



Meeting of East Renfrewshire Health and Social Care Partnership	Integration Joint Board	
Held on	29 March 2023	
Agenda Item	7	
Title	Revenue Budget 2023/24	
Summary		
To provide the Integration Joint Board (IJB) with a proposed 2023/24 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.		
Presented by	Lesley Bairden, Head of Finance and Resources (Chief Financial Officer)	
Action Required		
The Integration Joint Board is asked to:		
<ul style="list-style-type: none"> • Accept the budget contribution of £67.040 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 £0.408 million. • Agree the re-alignment of earmarked reserves for childrens residential accommodation and learning & development as proposed in this report. • Accept the indicative budget contribution of £82.051 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 the proposed approach relating to review of charging. • Note the ongoing risks associated with the cessation of Covid-19 funding. 		
Directions	Implications	
<input type="checkbox"/> No Directions Required	<input checked="" type="checkbox"/> Finance	<input checked="" type="checkbox"/> Risk
<input type="checkbox"/> Directions to East Renfrewshire Council (ERC)	<input type="checkbox"/> Policy	<input type="checkbox"/> Legal
<input type="checkbox"/> Directions to NHS Greater Glasgow and Clyde (NHSGGC)	<input checked="" type="checkbox"/> Workforce	<input type="checkbox"/> Infrastructure
<input checked="" type="checkbox"/> Directions to both ERC and NHSGGC	<input checked="" type="checkbox"/> Equalities	<input type="checkbox"/> Fairer Scotland Duty

BLANK PAGE

EAST RENFREWSHIRE INTEGRATION JOINT BOARD

29 March 2023

Report by Lesley Bairden, Chief Financial Officer

REVENUE BUDGET 2023/24

PURPOSE OF REPORT

1. To provide the Integration Joint Board with a proposed revenue budget for 2023/24.

RECOMMENDATIONS

2. The Integration Joint Board is asked to:
 - Accept the budget contribution of £67.040 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 £0.408 million.
 - Agree the re-alignment of earmarked reserves for childrens residential accommodation and learning & development as proposed in this report.
 - Accept the indicative budget contribution of £82.051 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 the proposed approach relating to review of charging.
 - Note the ongoing risks associated with the cessation of Covid-19 funding.

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 2023/24 in line with the budget update paper presented to the IJB in February and at the budget seminar on 3rd March 2023.
4. The Scottish Government set out its proposed budget position for 2023/24 on 15th December 2022 which confirmed we are facing a 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 February report to the IJB. To recap, the main points in relation to the IJB were:
6. The NHS funding settlement confirms a 5.9% year on year uplift that includes pay settlement funding to be allocated in the current financial year (2022/23) so the key message for 2023/24 is a 2% uplift. There is no clawback of funding included in 2022/23 for the costs of the National Insurance uplift now reversed and this modest gain is offsetting pay pressures.

7. We still expect to receive further detail on vaccination and PPE for carers in relation to Covid-19, although the expectation remains that all other Covid-19 related funding ceases at 31 March 2023.
8. There is a commitment to review non-recurring and bundle funding ahead of the 2023/24 budget and this is welcomed; clearly as much detail as possible that can be confirmed early gives us greater certainty for forward planning. There is no further update at present.
9. The specific section on Health and Social Care integration confirms:
 - In line with previous years, 2023-24 NHS payments to Integration Authorities for delegated health functions must deliver an uplift of 2% over 2022-23 agreed recurring budgets and make appropriate provision for 2022-23 pay.
 - The Health and Social Care Portfolio will transfer net additional funding of £95 million to Local Government to support social care and integration, which recognises the recurring commitments on adult social care pay in commissioned services (£100 million) and inflationary uplift on Free Personal Nursing Care rates (£15 million). This is offset by non-recurring Interim Care money ending (£20 million).
 - The overall transfer to Local Government includes additional funding of £100 million to deliver a £10.90 minimum pay settlement for adult social care workers in commissioned services, in line with Real Living Wage Foundation rate.
 - The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2022-23 recurring budgets for services delegated to IJBs and, therefore, Local Authority social care budgets for allocation to Integration Authorities must be at least £95 million greater than 2022-23 recurring budgets.
10. The Local Government funding settlement and in relation to health and social care reiterates the bullet points as above. As previously reported East Renfrewshire Council has passed through a proportionate share of the pay award funding the council received for the current year 2022/23. We also expect a proportionate share of the £155 million recently announced by the Scottish Government to support non-teaching pay in 2023/24 (£100 million imminent and £55 million during the year).
11. 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 pay award, cost of provider living wage and uplift to free personal and nursing care.
 - The indicative contribution from NHSGGC allows for a 2% uplift to the eligible elements of the recurring base budget, with the caveat that pay award funding for 2022/23 is to be finalised nationally on a recurring basis.
12. 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.
13. Work remains ongoing at a national level through Chief Officers and Chief Financial Officers to demonstrate the impact that financial challenges of this magnitude will have on the collective services we deliver.

14. The outcome of the budget engagement work we undertook with a range of stakeholders is appended to this report and the main themes are discussed further within this report.
15. We recognised when setting the 2022/23 budget our approach to financial planning and service delivery still has greater focus on the shorter term and to some degree is still reactive to pandemic recovery and capacity challenges within the sector and this will continue into 2023/24. A refreshed Medium Term Financial Plan will be presented to the IJB in June, following any decision taken on the 2023/24 proposed budget.
16. As discussed and agreed at the budget seminar we have extended the scope of our Savings, Recovery and Renewal programme to capture all change, redesign and savings whether at strategic, service or operational delivery level. This new approach is reflected on the programme report on the agenda and will evolve as the year progresses.
17. Our workforce remains an incredible asset and have clearly demonstrated their ongoing commitment and ability to flex and adapt to new ways of working. We aim to minimise the impact of savings, as far as possible on staffing and recognise our colleagues are fundamental to supporting service delivery in new ways.
18. We are taking £2.4 million legacy savings, from pre-pandemic into 2023/24. For context when we set our 2020/21 budget, on the cusp of the first wave of the pandemic, we were clear that we would need to move to prioritisation of care, with focus on those with the greatest level of need, recognising this would have significant impact on care packages as we had exhausted all other options.
19. We subsequently received full support for unachieved savings in 2020/21 and 2021/22 from the Scottish Government and our reserves strategy to support the delivery of this saving kicked in for 2022/23. We now need to look again at prioritisation of care to help meet the cumulative impact of both legacy and new cost pressures in 2023/24.

