTATION

11.1 This report has been prepared by the IJB Chief Financial Officer. The Chief Officer, the Council's Chief Financial Officer and Director of Finance NHSGGC have been consulted.

12.0 BACKGROUND PAPERS

12.1 None.

IJB BUDGET 2021/22

FINANCIAL APPENDICES - A

| | |
|-----|----------------------------|
| A1 | Summary Budget |
| A2 | Social Care Budget |
| A2a | Social Care Pressures |
| A2b | Social Care Savings |
| A3 | Health Budget |
| A3a | Health Pressures |
| A4 | Directions |
| A5 | Reserves |
| A6 | Annual Financial Statement |

INVERCLYDE HSCP
REVENUE BUDGET 2021/22

| SUBJECTIVE ANALYSIS | Budget 2020/21 £000 | Other Budget Movements/ Pressures £000 | Savings £000 | Budget 2021/22 £000 |
|--|---------------------------|---|-----------------|---------------------------|
| Employee Costs | 53,280 | 888 | (495) | 53,673 |
| Property Costs | 1,108 | 0 | 0 | 1,108 |
| Supplies & Services, Transport, Admin & PTOB | 47,840 | 160 | 0 | 48,000 |
| Family Health Services (net) | 27,609 | | | 27,609 |
| Prescribing (net) | 18,486 | 259 | 0 | 18,745 |
| Funding/Savings still to be allocated | 0 | 2,121 | (152) | 1,969 |
| Income | (4,016) | 0 | 0 | (4,016) |
| Notional Set Aside Expenditure * | 27,651 | 415 | 0 | 28,066 |
| | 171,958 | 3,843 | (647) | 175,154 |

| OBJECTIVE ANALYSIS | Budget 2020/21 £000 | Other Budget Movements/ Pressures £000 | Savings £000 | Budget 2021/22 £000 |
|---|---------------------------|---|-----------------|---------------------------|
| Strategy & Support Services | 2,239 | 100 | 0 | 2,339 |
| Older Persons | 30,964 | 1,222 | 0 | 32,186 |
| Learning Disabilities | 12,321 | 350 | 0 | 12,671 |
| Mental Health - Communities | 6,884 | 0 | 0 | 6,884 |
| Mental Health - Inpatient Services | 9,310 | 0 | 0 | 9,310 |
| Children & Families | 14,342 | 300 | 0 | 14,642 |
| Physical & Sensory | 2,916 | 0 | 0 | 2,916 |
| Alcohol & Drug Recovery Service | 3,527 | 0 | 0 | 3,527 |
| Assessment & Care Management / Health & Community | 9,126 | 0 | 0 | 9,126 |
| Support / Management / Admin | 5,213 | 0 | 0 | 5,213 |
| Criminal Justice / Prison Service ** | 63 | 0 | 0 | 63 |
| Homelessness | 1,097 | 150 | 0 | 1,247 |
| Family Health Services | 27,609 | 0 | 0 | 27,609 |
| Prescribing | 18,695 | 259 | 0 | 18,954 |
| Unallocated Funding/(Savings) | 0 | 1,047 | (647) | 400 |
| HSCP NET EXPENDITURE (DIRECT SPEND) | 144,307 | 3,428 | (647) | 147,088 |
| Notional Set Aside Expenditure * | 27,651 | 415 | 0 | 28,066 |
| HSCP NET EXPENDITURE | 171,958 | 3,843 | (647) | 175,154 |

* Notional Set Aside was restated during 2019/20 based on estimated actual usage of in scope services

** Primarily funded from external income hence low/nil bottom line position.

| PARTNERSHIP FUNDING/SPEND ANALYSIS | Budget 2020/21 £000 | Other Budget Movements/ Pressures £000 | Savings £000 | Budget 2021/22 £000 |
|--|---------------------------|---|-----------------|---------------------------|
| NHS Contribution to the IJB | 119,743 | 1,440 | 0 | 121,183 |
| Council Contribution to the IJB | 52,215 | 1,756 | 0 | 53,971 |
| HSCP NET INCOME | 171,958 | 3,196 | 0 | 175,154 |
| NHS Expenditure on behalf of the IJB | 119,743 | 1,821 | (381) | 121,183 |
| Council Expenditure on behalf of the IJB | 52,215 | 2,022 | (266) | 53,971 |
| HSCP NET EXPENDITURE | 171,958 | 3,843 | (647) | 175,154 |
| HSCP SURPLUS/(DEFICIT) | 0 | | | 0 |

