



Meeting of East Renfrewshire Health and Social Care Partnership	Integration Joint Board
Held on	27 March 2024
Agenda Item	6
Title	Revenue Budget 2024/25
<p>Summary</p> <p>To provide the Integration Joint Board (IJB) with a proposed 2024/25 Revenue Budget. The IJB is asked to note that some of the assumptions within this budget are subject to future revision and refinement based on the caveats identified in the report.</p>	
Presented by	Lesley Bairden, Head of Finance and Resources (Chief Financial Officer)
<p>Action Required</p> <p>The Integration Joint Board is asked to:</p> <ul style="list-style-type: none"> • Accept the budget contribution of £72.794 million from East Renfrewshire Council • Accept the £0.616 million for Community Justice expenditure funded by grant via East Renfrewshire Council, subject to uplifts to this grant funding. • Accept the delegated budget for aids and adaptations of £0.530 million. • Accept the indicative budget contribution of £85.091 million from NHS Greater Glasgow and Clyde, subject to due governance by the health board. • Accept the indicative set aside budget contribution of £28.430 million from NHS Greater Glasgow and Clyde. • Agree that directions are issued to East Renfrewshire Council and NHS Greater Glasgow and Clyde confirming the acceptance of the budget. • Agree the continued implementation of the Real Living Wage uplift to our partner providers. • Agree to receive charging proposals at a future meeting of the IJB, resulting from the working group. 	
<p>Directions</p> <p><input type="checkbox"/> No Directions Required</p> <p><input type="checkbox"/> Directions to East Renfrewshire Council (ERC)</p> <p><input type="checkbox"/> Directions to NHS Greater Glasgow and Clyde (NHSGGC)</p> <p><input checked="" type="checkbox"/> Directions to both ERC and NHSGGC</p>	<p>Implications</p> <p><input checked="" type="checkbox"/> Finance</p> <p><input type="checkbox"/> Policy</p> <p><input checked="" type="checkbox"/> Workforce</p> <p><input checked="" type="checkbox"/> Equalities</p> <p><input checked="" type="checkbox"/> Risk</p> <p><input type="checkbox"/> Legal</p> <p><input type="checkbox"/> Infrastructure</p> <p><input type="checkbox"/> Fairer Scotland Duty</p>

EAST RENFREWSHIRE INTEGRATION JOINT BOARD

27 March 2024

Report by Chief Financial Officer

REVENUE BUDGET 2024/25

PURPOSE OF REPORT

1. To provide the Integration Joint Board with a proposed revenue budget for 2024/25.

RECOMMENDATIONS

2. The Integration Joint Board is asked to:
 - Accept the budget contribution of £72.794 million from East Renfrewshire Council
 - Accept the £0.616 million for Community Justice expenditure funded by grant via East Renfrewshire Council, subject to uplifts to this grant funding.
 - Accept the delegated budget for aids and adaptations of £0.530 million.
 - Accept the indicative budget contribution of £85.091 million from NHS Greater Glasgow and Clyde, subject to due governance by the health board.
 - Accept the indicative set aside budget contribution of £28.430 million from NHS Greater Glasgow and Clyde.
 - Agree that directions are issued to East Renfrewshire Council and NHS Greater Glasgow and Clyde confirming the acceptance of the budget.
 - Agree the continued implementation of the Real Living Wage uplift to our partner providers.
 - Agree to receive charging proposals at a future meeting of the IJB, resulting from the working group.

BACKGROUND

3. This report is a continuation of regular revenue budget and revenue budget monitoring reports to the IJB to inform the board of its financial position. This report sets out a proposed budget for 2024/25 in line with the budget update paper presented to the IJB in January and at the budget seminar on 6th March 2024.
4. The Scottish Government set out its proposed budget position for 2024/25 on 19th December 2023 which confirmed we are facing a particularly difficult and challenging year ahead.
5. The main messages, relevant to the IJB, from the proposed budget settlement along with the associated letters to the NHS Boards and to Local Authorities were included in the January report to the IJB. To recap:
 - NHS pay uplift to be funded, no other uplifts or growth
 - ERC flat cash plus policy funding for:
 - i. Uprating of Free Personal & Nursing Care
 - ii. £12p/h funding for Living Wage for providers
 - Superannuation gain for next 2 years included both recurring and non-recurring