REPORT

20. East Renfrewshire Council agreed its budget, including the proposed contribution to the IJB on 1st March 2023; as detailed at Appendix 1. At the time of the Council agreeing its budget the Scottish Government had not confirmed the additional funding support for non-teaching pay. Our council colleagues have confirmed that a proportionate share of this funding will be passed through on receipt and we have adjusted our cost pressure on pay award accordingly.
21. The council approach to setting the IJB contribution was the same as last year and council took a flat cash approach for the IJB contribution. 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 new funding and on that basis the minimum contribution has been met.
22. The NHSGGC contribution has been agreed with our partner colleagues and is subject to due governance by the health board, as detailed at Appendix 2. This includes the minimum 2% uplift on the relevant elements of the budget and has been confirmed in the usual letter from NHSGGC included at Appendix 5. The ultimate recurring budget for the current year may change by 31 March 2023, depending on any late Scottish Government allocations, but will not significantly impact the figures reported.

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 now. For every 1% increase to purchased care new demand would cost c£0.4 million and will need to be managed from within existing resources. The cost pressures also make allowance for the continued implementation of the Living Wage to be paid by our partner providers, increases to the national Care Home contract and uplifting Free Personal and Nursing Care allowances by 9.5% per the Scottish Government budget.
24. The set aside budget offer is also included and reflects the latest activity and is inclusive of the 2% uplift.
25. The Aids and Adaptations budget within ERC is £0.408 million and comprises two key areas; Care and Repair £0.163 million and Adaptations £0.245 million. This excludes any housing related capital spend. As we move towards full recovery the activity and financial reporting for this service will be developed including closer and more frequent working with ERC Housing colleagues.
26. 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	81.019	1.032	82.051	0	82.051	1.032
NHSGGC Set Aside	27.873	0.557	28.430	0	28.430	0.557
ERC Revenue	64.787	2.253	67.040	0	67.040	2.253
ERC Aids & Adaptations	0.408	0	0	0	0.408	0

Note: Criminal Justice grant funded at £0.616m subject to grant increase for inflation. We expect further funding for a share of pay award, but Scottish Government have not yet confirmed allocation to ERC.

27. Taking into account the cumulative savings challenge 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 Award	1.45	0.40	1.85
Inflation, Contracts and Living Wage	2.64	0.41	3.05
Demographic and Demand	2.23	0.10	2.33
Capacity	0.22	0.10	0.32
Prescribing	-	0.35	0.35
2022/23 Legacy Savings	2.44	-	2.44
Total Pressures	8.98	1.36	10.34
2. Funding available towards cost pressures	2.25	1.03	3.28
3. Unfunded Cost Pressures	6.73	0.33	7.06
4. Proposals to Close Funding Gap:			
Savings Proposals detailed to date (Appendix 4)	1.97	0.07	2.04
Apply turnover target and remove supplies uplift as efficiency	-	0.26	0.26
Additional pay award funding expected	0.26	-	0.26

Living Wage on pay element of contracts rate only	0.15	-	0.15
Limit use of support services to contain cost pressures	0.22	-	0.22
Structure Proposals being refined*	0.93	-	0.93
Supporting People Framework	3.20	-	3.20
Total of Identified Savings	6.73	0.33	7.06

* The balance of the budget phasing earmarked reserve and general reserve will likely need to be applied in year to support the delivery of savings.

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

Pay

29. The costs of the pay award are on the same planning assumptions as our partners i.e. 4% on ERC with a proposed cost reduction for further funding expected. For NHSGGC a 2% increase is included reflecting the current level of uplift and recognising the expectation that NHS pay increases will be fully funded on a recurring basis by Scottish Government.

30. We have a number of challenges we are working to contain:

- Our workforce plan recognises that our Health Visiting staffing is over establishment and that we can no longer support the additional posts and work is ongoing to get back in line with budget
- Similarly we had invested locally into CAMHS to support performance and that is no longer affordable. This is being addressed as part of the wider CAMHS transfer proposal.
- Our Care at Home service experienced significant staffing challenges and the service is working through an action plan to mitigate non-recurring costs increases we have been incurring.

Inflation, Contracts and Living Wage

31. Provision is included for the National Care Home Contract; the uplift for 2023/24 is yet to be finalised. The uplift will also include an element relating to the living wage.

32. The Scottish Living Wage increases from £10.50 to £10.90 per hour (3.8%) and as with prior years this will be applied to pay element of the contract hourly rate as directed by Scottish Government. Whilst the Living Wage funding in the Scottish Government 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.

33. Free Personal and Nursing Care allowances have increased by 9.5% as set by Scottish Government.

34. Inflation takes account of increased utility costs and other increases and also includes increased income from those areas we can make charges for.

35. Increases in Kinship and Fostering allowances are provided for.

Demographic and Demand

36. 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 children's services to adult care.

37. We have included a full year cost for every person with a care package at present, with allowance for attrition. This does not however include any additionality for further new demand which will need to be contained through existing resources. There are risks associated with this approach and this may mean that people will have to wait longer for care. For context every 1% increase to purchased care will cost c£0.4 million.
38. We are seeing increasing pressure on the demand for equipment and have recognised this as a pressure.
39. As part of the budget proposed we have re-aligned £1 million from residential and nursing care to community based support, including direct payments to reflect current activity.

