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**Report To:** Inverclyde Integration Joint Board      **Date:** 1 November 2021

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**Subject:** PROPOSED APPROACH- 2022/23 IJB BUDGET

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to advise the Inverclyde Integration Joint Board (IJB) of the proposed approach to approving the 2022/23 Revenue Budget and provide updates in respect of the current overall position, the proposed process/timelines and the current position of savings proposals and cost pressures.

## **2.0 SUMMARY**

- 2.1 The IJB requires to approve its approach to the 2022/23 Budget and identify the key assumptions for funding from both the Health Board and the Council. The IJB expect the Health Board funding to be based on 2021/22 funding plus any proposed pay award. The IJB expect the Council funding to be based on 2021/22 funding plus any pay award. From 2022/23 onwards the Council is proposing not to fund any non-pay inflation pressures outwith pass-porting any increased ring-fenced funding from the Scottish Government.
- 2.2 The current timeline for the IJB budget is described in section 6 with the main driver being the Scottish Government funding announcement on 9 December 2021. The budget requires to be set in March 2022.
- 2.3 The Key budget announcement will be the Scottish Government funding announcement but the Scottish Government has also announced a recurring £300m Winter Support package with full funding allocations still to be announced in the coming weeks / months. The Scottish Government continue to fund Covid-19 costs via the Local Mobilisation Plan (LMP). The IJB's financial plan assumes this will not be funded in 2022/23 so no further announcement has been made yet.
- 2.4 The IJB will continue to work with Inverclyde Council in identifying potential savings to help reduce the Council's projected funding gap in 2022/23. Officers have already started this process by identifying a number of potential recurring savings / budget adjustments for consideration by both the Council and the IJB. This will be further developed over the coming months.
- 2.5 As part of the Period 5 monitoring Officers have reported a number of cost pressures which are estimated to be £2.588m for 2022/23. Officers will review these pressures and bring forward recommendations to reduce / fund these at a future IJB.

### **3.0 RECOMMENDATIONS**

3.1 It is recommended that the Integration Joint Board:

1. Note the proposed approach to the 2022/23 Budget
2. Note the key timelines and Budget Announcements to the preparation of the 2022/23 Budget
3. Note the Funding pressures identified and that officers have developed initial savings proposals which will be reported to a future meeting of the IJB.

**Allen Stevenson**  
**Interim Corporate Director (Chief**  
**Officer)**

**Craig Given**  
**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. The 2021/22 Budget was agreed in March 2021 and the IJB issued relevant directions to the Health Board and Local Authority for delivery of the services in line with the Strategic Plan.
- 4.3 In line with previous years the IJB are expecting to set a 1 year budget in line with the Scottish Government funding settlement.
- 4.4 Inverclyde Council will set their 2022/23 budget in March 2022 and then confirm a proposed funding allocation for the IJB for the year. Greater Glasgow & Clyde Health Board will also confirm an indicative funding allocation for 2022/23 in March 2022. An indicative budget will be kept under review until such time as the final budget pressures and non-recurring settlements are formalised.

## **5.0 PROPOSED BUDGET APPROACH**

- 5.1 The IJB currently receives a resource allocation from both Inverclyde Council and Greater, Glasgow and Clyde. At present we expect to receive a similar Resource Allocation from the Health Board as the IJB did for 2020/21. The IJB expect the Health Board to continue to fund the 2022/23 pay award.
- 5.2 The IJB expects a different approach from the Council going forward from 2022/23 in light of the IJB becoming more financial independent of the Council and leaning towards the direction of travel with the National Care Service. The Council approach is as follows:
  - The start point for the 2022/23 Council contribution to the IJB is the 2021/22 current approved contribution.
  - No new pressures aside from funding for the 2022/23 Pay Award and NI increase are added to the Council's contribution to the IJB in 2022/23.
  - The Social Care savings proposals continue to be included in the overall savings review with the MBWG and JBG.
  - Any new 2022/23 Scottish Government funding for Social Care be pass-ported to the IJB

## **6.0 CURRENT TIMELINES**

- 6.1 Both Inverclyde Council and Greater Glasgow & Clyde Health Board will produce a 1 year budget in line with the Scottish Government settlement.
- 6.2 Inverclyde IJB will review estimated 2022/23 cost pressures and anticipated savings required during Oct / Nov 2021. The IJB will work with Inverclyde Council during this time period on potential savings options which will be considered by in February/March, 2022. Any savings proposals will thereafter go to the IJB Board for approval.
- 6.3 Inverclyde Council will take a report to the Policy & Resources Committee in November which will highlight the future direction in its funding arrangements for the IJB as above.

- 6.4 The IJB will review current reserves in Oct / Nov 2021 with the view of redirecting funds to an overall Transformation fund which will be used to fund spend to save projects within pressure areas. The IJB will have a development session in Nov / Dec 2021 to agree any potential redirection of Reserves.