6. The NHS funding settlement confirms the commitment that pay award will be funded once known. Our current assumption is this also includes any other changes associated with agenda for change. In prior years the settlement has included an uplift for non-pay costs and the move away from this adds to our pressures.
7. There remains the ongoing issue around timing of the notification for funding allocations such as PCIP, Mental Health Action 15 and Alcohol & Drugs Partnership allocations. The later these allocations the more difficult forward planning becomes, particularly as we have no flexibility locally to underwrite any risk. Planning for these allocations therefore remains per the 2023/24 allocations and assumes no flexibility around reserves.
8. The funding pass through for the free personal care uplift is reflected in the budget contribution agreed by East Renfrewshire Council on 28th February. The distribution of the funding for the £12 per hour Living Wage for care providers has subsequently been confirmed. The Council committed to looking at any consequential funding from the UK budget that may further support social care.
9. Both partner contributions are compliant with the conditions set out by the Scottish Government. In summary:
 - The contribution from East Renfrewshire Council is on a flat cash basis, allowing for the pass through of funding towards the cost of the provider living wage and uplift to free personal and nursing care.
 - The indicative contribution from NHSGGC reflects a nil non-pay uplift to the eligible elements of the recurring base budget and in terms of pay, funding arrangements for Boards will be revisited by the Scottish Government following the outcomes of the pay negotiations in the new financial year. It should be assumed that additional funding will be allocated to support a deal.
10. For context, the challenges in setting this budget are not unique to East Renfrewshire as the budget settlement is resulting in difficult decisions across the country, not only for HSCPs but also for our respective partners. We are however one of the first IJBs to utilise reserves and we entered financial recovery during 2023/24. Those legacy challenges are reflected in the budget proposed for 2024/25.
11. Work remains ongoing at a national level through Chief Officers and Chief Financial Officers to demonstrate the impact that the ongoing financial challenges will have on the collective services we deliver.
12. We undertook extensive budget engagement work for the 2023/24 budget which recognised the challenges for future years. Given the outlook has not significantly changed our recent engagement has focussed on the difficult but transparent conversations with our wider partners.
13. A refreshed Medium Term Financial Plan will be presented to the IJB in June, following any decision taken on the 2024/25 proposed budget.
14. As discussed and agreed at the budget seminars we have absorbed the existing multi-year savings from our Savings, Recovery and Renewal programme to reflect all savings in this report. Given that savings will regularly monitored and reported to the IJB as part of the revenue monitoring report the IJB may wish to consider reverting the Recovery & Renewal Programme reports to focus on project activity. There will always be some crossover but this may streamline any duplication.

15. We are taking just over £3.8 million legacy savings into 2024/25 (£1.9 million was planned and £1.9 million from under achievement) along with pressures of £1.5 million within Intensive Services, £2.1 million prescribing and £0.5 million special observation costs; all of which has been reported in detail during 2023/24.
16. Scrutiny work undertaken supports that the modelled savings from the Supporting People Framework are deliverable. The shortfall in 2023/24 reflects that changes in culture and in practice have taken longer than we hoped for and this saving has been revised and re-profiled in 2024/25.
17. We have received the commitment of non-recurring support from both partners in relation to financial recovery for 2023/24, which is greatly appreciated.