Capacity

40. The support costs charges made by ERC increased by £0.138 million in 2022/23 and we have been meeting this cost from Covid-19 funding as the majority relates to increased IT charges for additional equipment and staffing. However this funding will cease so this cost, along with further increases for pay and inflation across a range of services of £0.08 million will need to be contained by restricting our use of service to the available budget.
41. We have also made provision for staff ratio cover within our Specialist Learning Disability hosted service. The in-patient units are currently under some pressure to maintain the required levels of staffing for complex observations and any Covid related absences.

Prescribing

42. This is a budget with a significant risk profile and the proposal to increase this budget by inflation uplift only will add to the risk. However any investment beyond the funded 2% uplift would require additional savings.
43. In 2022/23 we will use in full the smoothing reserve we held of £0.5 million to offset in part the in-year pressures and based on the 2022/23 projected outturn we would start 2023/24 with at least a £1.3 million overspend for the full year effect. If we then allowed for a 2.5% increase in volume (£0.4m), a 3% increase to price (£0.5m) and offset this by 2% uplift to budget (£0.3m) we would have a resulting pressure of £2 million.
44. We do not know how much of the demand and volume challenge is a post Covid-19 spike and if we will see a year on year reduction. Similarly the economic impacts on cost increases may reduce, it is difficult to predict where this will go.
45. The intention is to manage demand and cost pressures through NHSGGC wide and local action plans being developed, following the prescribing summit that took place on 9 February 2023.

Legacy Savings

46. The legacy saving challenge currently sits at £2.439 million to be achieved. The history to this pressure is set out at paragraphs 18 and 19 above.
47. The post Covid-19 impact on the health and wellbeing of our population is still unclear and we will closely monitor the assumptions we have identified, not only to determine the application but also the sufficiency. As we work through 2023/24 the impacts on our population may become clearer.

48. We need to find savings of £7.06 million to close the funding gap and there is no doubt this will impact on the level of service we deliver and how we deliver those services.
49. Following agreement by the IJB in February we undertook budget engagement activity, through our Participation and Engagement Network, with a range of stakeholders in the period 6th February 2023 – 4th March 2023.
50. The Engagement reached 372 people, through range of stakeholders and various methods of communication. The report is included at Appendix 6 for information and the main areas of consensus were:
 - Support for eligibility criteria
 - Looking at how we use our buildings
 - The importance of prevention work
 - Building on our talking points model
 - Building on collaborative commissioning
 - How can we spend to save and avoid duplication (across the whole system)
51. We will use this information to further build on and refine ongoing work such as the Supporting People framework; our approach to prioritise care, our commissioning strategy and provider engagement and our accommodation strategy.
52. There is clearly a conflict between spending on prevention and prioritising care based on the higher level of support needed. As we develop different service delivery models with our partners we hope that we can mitigate the impact on our people as far as possible and potentially maintain some of that prevention work through our third sector colleagues in particular.
53. The Supporting People Framework is pivotal to underpin how we provide services going forward and to help deliver c£3.2 million in savings. There is a separate report on the 29th March 2023 IJB agenda giving full detail on this proposal. As a reminder from the budget seminar the crude, high level modelling, which we will refine, shows that if the HSCP does not deliver care at the low end of eligibility we could save c£3.5 million, impact on around 1,062 people. In reality that number should be lower if we can simultaneously achieve savings in care costs that sit within moderate, high and critical.
54. The majority of the IJB agreed in September 2022 that we would not look to extend charging for non-residential care on the basis of Scottish Government policy intention to eliminate charging in this area, the cost impact of introducing a charging model would be prohibitive and the economic climate impacting to greater extent on those people with health conditions and/or care and support requirements.
55. At the February meeting of the IJB there was request that this was reviewed and it is therefore proposed that:
 - Any charging relating to non-residential care is reconsidered as part of the work to review the individual budget calculator alongside implementation of the Supporting People Framework.
 - A short life working group is established to look at feasibility and scope for any charges that could be introduced not relating to care and support.
56. We will undertake a full equalities and fairness impact assessment on this framework along with all budget savings and change that will impact on those with protected characteristics, so in reality the vast majority of the Savings, Recovery & Renewal programme.

57. The list of detailed savings proposal that make up the £2.04 million detailed so far is included at Appendix 4 and is in line with the position discussed at the IJB budget seminar. We expect this will impact on c18 FTE and aim to manage this through vacant posts and natural turnover and attrition.
58. There are further proposals being refined that could impact on a further 18 FTE and we may not be able to achieve these savings in full without some restructuring, but again would hope to mitigate this as far as possible.
59. We have a very good working relationship with our trade union colleagues and engage regularly. We will continue to work through our proposals alongside colleagues.
60. Whilst it is our intention to aim to deliver a full year of savings we are likely to need to utilise all useable reserves to support this during 2023/24. In the revenue budget monitoring report included on the March agenda, the IJB will note we expect to take forward £0.15 bridging finance. The IJB is being asked to transfer the following earmarked reserves to further support bridging during the year:
 - Transfer £0.46 million from the current Childrens Residential Accommodation reserve; as we have made provision with demand pressures for all existing care this should not be required
 - Transfer £0.08 million from the current Learning and Development reserve; we do not have the capacity or wider funding to implement any new system
61. Both proposals have the support of the Chief Social Work Officer.
62. The challenge in delivering a balanced budget with savings of this magnitude are unprecedented, with some “comfort” that we are very much in line with the national position. In the event we are unable to deliver the full savings required during the year, with a full year effect on a recurring basis by 31st March 2024 we may need to invoke the financial recovery process included within our Integration Scheme.
63. 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.
64. 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

65. 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

66. The proposed 2023/24 budget, associated risks and assumptions is set out in this report.

Risk

67. The most significant risk to the IJB remains financial sustainability and delivering a balanced budget in 2023/24 and beyond. Without any further funding the IJB will deplete earmarked and general reserves and will be non-compliant with our reserves policy.
68. We may need to invoke the financial recovery process with our partners.
69. Successful implementation of the Supporting People Framework and the Prescribing Action Plan will be fundamental to achieving savings and controlling costs. The remainder of the Savings, Recovery & Renewal programme must be delivered with the equivalent of a recurring full year saving.
70. We may not meet our population's demand for services.
71. Whilst the implications relating to the National Care Service remain unclear and on hold at present the policy intentions around eligibility criteria and charging for services still need to be considered alongside local saving proposals.
72. Recruitment and retention across the sector remains a challenge and adds to the risk around service delivery and additional costs from off framework and agency premiums.
73. There remains a cost pressure within the Learning Disability In-Patient Service from significant observation resource requirements.