The Scottish Government will set its proposed budget on 9 December 2021.

- 6.5 A further IJB development session will take place in Jan / Feb 2022 to review budget proposals.
- 6.6 The IJB expect both Inverclyde Council and Greater Glasgow & Clyde Health Board to confirm indicative funding in March 2022.
- 6.7 The IJB 2022/23 Budget will be set Mid / Late March.

## **7.0 KEY BUDGET ANNOUNCEMENTS**

- 7.1 The main budget is announced from the Scottish Government is due on 9 December 2021. This will highlight the core funding available for both NHS and Council in determining the IJB's core Resource Allocation. The IJB assume that any pay awards in 2022/23 continue to be fully funded by both the Council and the Health Board.

- 7.2 In October 2021 the Scottish Government announced £300m recurring Winter Planning funding to be used across a number of Social Care elements including:

- Recruiting 1,000 additional NHS staff to support multi-disciplinary working
- £40 million for 'step-down' care to enable hospital patients to temporarily enter care homes, or receive additional care at home support, with no financial cost to the individual or their family
- Over £60 million to maximise the capacity of care at home services
- Up to £48 million will be made available to increase the hourly rate of adult social care staff offering direct care, from a minimum of £9.50 to a minimum of £10.02.
- £20 million to enhance Multi-Disciplinary Teams, enable more social work assessments to be carried out and support joint working between health and social care
- £28 million of additional funding to support primary care
- £4.5 million available to Health Boards to attract at least 200 registered nurses from out with Scotland by March 2022
- £4 million to help staff with their practical and emotional needs, including pastoral care and other measures to aid rest and recuperation

Full details on Inverclyde IJB's share of these funds will be distributed in the coming weeks / months.

- 7.3 At present the IJB continues to fund Covid 19 costs out of the Scottish Government's Local Mobilisation Fund (LMP). This is expected to conclude at the end of 2021/22 and from 2022/23 onwards the IJB's budget strategy will reflect this.

## **8.0 POTENTIAL SAVINGS /ADJUSTMENTS**

- 8.1 As part of the ongoing budget process working in partnership with Inverclyde Council, The IJB continues to review the current expenditure and income with the view of making savings or increasing charge where appropriate.
- 8.2 Inverclyde Council continues to face year on year budget reductions and is facing an estimated funding gap of £5.4m in 2022/23 which is currently proposed to be part funded by the use of £4.0m non-recurring reserve funding. The IJB is expected

to play a part in offering potential savings to help with the overall funding gap.

- 8.3 Officers have put forward £490k worth of potential savings in 2022/23 increasing to £865k in 2023/24. These savings will be considered by both the Council's Members working group and the IJB board over the coming months.
- 8.4 Further adjustments to the Budget will also be considered by the Councils Policy and Resources Committee and these will also be reported back to the IJB in coming months.
- 8.5 At present no budget savings are being considered on the Health side of the Budget.

**9.0 INDICATIVE BUDGET PRESSURES**

9.1 Based upon the current Period 5 projections the IJB is currently expecting the following pressures in 2022/23:

Estimated Cost Pressures	£000
Children & Families Care Packages	2,100
Continuing Care	118
Learning Disabilities Care Packages	370
	2,588

- 9.2 The pressures are projected on the basis that the IJB will not receive any further Covid-19 funding into 2022/23 and there will be no further use of smoothing reserves.
- 9.3 The key pressure is clearly within Children's & Families and officers are developing spend to save proposals in this area. Care packages in Children & Families have been a pressure on the overall IJB budget for a number of years now. This has only been enhanced with Covid over recent times with a small number of high value care packages creating this pressure. This proposal will be reported to the IJB for approval at the January 2022 IJB Board.

**10.0 FINANCE**

10.1 Financial Implications:

All financial implications are discussed in detail within the report 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			2588		Current Financial Pressures

## 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.

## 10.4 EQUALITIES

There are no equality issues within this report.

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.

10.4.1 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

## CLINICAL OR CARE GOVERNANCE IMPLICATIONS

10.5 There are no governance issues within this report.

## NATIONAL WELLBEING OUTCOMES

10.6 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.	Effective financial monitoring processes ensure resources are used in line with the Strategic Plan to deliver services efficiently

## 11.0 DIRECTIONS

### 11.1

<b>Direction Required to Council, Health Board or Both</b>	Direction to:	
	1. No Direction Required	x
	2. Inverclyde Council	
	3. NHS Greater Glasgow & Clyde (GG&C)	
	4. Inverclyde Council and NHS GG&C	

## 12.0 CONSULTATION

12.1 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.

## 13.0 BACKGROUND PAPERS

13.1 N/A