REPORT

18. East Renfrewshire Council agreed its budget, including the proposed contribution to the IJB on 28th February 2024; as detailed at Appendix 1. At the time of the Council agreeing its budget the Scottish Government had not confirmed the distribution of the funding for the £12 per hour Living Wage for care providers, this has subsequently been confirmed.
19. The council approach to setting the IJB contribution was the same as last year i.e. a flat cash approach. This meant no funding for uplifts and pressures, nor any savings allocated. The Scottish Government budget conditions determined that contributions should be no less than recurring budget plus share of policy funding and on that basis the minimum contribution has been met.
20. The NHSGGC contribution has been agreed with our partner colleagues and is subject to due governance by the health board, with details at Appendix 2. This reflects the 0% uplift on the relevant elements of the non-pay budget and recognition of the Scottish Government commitment to fund the pay award is also confirmed in the usual letter from NHSGGC included at Appendix 5. For context 1% of our current pay bill equates to c£0.2 million.
21. The ultimate recurring budget for the current year may change by 31 March 2024, depending on any late Scottish Government allocations, but will not significantly impact the figures reported.
22. The set aside budget offer is also included and reflects the 0% uplift per the Scottish Government budget settlement. This will be revised in due course to reflect any pay award changes
23. This proposed budget for IJB consideration recognises cost pressures relating to pay, inflation and demographic demand, although this element is limited to a full year cost of all care packages in place. For every 1% increase to purchased care new demand would cost c£0.5 million and will need to be managed from within the agreed budget for the year. The cost pressures also make allowance for the Living Wage to be paid by our partner providers, increase to the National Care Home Contract and uplifting Free Personal and Nursing Care allowances per the Scottish Government budget.
24. The Aids and Adaptations budget within ERC is £0.530 million and comprises two key areas; Care and Repair £0.193 million and Adaptations £0.337 million. This excludes any housing related capital spend. We know that demand for the service is increasing as are costs relating to adaptation work and this budget is finite.

25. In summary the proposed budget contributions to the IJB are:

	Opening Budget £m	Uplifts & SG Funding Confirmed £m	Contributions Identified with Partners £m	Further Funding Expected £m	Proposed Budget to IJB £m	Net Change £m
NHSGGC Revenue	82.050	3.041	85.091	tbc	85.091	3.041
NHSGGC Set Aside	28.430	0	28.430	tbc	28.430	0
ERC Revenue	67.040	1.824	68.864	3.930	72.794	5.754
ERC Aids & Adaptations	0.408	0.122	0.530	0	0.530	0.122

Note: Criminal Justice grant funded at £0.616m subject to grant increase for inflation. NHS pay award funding to be confirmed.

26. The table below sets out a summary of our cost pressures, as detailed in the supporting appendices, the funding available to meet these pressures and the savings challenge to close the remaining funding gap.

Revenue Budget	ERC £m	NHS £m	Total £m
1. Cost Pressures			
Pay	1.043		1.043
Inflation & Living Wage	4.736		4.736
Demographic & Demand	1.997		1.997
Legacy Savings	3.843		3.843
Service Pressures	1.500	0.600	2.100
Prescribing		3.304	3.304
	13.119	3.904	17.023
2. Funding available towards pressures			
Recurring	4.894		4.894
Non-Recurring	2.312		2.312
	7.206	0	7.206
3. Unfunded Cost Pressures	5.913	3.904	9.817
4. Proposals to Close the Funding Gap			
Savings complete	0.871	0	0.871
Savings prioritised 1 to 4	7.021	1.889	8.91
Redesign proposals in development		2.015	2.015
	7.892	3.904	11.796

Pay award funding to be confirmed; every 1% equates to c£0.2m

27. The assumptions for each area of cost pressures include:

Pay

28. The costs of the pay award are on the same planning and reporting assumptions as our partners; i.e. 3% on ERC and for NHSGGC no increase is included but recognising the commitment from the Scottish Government in the budget settlement to fund this cost.

Inflation and Living Wage

29. Provision is included for the National Care Home Contract including allowance for any nursing pay increase linked to NHS pay award should the rate be revised in year. The contract rates also include an element relating to the Living Wage increase.
30. The Scottish Living Wage increases from £10.90 to £12.00 per hour (10%) and as with prior years this will be applied to the pay element of the contract hourly rate as directed by Scottish Government. Whilst the Living Wage funding in the settlement refers specifically to adult social care we have made provision for those partner providers who support both children and adults in our communities. The split of this provision, particularly around learning disability and complex needs would be somewhat artificial. We have also included grant funded activity on the same basis. This is the same approach we have used in prior years.
31. Free Personal and Nursing Care allowances have increased by 7% as set by the Scottish Government.
32. Inflation relating to running costs needs to be contained within existing budgets.
33. Increases in Kinship and Fostering allowances are included.