Workforce

74. The proposed 2023/24 budget includes funding for staff pay award and provides funding for care providers to meet the increase in the Scottish Living Wage.
75. Whilst it remains difficult to envisage staffing reductions in the current climate and capacity constraints we regularly face we cannot 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 this will still require service redesign as we work through new ways of delivering services.

Equalities

76. 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.
77. There will need to be appropriate engagement and communication and we will need to be mindful of any multiple impacts on any group or individual. The changes we have made to how we will report all savings the Savings, Recovery & Renewal programme should aid transparency.

DIRECTIONS

78. The directions to our partners will be issued upon agreement of the 2023/24 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

79. The 2023/24 proposed budget will allow the IJB to set a budget that is balanced, but clearly includes significant risk in the approach and in particular; to fund only existing demand, to manage prescribing demand and costs, to implement the Supporting

People Framework and to deliver a full year of all savings. This is supported by limited bridging reserves.

80. The delivery of a balanced 2023/24 budget is required to inform our Medium-Term Financial Plan for the HSCP will allow the IJB to assess progress and to take risk based informed decisions throughout the year.
81. The report recognises the need to continue to engage with our partners for future financial planning and that an agreed mechanism to progress the set aside budget for 2023/24 is required, with the unscheduled care commissioning plan supporting this work.

RECOMMENDATIONS

82. The Integration Joint Board is asked to:
 - Accept the budget contribution of £67.040 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 £0.408 million.
 - Agree the re-alignment of earmarked reserves for childrens residential accommodation and learning & development as proposed in this report.
 - Accept the indicative budget contribution of £82.051 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 the proposed approach relating to review of charging.
 - Note the ongoing risks associated with the cessation of Covid-19 funding.

REPORT AUTHOR

Lesley Bairden, Head of Finance and Resources (Chief Financial Officer)

lesley.bairden@eastrenfrewshire.gov.uk

0141 451 0746

15 March 2023

Chief Officer, IJB: Julie Murray

BACKGROUND PAPERS

IJB Paper: 01.02.2023 – Item 9. Revenue Budget 2023/24 Update

https://www.eastrenfrewshire.gov.uk/media/8681/IJB-Item-09-01-February-2023/pdf/IJB_Item_09_-_01_February_2023.pdf?m=638103334692300000

IJB Paper: 16.03.2022 – Item 8. Revenue Budget 2022/23

https://www.eastrenfrewshire.gov.uk/media/7468/IJB-item-08-16-March-2022/pdf/IJB_item_08_-_16_March_2022.pdf?m=637825202726630000

IJB Paper: 17.03.2021 – Item 5. Revenue Budget 2021/22

https://www.eastrenfrewshire.gov.uk/media/4788/IJB-Item-05-17-March-2021/pdf/IJB_Item_05_-_17_March_2021.pdf?m=637511548486770000

	ERC £,000	CJ Grant £,000	Total £,000
2022/23 Approved Opening Budget	60,141	614	60,755
In Year Adjustments			
Real Living Wage 2022/23 to £10.50, Providers NI, Other Uplifts & Investment	3,315		3,315
Social Work Support	386		386
Adult Disability Payment Funding	30		30
Pay Award 2022/23 Funding Adjustments			
Core Budget	725		725
Support Cost Charges	46		46
Whole Family Wellbeing	495		495
Remove Non Recurring Interim Funding	(351)		(351)
Criminal Justice Grant Funding		2	2
Restated 2022/23 Base Budget	64,787	616	65,403
1 Allocations as part of ERC Budget per Government Settlement			
Free Personal & Nursing Care Uplift	568		568
Winter Funding increased allocation	23		23
Counselling Funding Adjustment - per circular	(9)		(9)
Real Living Wage - 2023/24 Full Year Impact of £10.90	1,671		1,671
	2,253	0	2,253
2 Criminal Justice Grant Funding		(616)	(616)
2023/24 Contribution to the HSCP (agreed by ERC 1/3/23)	67,040	0	67,040

Cost Pressures Expected for 20223/24:**Inflationary Pressures**

Pay Award and Increments (inc Living Wage HSCP Staff and 2022/23 shortfall)	1,451		1,451
Utilities, Transport and Fuel	309		309
National Care Home Contract , Living Wage, Free Personal & Nursing Care	2,382		2,382
Fostering and Kinship inflation uplifts	82		82
Income uplift to existing charges	(136)		(136)

Demographic Pressures

Increase in Demand for Services - Residential & Nursing Places	0		0
Increase in Demand for Services - Community based Adults & Older People	1,063		1,063
Increase in Client Assessed Need - Transitions to Adulthood	921		921
Increase in Demand for Services - Childrens	249		249

Capacity Pressures

Legacy Savings	2,439		2,439
3 Support cost charge pressures (new and Covid exit)	219		219
Total Cost Pressures 2023/24	8,979	0	8,979

Total Funding Available towards Cost Pressures

Settlement per Scottish Government Budget (see section 1 above)	2,253
---	--------------

Funding Gap**(6,726)**

Savings detailed proposals (so far)	1,970
Further funding expected for pay award 2023/24	261
Living Wage on pay element of contracts rate only	148
Limit use of support services to contain cost pressures	219
Structure Proposals being considered	928
Supporting People Framework	3,200
Savings Required to balance budget	6,726

- 1 Settlement conditions; must be a minimum of flat cash plus share of pay award and new funding
- 2 Subject to uplift and any grant changes in 2023/24
- 3 £138k cost pressure after Covid funding ceases and £81k new cost pressures