APPENDIX A2

SOCIAL WORKREVENUE BUDGET 2021/22

| SUBJECTIVE ANALYSIS | Budget 2020/21 £000 | Other Budget Movements/ Pressures £000 | Savings £000 | Budget 2021/22 £000 |
|---------------------------------------|---------------------------|--|-----------------|---------------------------|
| SOCIAL WORK | | | | |
| Employee Costs | 30,063 | 0 | (114) | 29,949 |
| Property costs | 1,103 | 0 | 0 | 1,103 |
| Supplies and Services | 931 | 0 | 0 | 931 |
| Transport and Plant | 376 | 0 | 0 | 376 |
| Administration Costs | 783 | 0 | 0 | 783 |
| Payments to Other Bodies | 41,269 | 0 | 0 | 41,269 |
| Resource Transfer | (18,294) | (99) | 0 | (18,393) |
| Funding/Savings still to be allocated | 0 | 2,121 | (152) | 1,969 |
| Income | (4,016) | 0 | 0 | (4,016) |
| SOCIAL WORK NET EXPENDITURE | 52,215 | 2,022 | (266) | 53,971 |

| OBJECTIVE ANALYSIS | Budget 2020/21 £000 | Other Budget Movements/ Pressures £000 | Savings £000 | Budget 2021/22 £000 |
|--|---------------------------|--|-----------------|---------------------------|
| SOCIAL WORK | | | | |
| Strategy & Support Services | 1,722 | 0 | 0 | 1,722 |
| Older People | 30,964 | 1,222 | 0 | 32,186 |
| Learning Disabilities | 11,783 | 350 | 0 | 12,133 |
| Mental Health | 3,695 | 0 | 0 | 3,695 |
| Children & Families | 10,932 | 300 | 0 | 11,232 |
| Physical & Sensory | 2,916 | 0 | 0 | 2,916 |
| Alcohol & Drug Recovery Service | 1,771 | 0 | 0 | 1,771 |
| Business Support | 2,861 | 0 | 0 | 2,861 |
| Assessment & Care Management | 2,706 | 0 | 0 | 2,706 |
| Criminal Justice / Scottish Prison Service | 63 | 0 | 0 | 63 |
| Homelessness | 1,097 | 150 | 0 | 1,247 |
| Resource Transfer | (18,294) | (99) | 0 | (18,393) |
| Budget Funding / (Savings) agreed but not allocated to specific services | 0 | 99 | (266) | (167) |
| SOCIAL WORK NET EXPENDITURE | 52,215 | 2,022 | (266) | 53,971 |

| COUNCIL CONTRIBUTION TO THE IJB | Budget 2020/21 £000 | Other Budget Movements/ Pressures £000 | Savings £000 | Budget 2021/22 £000 |
|--|---------------------------|--|-----------------|---------------------------|
| Council Contribution to the IJB | 52,215 | 1,756 | 0 | 53,971 |
| Surplus/(Funding Gap) | 0 | | | 0 |

INVERCLYDE HEALTH & SOCIAL CARE PARTNERSHIP**APPENDIX A2a****Social Care Budget Pressures**

| | 2021/22 £000 |
|--|-----------------|
| Social Care Estimated Inflationary Pressures | |
| Pay Award | tba |
| NCHC & Other contractual inflation & Living Wage | tba |
| | 0 |

| | 2021/22 £000 |
|--|-----------------|
| Social Care Estimated Demographic and Other Cost Pressures * | |
| Living Wage | 582 |
| Carers Funding | 488 |
| Free Personal Care | 152 |
| Children & Families Residential | 300 |
| Learning Disabilities | 350 |
| Homelessness | 150 |
| Additional Resource Transfer Funded Spend | 99 |
| | 2,121 |
| TOTAL PRESSURES | 2,121 |