Demographic and Demand

34. These cost pressures recognise the impact of our increasing population, including carers and the increased complexity of care needs post pandemic particularly in our community based services. This also includes costs for young adults transitioning from childrens services to adult care.
35. We have included a full year cost for every person with a care package (at a snapshot point), with allowance for attrition and the impact of the Supporting People Framework. An allowance has been included within Intensive Services recognising the demand pressures in line with national assumptions around demand at 4%.

Legacy Savings

36. We expected to bring c£1.9 million into 2024/25 reflecting the use of the budget phasing reserve during 2023/24. However the shortfall in savings delivery in 2023/24, particularly the Supporting People Framework means the legacy balance is just over £3.8 million.
37. This remains the biggest risk to the HSCP in terms of savings delivery with expected savings of £4.6 million over the next two years. The saving is currently profiled at £2.3 million in 2024/25 and the same in 2025/26. A detailed review timetable, along with a monthly dashboard for reporting progress is being finalised and the intention is to escalate as much of the saving as possible into 2024/25.
38. The original modelling showed that a 25% reduction in non-residential care would result in a total saving of £5.8 million and £3.6 million was the target saving set for 2023/24 however only £0.341 million full year effect so far, or 9.5% of the target has been delivered from 365 completed reviews. Another 111 reviews are ongoing, with the outcome still to be determined.
39. The scrutiny work undertaken (on c10% of the completed reviews) supports that the modelled savings and suggest that a 26% reduction is achievable. We have allowed

for a “buffer” of 5% for changes between reviews and the new saving of £4.6 million represents a 20% reduction in non-residential care costs.

Service Pressures

40. Reporting throughout 2023/24 has highlighted the challenges within Intensive Services and in particular our Care at Home Service where we saw a significant increase in costs throughout the year. This underlying pressure has been included in the proposed budget and the savings proposals show a number of actions that will reduce the cost during 2024/25.
41. Special Observation costs within the Learning Disability in-patient units continue to present a challenge and the 2024/25 budget recognises a reduced level of pressure going forward as the service will mitigate much of this following a move from Netherton.
42. We are also seeing increasing pressure on the demand for equipment.

Prescribing

43. This budget continues to present significant challenge and risk with the cost pressures currently projected to increase from the £2.1 million current reported for 2023/24 to £3.3 million in 2024/25, as a result of both cost and volume. The lack of a non-pay uplift from the Scottish Government means there is no offset against this pressure so the only options to fund this pressure are reducing prescribing costs and making savings from operational budgets.
44. We used the last of the smoothing reserve that was in place to help manage demand during 2022/23.
45. We still do not know how much of the demand and volume challenge is a post Covid legacy and whether we will see any longer term reduction. Our Clinical Director is leading on a number of local and system wide initiatives to try and reduce our costs and benchmark our performance.
46. The funding we have to offset the pressures discussed above totals £7.206 million however it is important to note that £2.312 million of this is non-recurring from the pension gain, from a reduced contribution level, over the next 2 years.
47. The remaining funding gap is £9.817 million and savings are required to close this gap. The savings identified so far total £9.781 (please see Appendix 4) with a further c£2.1 million of redesign proposals being worked on. The approach we have used is to rank each savings option from 1 to 5 with 1 being the “easiest” through to 5 being the most difficult. At present the options up to a ranking of 4 have been included as these are required to meet the level of savings needed.
48. The savings identified so far include £0.871 million of savings that are achieved and considered complete as part of work undertaken in 2023/24.
49. The table below shows the savings by type and by ranking and also the position against partner funding contributions. We are still working on c£2.1 million further redesign options within our health services, so that our savings against each partner are sufficient and allow for a degree of slippage and / or under recovery to ensure we remain within budget during 2024/25 and beyond.

Summary of Savings so Far	ERC	NHS	Total
	£'m	£'m	£'m
Care Cost Reductions	4.420	-	4.420
Staffing Proposals	1.465	0.574	2.039
Service Activity Cessation or Reduction	1.082	-	1.082
Accommodation Review	0.020	-	0.020
LD In-Patients Service Redesign	-	0.050	0.050
Prescribing	-	0.825	0.825
HSCP Wide Other	0.905	0.440	1.345
Proposals so Far	7.892	1.889	9.781
Complete	0.871	-	0.871
Prioritisation 1	0.399	0.131	0.530
Prioritisation 2	2.328	1.047	3.375
Prioritisation 3	2.884	0.071	2.955
Prioritisation 4	1.410	0.640	2.050
Proposals So Far	7.892	1.889	9.781

A further £2.1m redesign savings are being worked on.