NHSGGC - INDICATIVE BUDGET CONTRIBUTION

Appendix 2

	Recurring Budget £'000	Eligible to Uplift £'000	Expected 2% Uplift £'000
2022/23 Opening Recurring Budget			
Pay	20,059	20,059	401
1 Non Pay, including Resource Transfer	3,010	2,966	59
2 Prescribing	16,765	16,765	335
Resource Transfer	13,066	13,066	261
Family Health Services	30,380		0
Recurring Expenditure	<u>83,280</u>	<u>52,856</u>	<u>1,057</u>
		0	
Family Health Services Income	(983)		0
Other Income	(1,278)	(1,278)	(26)
2022/23 Recurring Base Budget	<u>81,019</u>	<u>51,578</u>	<u>1,032</u>
Add:			
Inflation Uplift		1,032	
Expected 2023/24 Budget Contribution excluding Set Aside			<u>82,051</u>
Cost Pressures Expected for 20223/24:			
Pay Award		401	
Prescribing - limit to 2% uplift		335	
Non Pay			
Resource Transfer uplift		261	
Non Pay inflation		59	
Equipment / O365 / Apprenticeship Levy		200	
Learning Disability In Patient Observations (significant variable cost)		100	
Total Cost Pressures		<u>1,357</u>	
2% Uplift and National Insurance funding		1,032	
Funding Gap			<u>(326)</u>
Allocate Turnover target 1%		200	
No uplift to running costs - efficiency equivalent		59	
Savings current proposals		67	
Savings Required to balance budget			<u>326</u>

- 1 The recurring funding for 2022/23 pay award is to confirmed by Scottish Government
Over establishment within Health Visiting is being managed down to budget level
- 2 Limit uplift to level of funding and contain cost pressures through national and local action plans

	NHS £000	ERC £000	IJB £000	Total £000
Funding Sources to the IJB				
Original Revenue Budget Contributions	82,051	67,040		149,091
Criminal Justice Grant Funded Expenditure		616		616
Criminal Justice Grant Income		(616)		(616)
Funding Outwith Revenue Contribution				
Housing Aids & Adaptations *		408		408
Set Aside Budget	28,430			28,430
Total Proposed IJB Resources	110,481	67,448	0	177,929
Directions to Partners				
Revenue Budget	82,051	67,040	0	149,091
Criminal Justice Grant Funded Expenditure		616		616
Criminal Justice Grant Income		(616)		(616)
¹ Resource Transfer and other recharges	13,327	(13,327)		0
Carers Information Strategy	58	(58)		0
Sub Total Direct Revenue Budget	95,436	53,655	0	149,091
Housing Aids & Adaptations *		408		408
Set Aside Budget	28,430			28,430
Total Proposed IJB Resources	123,866	54,063	0	177,929

* excludes any capital spend

¹ Based on 2022/23 plus uplift; subject to change for impact of pay award funding and other factors such as recruitment

East Renfrewshire HSCP - Savings Summary 2023/24

Description	£k
Review Criteria on Individual Budget Calculator	200
Review of Commissioned Services	225
Learning Disabilities - Sleepover Review	150
Learning Disabilities - Supported Living	130
Intensive Services - Efficiencies from new Care at Home Scheduling System	75
Intensive Services - Care at Home Review Phase 2	200
Intensive Services - Tech Team review and restructure	36
Intensive Services - Kirkton Day Centre review and restructure	72
Intensive Services - Care at Home Project Team review and restructure	71
Children and Families - Review of Connor Road funding - focus on statutory support service delivery	60
Children and Families - Functional Family Therapy - contract not renewed	52
Children and Families - Residential Costs, review of care options	226
Children and Families - Health Improvement, review of service to rationalise	50
Finance and Resources - Review Business Support Processes and efficiencies	25
Finance and Resources - Review of running costs	43
Finance and Resources - restructure finance support team	40
Finance and Resources - rationalise Business Support delete two vacant posts	59
Finance and Resources - systems vacancy deleted, review when new system in place	65
Localities - Rehab Team - Mini Restructure	61
Localities - Eastwood Locality Team - Mini Restructure	53
Localities - District Nursing, vacancy management	50
Localities - Winter Planning - removal of Business Analyst vacancy	18
Localities - Health Improvement, review of remaining budget	10
Mental Health - Review of Care Packages	10
Community Addictions Team - vacancy deleted	55
Total	2,037

Greater Glasgow and Clyde NHS Board

JB Russell House
Gartnavel Royal Hospital
1055 Great Western Road
GLASGOW
G12 0XH
Tel. 0141-201-4444
www.nhsggc.org.uk

Date: 9th March 2023
Our Ref: FMcE

Enquiries to: Fiona McEwan
Direct Line: 07957638165
E-mail: fiona.mcewan@ggc.scot.nhs.uk

Dear Julie

2023/24 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 2023/24. An update to this letter formally confirming your final allocation for 2023/24 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 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 2023/24 is 2.0% totalling £51.8m.

The HSCP Settlement

The Scottish Government's budget letter issued on 15th December 2022 states that *"In line with previous years, 2023-24 NHS payments to Integration Authorities for delegated health functions must deliver an uplift of 2% over 2022-23 agreed recurring budgets and make appropriate provision for 2022-23 pay."*

The total allocation uplift to all six HSCPs should be £18.5m based on the current recurring budget at 31st January 2023. This will be adjusted when the 2022/23 out-turn is finalised in April and the pay award allocations have been confirmed.

A further adjustment will also be required to the individual HSCP settlements when the reallocation of the Specialist Children's budgets have been agreed.

An indicative allocation based on Month 10 figures is included in **Appendix 1**.

Set Aside Budget

This is initially based on the estimated set aside budget for 2022/23 uplifted by 2.0% 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.