FUNDING

| | |
|--|--------------|
| Funding Increases | |
| Share of the additional £72.6m Social Care Funding | 1,222 |
| Children & Families Residential – additional funding agreed by IC Dec 2020 | 300 |
| Learning Disabilities – additional funding agreed by IC Dec 2020 | 350 |
| Homelessness – additional funding agreed by IC Dec 2020 | 150 |
| Increased Resource Transfer Income | 99 |
| Savings and Efficiencies | 266 |
| TOTAL FUNDING INCREASE | 2,387 |

| | |
|--|------------|
| FUNDING STILL TO BE ALLOCATED/(FUNDING GAP) | 266 |
|--|------------|

INVERCLYDE HEALTH & SOCIAL CARE PARTNERSHIP**APPENDIX A2b**

| Social Care Savings 2021/22 | 2021/22 £000 |
|---|-------------------------|
| Full Year impact of previously agreed savings | 107 |
| Deletion of vacant posts | 34 |
| Increased turnover saving | 80 |
| Facilities saving | 31 |
| Income Growth through Debt Advice Fees | 7 |
| Savings through new Mobile Phone contracts | 7 |
| | |
| | |
| TOTAL Social Care Savings | 266 |

APPENDIX A3

HEALTH

REVENUE BUDGET 2021/22

| SUBJECTIVE ANALYSIS | Recurring Budget 2020/21 £000 | Other Budget Movements/ Pressures £000 | Savings £000 | Recurring Budget 2021/22 £000 |
|--------------------------------------|-------------------------------------|---|-----------------|--|
| HEALTH | | | | |
| Employee Costs | 23,217 | 888 | (381) | 23,724 |
| Property | 5 | | | 5 |
| Supplies & Services | 4,481 | 160 | | 4,641 |
| Family Health Services (net) | 27,609 | | | 27,609 |
| Prescribing (net) | 18,486 | 259 | | 18,745 |
| Resource Transfer | 18,294 | 99 | | 18,393 |
| Income | 0 | | | 0 |
| HEALTH DIRECT NET EXPENDITURE | 92,092 | 1,406 | (381) | 93,117 |
| Notional Set Aside Expenditure * | 27,651 | 415 | | 28,066 |
| HEALTH NET EXPENDITURE | 119,743 | 1,821 | (381) | 121,183 |

| OBJECTIVE ANALYSIS | Recurring Budget 2020/21 £000 | Other Budget Movements/ Pressures £000 | Savings £000 | Recurring Budget 2021/22 £000 |
|--------------------------------------|-------------------------------------|---|-----------------|--|
| HEALTH | | | | |
| Children & Families | 3,410 | | | 3,410 |
| Health & Community Care | 6,420 | | 0 | 6,420 |
| Management & Admin | 2,352 | | 0 | 2,352 |
| Learning Disabilities | 539 | | | 539 |
| Alcohol & Drug Recovery Service | 1,757 | | 0 | 1,757 |
| Mental Health - Communities | 3,189 | | | 3,189 |
| Mental Health - Inpatient Services | 9,310 | | | 9,310 |
| Strategy & Support Services | 517 | 100 | | 617 |
| Family Health Services | 27,609 | | | 27,609 |
| Prescribing | 18,695 | 259 | | 18,954 |
| Resource Transfer | 18,294 | 99 | | 18,393 |
| Unallocated Savings Required | | | | |
| Unallocated Funding/(Savings) | 0 | 948 | (381) | 567 |
| HEALTH DIRECT NET EXPENDITURE | 92,092 | 1,406 | (381) | 93,117 |
| Notional Set Aside Expenditure * | 27,651 | 415 | | 28,066 |
| HEALTH NET EXPENDITURE | 119,743 | 1,821 | (381) | 121,183 |

| HEALTH CONTRIBUTION TO THE IJB | Recurring Budget 2020/21 £000 | Other Budget Movements/ Pressures £000 | Savings £000 | Recurring Budget 2021/22 £000 |
|--|-------------------------------------|---|-----------------|--|
| NHS Contribution for Direct Services | 92,092 | 1,025 | | 93,117 |
| Notional Set Aside Expenditure * | 27,651 | 415 | | 28,066 |
| Total NHS Contribution to the IJB | 119,743 | 1,440 | 0 | 121,183 |
| Surplus/(Funding Gap) | 0 | | | 0 |