50. The different staffing terms and conditions mean there is less flexibility within our NHS workforce as we cannot undertake any voluntary severance exercise so the focus is on service redesign and redeployment. We are also exploring opportunities for wider shared services with other partnerships.
51. The working group looking at charging options will meet again in the coming weeks to look at proposals to inform 2024/25 and beyond. A sum of £0.2 million has been included as a saving option at present.
52. We continue to have a very good working relationship with our trade union colleagues and engage regularly. We will continue to work through our savings programme and service redesign proposals alongside colleagues.
53. The challenge in delivering a balanced budget whilst trying to minimise the impact on the people we support has never been more difficult and where possible we continue to try and mitigate through the invaluable work of our third sector partners.
54. The Chief Officer and Chief Financial Officer recognise the funding constraints and pressures that our partners are facing and along with the IJB are fully committed to continued partnership working to support whole system financial planning.
55. If any further funding becomes available in year we will address this and revise our planning assumptions, reporting through the revenue budget monitoring to the IJB in line with our routine financial governance.

CONSULTATION AND PARTNERSHIP WORKING

56. The Chief Financial Officer has consulted with our partners and will continue to work in partnership with colleagues to develop the budget setting and financial planning process for future years.

IMPLICATIONS OF THE PROPOSALS

Finance

57. The proposed 2024/25 budget, associated risks and assumptions is set out in this report. The IJB have recognised that we are breaching our reserves policy and our longer term aspiration is to rebuild reserves once we are on a firmer financial footing.

Risk

58. The most significant risk to the IJB remains financial sustainability and delivering a balanced budget in 2024/25 and beyond.
59. Successful implementation of the Supporting People Framework and the Prescribing Action Plan savings will be fundamental elements of savings delivery.
60. We may not meet our population's demand for services.
61. The implications relating to the National Care Service remain unclear at this stage.
62. Workforce capacity reductions and maintaining morale are a clear challenge. Reduced capacity may impact on the delivery of universal services and pathways.
63. Managing the expectations of the people we support and their families may result in reputational damage.

Workforce

64. The proposed 2024/25 budget assumes funding for staff pay award and provides funding for care providers to meet the increase in the Scottish Living Wage.
65. We will not achieve the required level of savings without impact on our workforce. We aim to mitigate the impact as far as possible and hope we can achieve the majority, if not all, staff changes through turnover and attrition. However service redesign and redeployment will be required.

Equalities

66. We will complete full equalities and fairness impact assessments for all redesign and savings for the IJB to consider alongside proposals and associated implementation. This should ensure that no individual or groups are adversely impacted and that implementation of change is equitable.
67. We will need appropriate engagement and communication and we will need to be mindful of any multiple impacts on any group or individual.

DIRECTIONS

68. The directions to our partners will be issued upon agreement of the 2024/25 budget set out in this report and rolling updates will be included in the revenue monitoring report throughout the year. The indicative directions are summarised at Appendix 3.

CONCLUSIONS

69. The 2024/25 proposed budget will allow the IJB to set a budget that is balanced, but clearly includes significant risk in delivering services whilst achieving the required level of savings. Full implementation of the Supporting People Framework and delivery of the Prescribing Action Plan savings are fundamental to this.

70. The decisions taken on the 2024/25 budget will inform our Medium-Term Financial Plan, allowing the IJB to assess progress and to take risk based informed decisions for 2024/25 and beyond. A refreshed plan will be brought to the IJB in June.
71. The report recognises the need to continue to engage with all our partners for future financial planning.

RECOMMENDATIONS

72. The Integration Joint Board is asked to:
 - Accept the budget contribution of £72.794 million from East Renfrewshire Council
 - Accept the £0.616 million for Community Justice expenditure funded by grant via East Renfrewshire Council, subject to uplifts to this grant funding.
 - Accept the delegated budget for aids and adaptations of £0.530 million.
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 - Agree to receive charging proposals at a future meeting of the IJB, resulting from the working group.