Covid-19 Funding

As per the budget letter NHS Boards and Integration authorities should expect to meet the remaining costs from baseline funding and should continue to drive these costs down as far as possible as there is no additional funding available to support these costs with the exception being the following:-

- Vaccinations staffing and delivery;
- Test & Protect activities including Regional Testing facilities;
- Additional PPE requirements; and
- Some specific Public Health measures

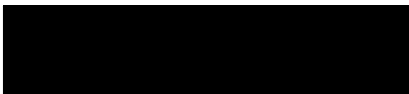
Recharges to HSCPs

The following items will continue to be charged to the HSCP during 2023/24:

- 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 2023/24. In the meantime, this letter enables the HSCP to produce its financial plans for 2023/24.

Yours sincerely



Fiona McEwan

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

Appendix 1 – Financial Allocation 2023/24 (based on month 10 figures)

Spend Categories		East Renfrewshire Hscp
		£000s
Family Health Services		30,380
Fhs Income		(984)
Family Health Services Budget (Net)		29,397
Prescribing & Drugs		16,765
Non Pay Supplies		3,010
Pay		20,058
Other Non Pay & Savings		13,066
Other Income		(1,278)
Budget - HCH incl Prescribing		51,622
Total Rollover budget - NET		81,019
Adjustments:		
Non Recurring budget allocated to base		(44)
Budget Eligible for HCH & Prescribing uplift		51,579
<u>Uplifts</u>		
Scottish Government allocation	2.00%	1,032
Uplift for pay 22.23 tbc		
Total Uplift		1,032
Revised Budget		82,050
<u>Set Aside</u>		
2022/23 Estimated Value		27,872
Uplift @ 2%	2%	557
2023/24 Set Aside Value		28,430



Report on HSCP Budget Engagement

Background

The HSCP Strategic Planning Group and Integration Joint Board requested the Participation and Engagement Network to support this planned engagement taking place from 6th February 2023 - 4th March 2023.

Who we reached

The Engagement reached a range of stakeholders, using different methods of communication including:

- Care and Support Providers
- Care Home Managers
- 3rd Sector Organisations
- Community Groups
- Public
- People who use services
- HSCP Staff
- Housing Staff
- Unpaid Carers

We planned the engagement using a variety of formats including an online survey, digital Teams/Zoom meetings, an in person public, a Webinar online public event, some specific focus group and staff team meetings. In total we reached 372 people

HSCP Budget Engagement Reach

Method	Care and Support	Care Home	HSCP	Housing	3rd / Independent Community	People who use services	Unpaid Carers	Public	Other	Totals
Teams/ Zoom	27	1			27		18	12		85
Survey			35		4		5	9	3	56
Focus Group			48	7	16	17		18		106
Team / Meeting			125							125
Totals	27	1	208	7	47	17	23	39	3	372

Everyone who we engaged with had access to the same background information prior to the engagement. This included pre reading - Budget information from the Integration Joint Board, an introduction from HSCP Chief Officer, and attendance of HSCP Finance representative at each event.



<https://eastrenfrewshire.gov.uk/hscp-budget-engagement>

<https://youtu.be/ti9IPFLq3L0>

What we asked

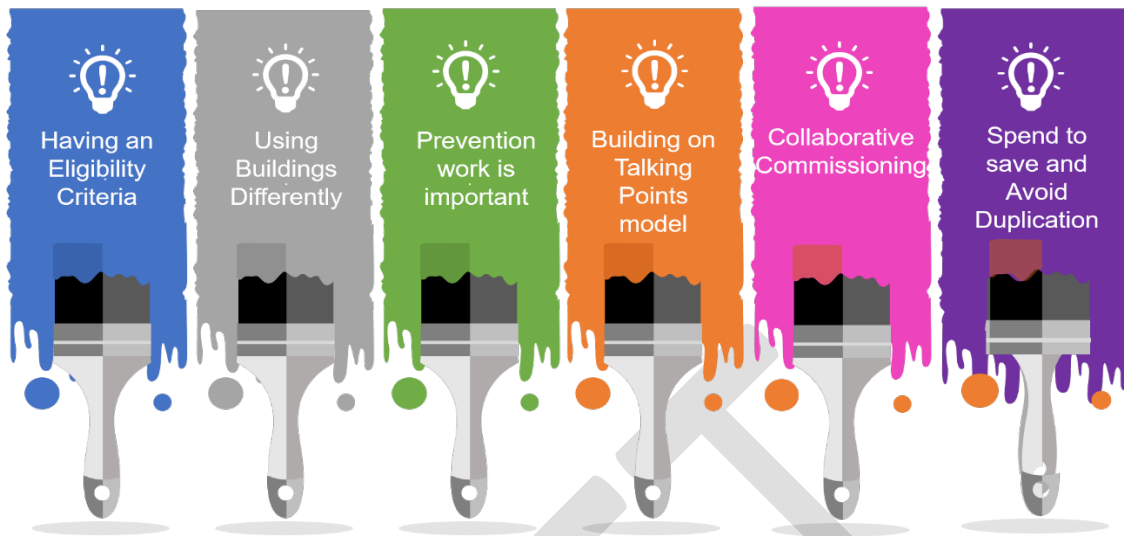
The HSCP Integration Joint Board agreed a series of questions that would be asked at each engagement activity. These formed the basis of the conversations and the written feedback collated.

What you said

A number of themes came up as important across all the engagement activity and were identified as general areas of consensus.

1. What is important to you that makes a difference that you wouldn't want to change?
2. Is there anything you think the HSCP should stop doing?
3. Is there anything you think the HSCP should do more of that might help our financial situation, whilst still meeting the needs of those we support?
4. How could the HSCP services deliver things differently?
5. How can we collectively respond to all our peoples needs if the HSCP can only support those with the highest level of need?
6. From your knowledge or experience are there any concerns about changes to services that may have an impact for groups of people with specific needs?
7. Do you have anything else you may want to add?