INVERCLYDE HEALTH & SOCIAL CARE PARTNERSHIP
Health Budget Pressures

APPENDIX A3a

| | |
|---|-----------------|
| Health Estimated Inflationary Pressures | 2021/22 £000 |
| Pay Award incl Agenda for Change est circa 3.7% | 888 |
| Prescribing Uplift est at circa 3.5% increase per annum less 20/21 recurrent underspend linked to tariff swap | 259 |
| Non Pay Inflation Estimate | 60 |
| | 1,207 |
| | |
| Health Estimated Demographic and Other Cost Pressures | 2021/22 £000 |
| Learning & Development Budget | 100 |
| | 100 |
| TOTAL PRESSURES | 1,307 |

FUNDING

| | |
|---|--------------|
| 1.5% budget uplift | 926 |
| Release of savings agreed but not required in 2019/20 | 0 |
| Additional Funding/Savings Required | 0 |
| TOTAL FUNDING INCREASE | 926 |
| FUNDING STILL TO BE ALLOCATED/(FUNDING GAP) | (381) |

INVERCLYDE HEALTH & SOCIAL CARE PARTNERSHIP**APPENDIX A3b**

| Health Saving Proposals | 2021/22 £000 | FTE |
|--|-------------------------|------------|
| HSCP wide turnover saving for Health posts | 381 | 0.0 |
| | | 0.0 |
| | | 0.0 |
| | | 0.0 |
| | | 0.0 |
| | | |
| TOTAL | 381 | 0.0 |

INVERCLYDE INTEGRATION JOINT BOARD

DIRECTION

ISSUED UNDER S26-28 OF THE PUBLIC BODIES (JOINT WORKING)
 (SCOTLAND) ACT 2014

THE INVERCLYDE COUNCIL is hereby directed to deliver for the Inverclyde Integration Joint Board (the IJB), the services noted below in pursuance of the functions noted below and within the associated budget noted below.

Services will be provided in line with the IJB's Strategic Plan and existing operational arrangements pending future directions from the IJB. All services must be procured and delivered in line with Best Value principles.

Services: All services listed in Annex 2, Part 2 of the Inverclyde Health and Social Care Partnership Integration Scheme.

Functions: All functions listed in Annex 2, Part 1 of the Inverclyde Health and Social Care Partnership Integration Scheme.

Associated Budget:

| SUBJECTIVE ANALYSIS | Budget 2021/22 £000 |
|------------------------------------|---------------------------|
| SOCIAL WORK | |
| Employee Costs | 29,949 |
| Property costs | 1,103 |
| Supplies and Services | 931 |
| Transport and Plant | 376 |
| Administration Costs | 783 |
| Payments to Other Bodies | 41,269 |
| Income (incl Resource Transfer) | (18,393) |
| Income | (4,016) |
| Unallocated | 1,969 |
| SOCIAL WORK NET EXPENDITURE | 53,971 |

| OBJECTIVE ANALYSIS | Budget 2021/22 £000 |
|--|---------------------------|
| SOCIAL WORK | |
| Strategy & Support Services | 1,722 |
| Older People | 32,186 |
| Learning Disabilities | 12,133 |
| Mental Health | 3,695 |
| Children & Families | 11,232 |
| Physical & Sensory | 2,916 |
| Alcohol & Drug Recovery Service | 1,771 |
| Business Support | 2,861 |
| Assessment & Care Management | 2,706 |
| Criminal Justice / Scottish Prison Service | 63 |
| Homelessness | 1,247 |
| Budget Funding / (Savings) agreed but not | (167) |
| Resource Transfer | (18,393) |
| SOCIAL WORK NET EXPENDITURE | 53,971 |