REPORT AUTHOR

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14 March 2024

Chief Officer, IJB: Julie Murray

BACKGROUND PAPERS

IJB Paper: 31.01.2024 – Item 7. Financial Recovery 2023/24 and Budget Setting 2024/24

https://www.eastrenfrewshire.gov.uk/media/9958/IJB-Item-07-31-January-2024/pdf/IJB_Item_07_-_31_January_2024.pdf?m=1705939878610

IJB Paper: 29.03.2023 – Item 7. Revenue Budget 2023/24

https://www.eastrenfrewshire.gov.uk/media/8926/IJB-Item-07-29-March-2023/pdf/IJB_Item_07_-_29_March_2023.pdf?m=1679055060820

EAST RENFREWSHIRE COUNCIL: PROPOSED BUDGET CONTRIBUTION 2024/25

	ERC £'000	CJ Grant £'000	Total £'000
2023/24 Approved Opening Budget	67,040	616	67,656
In Year Adjustments			
Pay Award 2023/24 Funding Adjustments	1,066		1,066
Fostering & Adoption Funding per SG	232		232
Central Support Charges	16		16
Criminal Justice Grant Funding		(616)	(616)
Restated 2023/24 Base Budget	68,354	0	68,354
Allocations as part of ERC Budget per Government Settlement			
Free Personal & Nursing Care Uplift	510		510
2 Criminal Justice Grant Funding			0
1 2024/25 Contribution to the HSCP (agreed by ERC 28/2/24)	68,864	0	68,864
Real Living Wage - 2024/25 Full Year Impact of £12 now confirmed	3,930		3,930
2024/25 Revised Contribution to the HSCP	72,794	0	72,794
Cost Pressures Expected for 2024/25:			
Inflationary Pressures			
Pay Award and Increments	1,043		1,043
National Care Home Contract , Living Wage, Free Personal & Nursing Care etc.	4,736		4,736
Demographic Pressures			
Increase in Demand for Services - Residential & Nursing Places	320		320
Increase in Demand for Services - Community based Adults & Older People	796		796
Increase in Client Assessed Need - Transitions to Adulthood	927		927
Increase in Demand for Services - Childrens	(46)		(46)
Capacity Pressures			
Legacy Savings	3,843		3,843
Intensive Services	1,500		1,500
Total Cost Pressures 2023/24	13,119	0	13,119
Total Funding Available towards Cost Pressures			
Settlement per Scottish Government Budget (see section 1 above)	4,440		4,440
Superannuation Gain Recurring	354		354
Superannuation Gain Non-Recurring	2,312		2,312
Fostering Funding - policy already applied in part	100		100
	7,206	0	7,206
Funding Gap	(5,913)	0	(5,913)
Savings detailed proposals at March 2024	7,892		7,892

1 Settlement conditions; must be a minimum of flat cash plus share of new funding

2 Subject to uplift and any grant changes in 2023/24

NHSGGC - INDICATIVE BUDGET CONTRIBUTION

	Recurring Opening Budget	Recurring in Year Adjustments	Revised Recurring Budget	Eligible to Uplift	Expected % Uplift
	£'000	£'000	£'000	£'000	£'000
2023/24 Opening Recurring Budget					
1 Pay	20,461	1,443	21,904	21,904	TBC
2 Non Pay excluding Resource Transfer	3,069	133	3,202	3,202	0
Prescribing	17,100		17,100	17,100	0
Resource Transfer	13,327	46	13,373	13,373	0
Family Health Services	30,380	1,153	31,533	0	0
Recurring Expenditure	84,337	2,775	87,112	55,579	0
Family Health Services Income	(983)	(1)	(984)		
Other Income	(1,304)	267	(1,037)	(1,037)	0
2024/25 Recurring Base Budget	82,050	3,041	85,091	54,542	0

Add:

Inflation Uplift - zero uplift on non-pay per SG settlement

0

Pay award expected to be funded in full once agreed

TBC

Expected 2024/25 Budget Contribution excluding Set Aside**85,091****Cost Pressures Expected for 2024/25:**