Areas of consensus



A closer look at what you said



- Prevention** – These are fundamental, and if we lose it, we will decline in crisis. Prevention saves money long term
- Prioritising** – who and how - how will this be decided? ·
- Collaboration/working together** – more important than ever right now · and there is a will to do it
- Statutory provision** - we need to review what adaptations we deliver
- Providing quality services and Standards Services** –
- Service delivery** -Real pressure on Carers Real concern about peoples care packages. Can't just focus on those with greatest need – need a wider spread
- Transition** work is vital in ensuring that reliance on statutory services is reduced
- Professionally trained staff**
- Mitigating & Managing risk**
- SDS** – has to stay and be allowed to be more creative with it
- Talking Points** - great model which should do more of
- Community response for pandemic** really pulled everyone together, making sure baselines were met. We want to keep that
- Service user does not care about systems – it's **the support they need and get is what matters**



Is there anything you think the HSCP should stop doing?

- Care packages** – are some being over supported - stop where services could be provided in a different way
- Duplication** –cut out waste e.g. team home visits, assessments, services, work.
- Longer term funding** for projects and be less risk averse
- Reversing complaints decisions** in relation to workers professional judgements and outcomes/ **being reactive.**
- Using agency staff/ Locums/high cost framework agencies** to fill gaps in service.
- Over prescribing of care packages** and equipment.
- Waste money and resources** on advertising/events
- So many different building open. Close 50%, **encourage home working / Hybrid model of working throughout ERC.**
- A massive amount of wasted money on projects, services that make little to no difference in the community. **Cut non cost effective projects**
- An opportunity to stop and completely rethink – look at what isn't working – **be more creative**
- Using the word Prevention** – should there be another word or phrase for this
- Be less risk averse.** Need a balanced view of risk. Service user should have a say in the level of risk



Is there anything you think the HSCP should do more of that might help our financial situation, whilst still meeting the needs of those we support?

- Manage expectations**
- People sharing budgets:** Utilising sharing support. People with same interests /likes.
- Communication, Engagement. Information sharing** – access to Care First would save a lot of wasted time. Information is power – for workers, community and the individual. Not everyone knows the community support available. Engaging should be increased, planned and sustained on an ongoing basis, not one off events.
- Community supports/Time-banking**– If we got together to create a new type of service that was about community connecting/neighbours **More community initiatives:** encourage volunteering
- Shared training:** can we focus on one big ER training arrangement ·
- Sharing of buildings:** Would drop in clinics work? Everyone based together in the same building
- Regular reviews of services** – often people getting a service they no longer need?

- Housekeeping** - review of outsourced services e.g. Providers contracts best value, Equip u, to Income generation e.g. using buildings differently
- Support and resource** organisations who are more cost effective and support them to build their capacity and resources
- More SDS budgets** More guidelines in place for SDS
- Carers Centre hardship fund** - more of this ·
- Resource Centre** for people with autism and families



How could the HSCP services deliver things differently?

- A clear eligibility criteria and charging policy** for transport, social day care, non-residential care services
- A stationary Talking Point** - different services coming in on different days. **Learn from Talking Points** - more analysis of where gaps are and collaborate
- Has there been savings with home working? Any **analysis done?**
- Peer support** could be developed
- Collaborative Commissioning** - make this work – could be really effective · **Invest in networks. Invest and restructure** of home care. **Different models of support**
- Changing model of staffing/services** -e.g. 7 day week, open later. **Staff structure and Flexible working contracts** to retain experienced staff.
- People often seem to not have a **single point of contact** when trying to access services via HSCP
- Focus on essentials** and things you must deliver



How can we collectively respond to all our peoples' needs if the HSCP can only support those with the highest level of need?

- People sharing budget** - Pair people up with similar needs or and interests - **Group support sessions** ·
- Focus on loneliness and isolation and MH**
- Kindness Collaborative example - **grow Talking Points**
- More tec** – are people being over supported?
- Spend to save** - use all this as an opportunity – rip it up and revisit how we fund everything completely - be brave

- Look at how issues affect one family - look at real examples/real family situations – **screening group - and move outwards to look at how these needs could be met in the community**
- Clever reviewing** - Targeted review / review panels looking at biggest spends/off framework etc. We don't **review peoples packages** enough · So many older people want to be independent - we are taking it away.
- Consultation, information and education for unpaid carers**
- Clever commissioning** - Build on community empowerment, approaches and resources e.g. neighbourhood assets and models of care and support. **3rd sector can make a better contribution, more funding, collaboration together. Need permission to work differently**

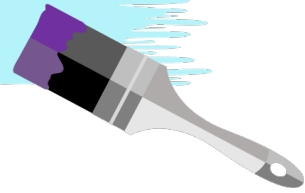


From your knowledge or experience are there any concerns about changes to services that may have an impact for groups of people with specific needs?

- Cuts will have an **impact on third sector organisations** who will have to pick up the slack ·
- Huge concerns raised about how we avoid hitting crisis point** if all support is only brought in at the last minute e.g. for those with conditions such as **dementia, early intervention and social supports are extremely important** and if that goes then potentially people present themselves in dire situations
- Vulnerable people that are fairly independent with support, however without it would not have that same quality of life, **with support being cuts-they would suffer.**
- Carers - they are on their knees**
- Mental health services – **huge concern about CAHMS and mental health services in general · Autism ·**
- Political: **What are elected members doing?** HSCP needs to fight back
- Care inspectorate** - how that fit in if we reduce resources and cut back on services we provide - what we are doing in terms of monitoring impact on tenants and those getting services –
- Everyone impacted** - some multiply impacted. Vulnerable groups, unpaid carers, women, neuro divers ant, Learning disability, Mental Health, long term conditions
- Retaining Staff**
- The health centres have lost their heart and soul – **need to get people back in. Stalls, events, using evenings and weekends.**



Do you have anything else you may want to add?



