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Item No: 8

Meeting Date: Wednesday 24th March 2021

**Glasgow City
Integration Joint Board**

Report By: Sharon Wearing, Chief Officer, Finance and Resources

Contact: Sharon Wearing

Phone: 0141 287 8838

**Integration Joint Board
Financial Allocations and Budgets for 2021-22**

Purpose of Report:

To provide the IJB with a full update on the proposed financial allocations to, and implications for, the IJB Budget in 2021-22.

Background/Engagement:

In line with the Integration Scheme, the Chief Officer has fully engaged in Glasgow City Council's budget setting process for 2021-22, which determined the funding allocations delegated to the IJB for 2021-22. The Chief Finance Officer has had initial informal discussions with the Assistant Director of Finance in relation to the interim budget offer from NHS Greater Glasgow and Clyde.

Recommendations:

The Integration Joint Board is asked to:

- a) Note the contents of this report;
- b) Note and accept the funding offer from Glasgow City Council;
- c) Note and conditionally accept the indicative funding offer from NHS Greater Glasgow and Clyde, subject to confirmation when the out-turn for the 2020/21 financial year has been finalised;
- d) Note that the budget for set aside is still notional and further updates will be provided in 2021-22;
- e) Agree to the funding pressures outlined at section 5.2;
- f) Agree to the savings programme outlined at section 5.9.

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	<p>g) Delegate a budget to NHS Greater Glasgow and Clyde of £966,117,000 and direct that this budget is spent in line with the strategic plan of the IJB and the proposals included within this paper at section 5.2 and 5.9; and</p> <p>h) Delegate a budget to Glasgow City Council of £452,051,700 and direct that this budget is spent in line with the strategic plan of the IJB and the proposals included within this paper at section 5.2, 5.9 and 5.10.</p>
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Relevance to Integration Joint Board Strategic Plan:

This report describes the financial allocation and budgets made available to the Integration Joint Board for 2021/22 by Glasgow City Council and NHS Greater Glasgow and Clyde; outlines the financial pressures on health and social care services; and the measures we will take to address the financial challenges and priorities facing the partnership and throughout the Strategic Plan.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	The financial framework for the Partnership contributes to the delivery of the 9 national health and wellbeing outcomes that health and social care partners are attempting to achieve through integration.
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Personnel:	Staffing implications are highlighted where appropriate in the report.
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Carers:	The current shape of service provision across the system must move to one that includes an increased use of technology enabled care and other support networks being deployed in care support not just for the service user but also for their unpaid carer. The transformation programmes approved by the IJB for Older People and Adult Services involve the development of this changed system of service provision.
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Provider Organisations:	An update on Scottish Living Wage commitment for 2022-22 will be the subject of a future report to the IJB.
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Equalities:	No EQIA carried out as this report does not represent a new or revised plan, policy, service or strategy. A preliminary assessment of the impact of the proposed savings proposals on groups with protected characteristics has been undertaken and can be made available to IJB members on request. The exception to this is the savings targeted for the Homeless and Asylum Health Services, Alcohol and Drug Recovery Day Services and the Integrated Alcohol Drug Crisis
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	Service. EQIA's will be undertaken on these proposals once plans are further developed and the impact on groups with protected characteristics can be fully assessed.
Fairer Scotland Compliance:	The expenditure on services within this budget supports the delivery of a Fairer Scotland.
Financial:	Financial implications are detailed throughout this report.
Legal:	The Chief Finance Officer's duties in Scotland require a balanced budget to be set. This is established in s108(2) of the Local Government (Scotland) Act 1973 and s93(3) of the Local Government Finance Act 1992. Directions are being issued in line with the legislation.
Economic Impact:	Not applicable at this time.
Sustainability:	Not applicable at this time.
Sustainable Procurement and Article 19:	Not applicable at this time.
Risk Implications:	Delays in setting the budget may impact on the IJBs ability to achieve financial balance in 2021-22. The volatility of the drugs supply market, demand for services, BREXIT and the impact of responding to the COVID pandemic continues to represent a significant financial risk to the IJB. The current focus of the IJB continues to be the response to the Coronavirus outbreak and service delivery during this challenging time. This represents a significant risk for the IJB both in terms of the additional costs which will be incurred in delivering the response to the outbreak in the City and also the impact this will have on our ability to deliver savings as efforts are focused on our response. This may require the IJB to use general reserves to manage this financial risk. This financial risk will be monitored during 2021-22 and reported through the financial performance reports to the IJB and IJB Finance, Audit and Scrutiny Committee.
Implications for Glasgow City Council:	The budget is required to be spent in line with the Strategic Plan and the approved directions.
Implications for NHS Greater Glasgow & Clyde:	The budget is required to be spent in line with the Strategic Plan and the approved directions.

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Direction Required to Council, Health Board or Both	
Direction to:	
1. No Direction Required	<input type="checkbox"/>
2. Glasgow City Council	<input type="checkbox"/>
3. NHS Greater Glasgow & Clyde	<input type="checkbox"/>
4. Glasgow City Council and NHS Greater Glasgow & Clyde	<input checked="" type="checkbox"/>

1. Purpose

- 1.1. This report will outline the revenue budget for Glasgow City Integration Joint Board for 2021/22 and the budget available for services commissioned from Glasgow City Council and NHS Greater Glasgow & Clyde.

2. Background

- 2.1. The Health Board and Local Authority will delegate function and make payments to the Integration Joint Board (IJB) in respect of those functions as set out in the Integration Scheme. Additionally, the Health Board will also "set aside" an amount in respect of large hospital functions covered by the integration scheme.
- 2.2. The IJB will make decisions on integrated services based on the strategic plan and the budget delegated to it. The IJB is also required to publish an Annual Financial Statement setting out the total resources included in the Strategic Plan. The IJB will also give directions and make payment where relevant to the Health Board and Local Authority for delivery of the services in line with the Strategic Plan. This should be completed by 1st April each year.