This direction is effective from 29 March 2021

INVERCLYDE INTEGRATION JOINT BOARD

DIRECTION

ISSUED UNDER S26-28 OF THE PUBLIC BODIES (JOINT WORKING)
(SCOTLAND) ACT 2014

GREATER GLASGOW & CLYDE NHS HEALTH BOARD is hereby directed to deliver for the Inverclyde Integration Joint Board (the IJB), the services noted below in pursuance of the functions noted below and within the associated budget noted below.

Services will be provided in line with the IJB's Strategic Plan and existing operational arrangements pending future directions from the IJB. All services must be procured and delivered in line with Best Value principles.

Services: All services listed in Annex 1, Part 2 of the Inverclyde Health and Social Care Partnership Integration Scheme.

Functions: All functions listed in Annex 1, Part 1 of the Inverclyde Health and Social Care Partnership Integration Scheme.

Associated Budget:

| SUBJECTIVE ANALYSIS | Budget 2021/22 £000 |
|--------------------------------------|---------------------------|
| HEALTH | |
| Employee Costs | 23,724 |
| Property costs | 5 |
| Supplies and Services | 4,641 |
| Transport and Plant | 27,609 |
| Administration Costs | 18,745 |
| Payments to Other Bodies | 18,393 |
| Income | 0 |
| HEALTH DIRECT NET EXPENDITURE | 93,117 |
| Set Aside | 28,066 |
| HEALTH NET EXPENDITURE | 121,183 |

| OBJECTIVE ANALYSIS | Budget 2021/22 £000 |
|--------------------------------------|---------------------------|
| HEALTH | |
| Children & Families | 3,410 |
| Health & Community Care | 6,420 |
| Management & Admin | 2,352 |
| Learning Disabilities | 539 |
| Alcohol & Drug Recovery Service | 1,757 |
| Mental Health - Communities | 3,189 |
| Mental Health - Inpatient Services | 9,310 |
| Strategy & Support Services | 617 |
| Family Health Services | 27,609 |
| Prescribing | 18,954 |
| Resource Transfer | 18,393 |
| Unallocated Funding/(Savings) | 567 |
| HEALTH DIRECT NET EXPENDITURE | 93,117 |
| Notional Set Aside Expenditure * | 28,066 |
| HEALTH DIRECT NET EXPENDITURE | 121,183 |

This direction is effective from 29 March 2021

INVERCLYDE HSCP Reserves

APPENDIX A5

| Project | Planned Use | Anticipated EMR |
|--|-------------|--------------------|
| | By Date | c/fwd into 2021/22 |
| | | £000 |
| Scottish Government Funding | | 4,004 |
| Mental Health Action 15 | 31/03/2022 | 278 |
| ADP | 31/03/2022 | 431 |
| Covid-19 | 31/03/2022 | 2,490 |
| PCIP | 31/03/2022 | 505 |
| Community Living Charge | 31/03/2022 | 300 |
| Existing Projects/Commitments | | 3,471 |
| Growth Fund - Loan Default Write Off | ongoing | 23 |
| Integrated Care Fund | ongoing | 143 |
| Delayed Discharge | ongoing | 77 |
| CJA Preparatory Work | 31/03/2022 | 44 |
| Continuing Care | ongoing | 456 |
| Rapid Rehousing Transition Plan (RRTP) | 31/03/2022 | 238 |
| Primary Care Support | ongoing | 255 |
| Contribution to Partner Capital Projects | ongoing | 557 |
| LD Redesign | 31/03/2022 | 394 |
| Older People WiFi | 31/03/2021 | 0 |
| Refugee Scheme | 31/03/2025 | 382 |
| CAMHS Post | 31/03/2022 | 57 |
| Tier 2 School Counselling | 31/07/2024 | 196 |
| Children & Families Residential Services | 31/03/2022 | 250 |
| Supplementary Fixed Term Staffing Fund | 31/03/2022 | 400 |
| Transformation Projects | | 2,854 |
| Transformation Fund | ongoing | 996 |
| Social Care Records Replacement System Project | 30/06/2023 | 519 |
| Mental Health Transformation | ongoing | 788 |
| Addictions Review | 31/03/2022 | 250 |
| Children's Winter Plan | 01/04/2022 | 97 |
| Staff Learning & Development Fund | ongoing | 204 |
| Budget Smoothing | | 923 |
| C&F Adoption, Fostering Residential Budget Smoothing | ongoing | 0 |
| Residential & Nursing Placements | ongoing | 223 |
| Advice Services | 31/03/2022 | 0 |
| Prescribing | ongoing | 700 |
| TOTAL EARMARKED | | 11,252 |
| General Reserves | | 51 |
| TOTAL IJB RESERVES carrying forward into 2021/22 | | 11,303 |
| Additional EMRs to be created during 2021/22 via transfers from Inverclyde Council | | |
| Children & Families Residential | | 350 |
| Learning Disabilities Services | | 350 |
| | | 700 |
| TOTAL IJB RESERVES available in 2021/22 | | 12,003 |