- Communication and being linked up to 3rd sector** is key to responding collectively is the key- sharing what we are doing · Get a **website** that makes sense and is accessible to people ·
- Budget: we need a better breakdown of what it all means**
- How will we prioritise** and how can we be involved.
- Those who can pay for support will increase the **gap** with others who can't.
- Reviewing: what worked well during pandemic** – did we gather any analysis - can this be utilised?
- Please **don't waste more money** on failed initiatives, invest in models that have shown to work and make an impact for people
- We need to explore opportunities to provide support that does not have a financial cost - **harness local volunteers?**
- I feel not asking specific groups of people to contribute to costings (charging policy) creates a **dependent culture**, without a strong understanding of costs, services, population usage etc.
- We need **more support** from HSCP (financially or logistically) re affordable sustainable housing which increase independence and can stay at home
- There are **corporate responsibilities** – not in a position where operating as we would like - on the back foot – at same time existing services will be cut – this is a real challenge
- Have engagement fatigue – **will you get back to us** - do you listen?
- About the pie chart - where is the wedge that says **what it would look like if carers weren't doing their caring role**. We contribute massively to make the system work. How can we support **carers as a campaigning group?**

You Said - We did

Following each budget engagement activity, the Participation and Engagement Network compiled what each group said and shared this record with the relevant group.

In addition to this any questions that came from the budget engagement conversations were captured and a Frequently Asked Questions reference document will be published.

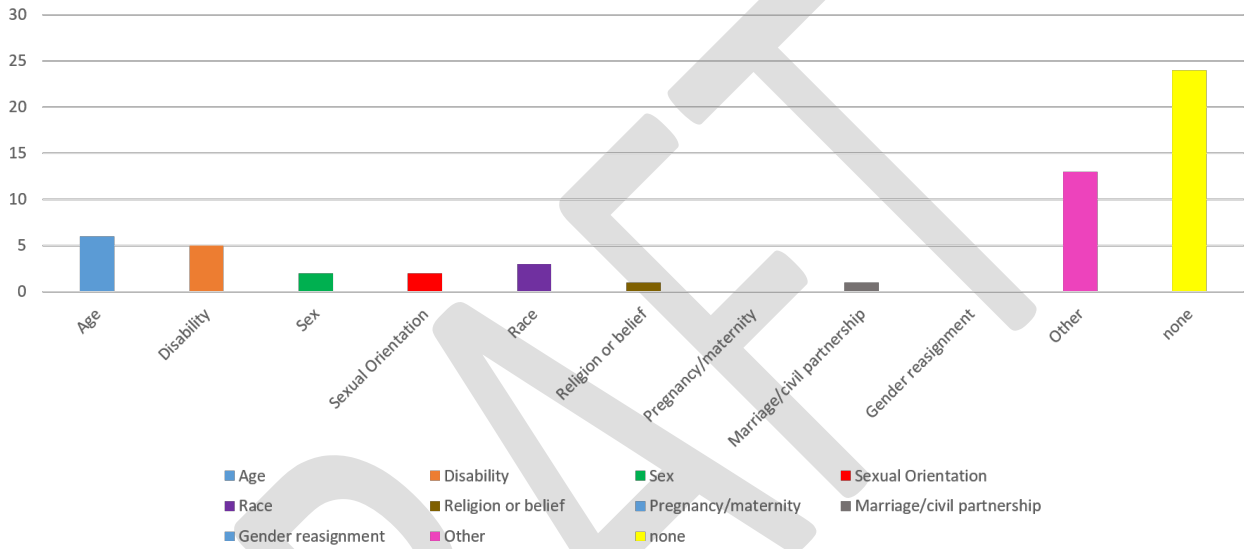
Appendix 1

[Budget Engagement External HSCP feedback.docx](#)

[HSCP staff combined budget recording.docx](#)

Appendix 2

We asked “Do you identify as someone belonging to one of these protected characteristic groups of people with specific needs?”
From 148 people reached 57 people responded

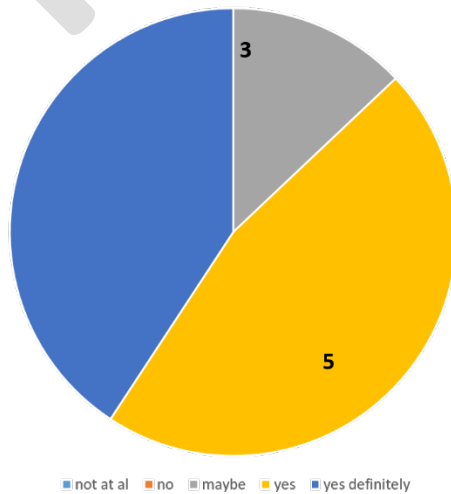


Appendix 3

We asked “Do you feel you had enough information to contribute?”
From 99 people 54 people responded

On a 1-5 scale

- 1 - not at all
- 2 - no
- 3 - maybe
- 4 - yes
- 5 - yes definitely



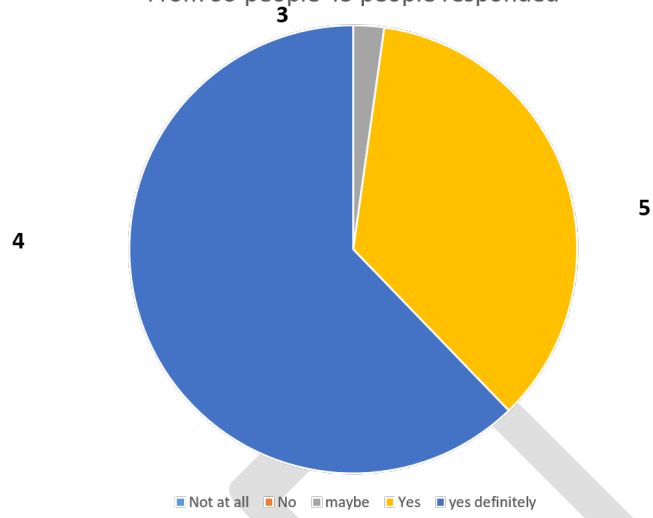
not at all no maybe yes yes definitely

Appendix 4

We asked “Did you feel you had your say and were able to contribute?”
From 99 people 45 people responded

On a 1-5 scale

- 1 - not at all
- 2 - no
- 3 - maybe
- 4 -yes
- 5 – yes definitely



Report Compiled by:
Angie McGregor
10.3.23

DRAFT