1 Pay Award	TBC
Prescribing	3,304
2 Non Pay Inflation; will have to contain as no uplift from SG	0
Equipment	100
3 Learning Disability In Patient Observations	500
Total Cost Pressures and therefore Funding Gap	3,904

Savings detailed proposals at March 2024

1,889

4 Savings Gap Required to balance budget	2,015
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- 1 Scottish Government have advised pay award should be fully funded, every 1% equates to £0.2m
- 2 Inflation and price related pressures will need to be contained within existing budgets as the Scottish Government had a nil non-pay uplift as part of the budget settlement.
- 3 Pressure is net of mitigation in observation costs relating to Netherton
- 4 Further savings options being worked on and will come from service redesign and where possible prescribing

Indicative Directions 2023/24

	NHS £000	ERC £000	Total £000
Funding Sources to the IJB			
Original Revenue Budget Contributions	85,091	68,864	153,955
Living Wage Funding confirmed after ERC budget set		3,930	
Criminal Justice Grant Funded Expenditure		616	616
Criminal Justice Grant Income		(616)	(616)
Funding Outwith Revenue Contribution			
Housing Aids & Adaptations *		530	530
Set Aside Budget	28,430		28,430
Total Proposed IJB Resources	113,521	73,324	182,915
Directions to Partners			
Revenue Budget	85,091	68,864	153,955
Criminal Justice Grant Funded Expenditure		616	616
Criminal Justice Grant Income		(616)	(616)
Resource Transfer and other recharges	(13,327)	13,327	0
Carers Information Strategy	58	(58)	0
Sub Total Direct Revenue Budget	71,822	82,133	153,955
Housing Aids & Adaptations *		530	530
Set Aside Budget	28,430		28,430
Total Proposed IJB Resources	100,252	82,663	182,915

* excludes any capital spend

Prioritised Savings as at March 2024

		ERC £m	NHS £m	Total £m
1	Current Business Support Vacant Posts	0.037	0.059	0.096
1	Childrens Services Redesign	0.320	0.072	0.392
1	Crisis Stabilisation maximise funding	0.042		0.042
	Total Prioritisation 1	0.399	0.131	0.530
2	Care at Home Supporting People Framework	1.700		1.700
2	Care at Home price efficiency	0.300		0.300
2	Care at Home Review Phase 2 (Was SRR)	0.150		0.150
2	Increase Turnover targets reflecting pause in recruitment	0.067	0.372	0.439
2	Redesign Learning Disability & Recovery	0.041		0.041
2	Family Group Decision Making Service	0.050		0.050
2	St Andrews House running costs part of wider accommodation review	0.020		0.020
2	Prescribing - GGC wide initiatives – drug switches		0.340	0.340
2	Prescribing - Polypharmacy reviews		0.150	0.150
2	Prescribing - PIGLET savings		0.010	0.010
2	Prescribing - Treatment room formulary/ Optometry / Care Home		0.050	0.050
2	Prescribing - Drugs of Low Clinical Value Initiative		0.125	0.125
	Total Prioritisation 2	2.328	1.047	3.375
3	Supporting People Framework	2.300		2.300
3	Learning Disability ongoing review of care packages (Was SRR)	0.120		0.120
3	Voluntary Severance /Early Retiral Phase 2	0.300		0.300
3	Intensive Services posts and running costs (Was SRR)	0.064		0.064
3	Adult Planning & Service Redesign		0.071	0.071
3	Summer play schemes / activity	0.075		0.075
3	Shared Services	0.025		0.025
3	Transport Strategy			-
	Total Prioritisation 3	2.884	0.071	2.955
4	Grant Funding (Was partly SRR)	0.530		0.530
4	Learning Disability university funded activity		0.050	0.050
4	Prescribing - further saving programme		0.150	0.150
4	Topslice supplies budgets 20%	0.480	0.440	0.920
4	Income / Charging for Services	0.200		0.200
4	Review Council Support Cost Charges and activity	0.200		0.200
	Total Prioritisation 4	1.410	0.640	2.050
C	VS/ER Phase 1	0.781		0.781
C	Localities posts and associated running costs (was SRR)	0.025		0.025
C	Review of Connor Road funding (was SRR)	0.065		0.065
	Total Complete	0.871	-	0.871
	Total 1 to 4 and Complete	7.892	1.889	9.781
	Redesign Work in Progress		2.100	