INVERCLYDE HSCP**ANNUAL FINANCIAL STATEMENT 2020/21 to 2025/26**

| OBJECTIVE ANALYSIS | Anticipated Outturn 2020/21 £000 | Proposed Budget 2021/22 £000 | 2022/23 £000 | 2023/24 £000 | 2024/25 £000 | 2025/26 £000 |
|--|---|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Strategy & Support Services | 2,250 | 2,339 | 2,339 | 2,339 | 2,339 | 2,339 |
| Older Persons | 33,691 | 32,186 | 32,186 | 32,186 | 32,186 | 32,186 |
| Learning Disabilities | 12,871 | 12,671 | 12,971 | 12,971 | 12,971 | 12,971 |
| Mental Health - Communities | 7,216 | 6,884 | 6,884 | 6,884 | 6,884 | 6,884 |
| Mental Health - Inpatient Services | 10,508 | 9,310 | 9,310 | 9,310 | 9,310 | 9,310 |
| Children & Families | 16,037 | 14,642 | 15,292 | 15,292 | 15,292 | 15,292 |
| Physical & Sensory | 3,035 | 2,916 | 2,916 | 2,916 | 2,916 | 2,916 |
| Alcohol & Drug Recovery Service | 3,949 | 3,527 | 3,527 | 3,527 | 3,527 | 3,527 |
| Assessment & Care Management / Health & Community Care | 13,256 | 9,126 | 9,781 | 9,781 | 10,281 | 10,781 |
| Support / Management / Admin | 4,674 | 5,213 | 5,058 | 5,058 | 5,058 | 5,058 |
| Criminal Justice / Prison Service ** | 373 | 63 | 63 | 63 | 63 | 63 |
| Homelessness | 1,821 | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 |
| Family Health Services | 28,862 | 27,609 | 27,609 | 27,609 | 27,609 | 27,609 |
| Prescribing | 18,696 | 18,954 | 19,619 | 20,308 | 21,020 | 21,757 |
| Resource Transfer | 0 | 0 | 0 | 0 | 0 | 0 |
| Carried Forward to Reserves | (6,073) | | | | | |
| Unallocated Expenditure | 0 | 1,047 | 2,543 | 4,736 | 6,982 | 9,281 |
| Unallocated Savings | 0 | (647) | (2,620) | (3,821) | (5,559) | (7,336) |
| HSCP NET EXPENDITURE (DIRECT SPEND) | 151,165 | 147,088 | 148,726 | 150,406 | 152,127 | 153,886 |
| Set Aside | 27,651 | 28,066 | 28,908 | 29,775 | 30,668 | 31,588 |
| HSCP NET EXPENDITURE | 178,816 | 175,154 | 177,634 | 180,181 | 182,795 | 185,475 |