Ranking 1 to 5 with 1 being easiest and 5 being most difficult, with C denoting work Complete

Greater Glasgow and Clyde NHS Board

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Date: 14th March 2024
Our Ref: FMcE

Enquiries to: Fiona McEwan
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Dear Julie

2024/25 Indicative Financial Allocation to East Renfrewshire Health and Social Care Partnership

Further to initial informal discussions with Chief Officers and Chief Finance Officers, I am writing to you with an indicative budget proposal for 2024/25. An update to this letter formally confirming your final allocation for 2024/25 will be issued on behalf of the Board after the Board's financial plan has been approved at the April board meeting and when the Board's financial out-turn is confirmed along with further clarification on the totality and distribution of the pay awards have been determined.

Annual uplift to NHSGGC

The Scottish Government's budget letter issued on 19th December 2023 states that "Compared to 2023-24 budgets, territorial NHS Boards will receive a total increase of 4.3% for 2024-25 to cover costs related to the 2023-24 pay deals, as well as the baselining of £100 million sustainability and NRAC funding provided in 2023-24. For clarity, the 4.3% uplift relates to 2023-24 non-recurring funding now being made on a recurring basis." In real terms this means a pay uplift of 3.6% for NHSGGC.

In terms of pay, funding arrangements for Boards will be revisited by the Scottish Government following the outcomes of the pay negotiations in the new financial year. It should be assumed that additional funding will be allocated to support a deal.

The annual general uplift provided by the Scottish Government to support Boards in meeting expected additional costs related to supplies (which includes prescribing growth and utilities charges) and capital charges for 2024/25 is 0%.

The HSCP Settlement

The funding in relation to the pay award for 2023/24 has already been included in the baseline allocations to the HSCP's. Further detail is anticipated to be received with regards to the additional elements in relation to the 2023/24 pay award namely protected learning

time, band 5- 6 and reduced working week. When clarity has been provided on funding arrangements for these elements this will be communicated and allocated in due course.

Once the pay deal has been negotiated for 2024/25 and the funding agreed this will be passed over to the HSCP.

Due to no uplift being provided for suppliers and capital charges as noted above there is therefore no further uplift for 2024/25.

An indicative allocation based on Month 11 figures is included in **Appendix 1**.

Set Aside Budget

This is initially based on the estimated set aside budget for 2023/24 and will be revised when the Board's final out-turn is confirmed. This figure represents the estimated actual usage of in scope Acute services. This will continue to be a notional allocation.

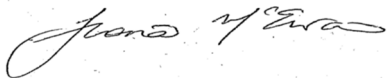
Recharges to HSCPs

The following items will continue to be charged to the HSCP during 2024/25:

- The HSCP's proportional share of the Apprenticeship Levy based on your HSCP's payroll cost;
- 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; and
- The HSCP's share of Office 365 costs based on the number of licences in use.

Meetings will be arranged before the end of the financial year to allow us to formalise the funding and processes that are required for 2024/25. In the meantime, this letter enables the HSCP to produce its financial plans for 2024/25.

Yours sincerely



Fiona McEwan

Assistant Director of Finance- Financial Planning & Performance
NHS Greater Glasgow and Clyde

Appendix 1 – Financial Allocation 2024/25 (based on month 11 figures)

Spend Categories		East Renfrewshire Hscp
		£000s
Family Health Services		31,533
Fhs Income		(984)
Family Health Services Budget (Net)		30,549
Prescribing & Drugs		17,100
Non Pay Supplies		3,202
Pay		21,904
Other Non Pay & Savings		13,373
Other Income		(1,037)
Budget - HCH incl Prescribing		54,542
Total Rollover budget - NET		85,091
Budget Eligible for HCH & Prescribing uplift		54,542
<u>Uplifts</u>		
Scottish Government allocation 24.25	0%	0
Pay uplift - tbd	0%	0
Total Uplift		0
Revised Budget		85,091
<u>Set Aside Budget</u>		
2023.24 Value		28,430
Uplift @ 0%	0%	0
2023/24 Set Aside Value		28,430

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