| PARTNERSHIP FUNDING/SPEND ANALYSIS | Anticipated Outturn 2020/21 £000 | Proposed Budget 2021/22 £000 | 2022/23 £000 | 2023/24 £000 | 2024/25 £000 | 2025/26 £000 |
|---|---|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| NHS Contribution to the IJB | 132,106 | 121,183 | 123,663 | 126,210 | 128,824 | 131,504 |
| Council Contribution to the IJB | 52,093 | 53,971 | 53,971 | 53,971 | 53,971 | 53,971 |
| Transfer to Reserves | (6,073) | 0 | 0 | 0 | 0 | 0 |
| HSCP NET INCOME | 178,126 | 175,154 | 177,634 | 180,181 | 182,795 | 185,475 |
| HSCP SURPLUS/(DEFICIT) | (690) | 0 | 0 | 0 | 0 | 0 |

Greater Glasgow and Clyde NHS Board

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Dear Louise

2021/22 Financial Allocation to Inverclyde Health and Social Care Partnership

Further to the Scottish Budget I can now confirm the Board's allocation to the HSCP for 2021/22. This will be updated further when the out-turn for the 2020/21 financial year has been finalised.

Annual uplift to NHSGGC

The annual general uplift is provided by the Scottish Government to support Boards in meeting expected additional costs related to pay, supplies (which includes prescribing growth and utilities charges) and capital charges. The Board's uplift for 2021/22 is 1.5% totalling £33.7m.

The HSCP Settlement

The Scottish Government's funding allocation letter issued on 28 January 2021 states that *"In 2021/22, NHS payments to Integration Authorities for delegated health functions must deliver an uplift of at least 1.5% over 2020/21 agreed recurring budgets"*.

The total allocation uplift to all six HSCPs should therefore be £13.1m based on the recurring budget at 31 January 2021 and the partnership's share of this allocation is included in **Appendix 1**.

Set Aside Budget

During 2020/21 work has continued to identify the actual budgets and costs of unscheduled care services and these will be used as the basis for the set aside allocation for 2021/22. However, until the final out-turn for 2020/21 is confirmed the current value has been uplifted by 1.5%. This figure represents the estimated actual usage of in scope Acute services. This will continue to be a notional allocation until commissioning plans are in place between HSCPs and the Board.

Recharges to HSCPs

The following items will continue to be charged to the HSCP during 2021/22:

- The HSCP's proportional share of the Apprenticeship Levy based on your HSCP's payroll cost; and
- The HSCP's proportional share of the annual cost arising from the change in accounting treatment of pre 2010 pension costs as the non recurring funding generated from this change was used to provide non recurrent support to all service areas in 2016/17.

Non recurring allocations including Scottish Government allocations for COVID-19 for both health and social care expenditure will be passed directly to the partnership when received by the Board.

Yours sincerely



James Hobson
Assistant Director of Finance
NHS Greater Glasgow and Clyde

Appendix 1 – Financial Allocation 2021/22

| Spend Categories | Inverclyde Hscp |
|---|------------------------|
| | £000s |
| Family Health Services * | 28,518 |
| Fhs Income* | (910) |
| Family Health Services Budget (Net) | 27,608 |
| Prescribing & Drugs | 18,938 |
| Non Pay Supplies | 2,563 |
| Pay | 23,217 |
| Other Non Pay & Savings | 19,865 |
| Other Income | (0) |
| Budget - HCH incl Prescribing | 64,582 |
| Total Rollover budget - NET | 92,191 |
| Adjustments: | |
| Non Recurring bud allocated to base | (76) |
| Budget Eligible for HCH & Prescribing uplift | 64,507 |
| <u>Uplifts</u> | |
| Scottish Government allocation | 968 |
| West of Scotland Sexual Assault & Rape Service (Topsliced) | (42) |
| West of Scotland Sexual Assault & Rape Service (Hosted) | |
| Total Uplift | 926 |
| Revised Budget | 93,117 |
| Set Aside Budget | |
| 2020/21 value | 27,651 |
| Uplift at 1.5% | 415 |
| 2021/22 value | 28,066 |