3. Financial Allocation from Glasgow City Council

- 3.1. The financial forecast for Glasgow City Council has been updated and identified a spending gap of £5.9m for 2021-22. The gap has reduced from the original planning assumption of £36.3m and reflects the local government settlement offer from the Scottish Government on 28 January 2021 and the Scottish Government Budget Bill. In delivering a balanced budget Glasgow City Council identified the need for savings of £8.9m. A copy of the letter issued to local authorities on 28 January 2021 is attached at Appendix 1.
- 3.2. This confirms an additional £72.6 million will be transferred from the health portfolio to Local Authorities in-year for investment in adult health and social care and mental health services that are delegated to Integration Authorities. The additional £72.6 million for local government includes a contribution to continued delivery of the real Living Wage (£34 million), uprating of free personal and nursing care payments (£10.1 million), continued implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£28.5 million). Glasgow City IJB's share of this is £7.590m.

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- 3.3. The letter to COSLA Leaders confirms that this additional funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2020-21 recurring budgets for adult social care services that are delegated.
- 3.4. The Scottish Government and COSLA will continue joint political oversight to drive improved performance in health and social care. This year Scottish Government will again work with local government to agree a small number of deliverable outcomes to help ensure Integration Authorities use total resources to focus on delivery of key areas for improvement, including: reducing delayed discharges; improving availability of, and access to, community-based health and social care services; and ensuring more people are supported to stay at home. We will also wish to ensure that the social care workforce is supported and sustained during and following the challenges of the Covid pandemic.
- 3.5. On 11 March 2021, the Council agreed its budget for 2021-22. The Council offer letter is attached in Appendix 2. This budget confirms funding of £452.052m.

4. Financial Allocation from NHS Greater Glasgow and Clyde Health Board

- 4.1 The Scottish Government wrote to Health Boards on 28 January 2021 in relation to the Draft Budget for 2021-22 as set out by the Cabinet Secretary for Finance in Parliament that day. The letter is attached in Appendix 3. The letter covers the Scottish Government's expectations of the Health Board in relation to the budget and any financial implications for Integration Authorities. This letter confirms that NHS payments to Integration Authorities for delegated health functions must deliver an uplift of at least 1.5% over 2020-21 agreed recurring budgets.
- 4.2 The set aside budget included within the 2021-22 indicative offer letter continues to be notional budget based on estimated actual usage of in scope services uplifted by 1.5%. This will continue to be a notional allocation until commissioning plans are in place. Work continues to be progressed on the Unscheduled Care Commissioning Plan with the intention that a final draft will be submitted to IJB's this year for approval. This will represent the first steps in developing strategic plans for the unscheduled care pathway as set out in legislation.
- 4.3 This letter also confirms an allocation of £595.9 million for investing in reforming services including Primary Care, Waiting Time Improvements, Mental Health and CAMHS, Trauma Network and Drugs Deaths, some of which will be delegated to the IJB.
- 4.4 NHS Greater Glasgow and Clyde Health Board have provided the IJB with an indicative offer for 2021-22 which is subject to confirmation when the out-turn for the 2020/21 financial year has been finalised. The interim budget offer is attached in Appendix 4 and represents a 1.5% uplift reflecting the board uplift from the Scottish Government.

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5. Proposed Budget for 2021-22

- 5.1. The funding outlined in section 4 is summarised below. This reflects the funding offered from Partners.

Movement in Funding	£millions
NHS Greater and Glasgow and Clyde - Funding Uplift	8.141
Glasgow City Council – Flat Cash Settlement	0.000
Sub Total - Partners Funding	8.141
Scottish Government Funding - Investment in Living Wage, Upgrading Free Personal Care and Carers Act	7.590
Total Additional Funding	15.731

- 5.2. The IJB has a number of pressures which require to be funded in 2021-22.

Pressures to be Funded	£millions
Pay Inflation and Auto Enrolment	9.348
Prescribing and Drugs	1.939
Scottish Living Wage (Providers) and National Care Home Contract	3.888
Free Personal Care Uplift	0.443
Carers Act Implementation	3.259
Health Visitor Pay Pressure - Phased Contribution	0.500
West of Scotland Sexual Health Service - Glasgow City's Contribution	0.562
Homeless - Shortfall in Budget	0.232
Demographic Pressures	0.300
Contractual Inflation	0.463
Investment - Care Home Nursing Team	0.675
Total Pressures to be Funded	21.610
Funding Gap	5.879

- 5.3. The Scottish Government have revised the Free Personal and Nursing Care. From 1 April 2021 these rates will increase from £180 to £193.50 per week for personal care and from £81 per week to £87.10 per week for nursing care, subject to Parliamentary approval. The cost of this uplift will be £0.443m and will be funded from the additional monies provided by the Scottish Government to integration authorities in 2021/22.

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- 5.4 Pay awards for both employing bodies are still subject to negotiation. If final settlements are higher than the budget assumptions included above, this will require to be funded by the IJB and will require reserves to be utilized.
- 5.5 The budget above caps the pressure for the Scottish Living Wage and the uplift to the National Care Home Contract to the funding which has been made available nationally to support this which is currently £3.88m. This represents a financial risk to the IJB. The National Care Home contract is currently the subject of national negotiations, which have not yet concluded. Early indications are that the funding made available for both will be insufficient. If further funding is not made available nationally, the number of placements funded by the IJB will require to be reduced to enable the pressure to be managed within the funding available or reserves will be required to be utilised. Scottish Living Wage and the National Care Home Contract will be the subject of future reports to the IJB.
- 5.6 The Scottish Government has made £3.259m available for implementation of the Carers Act this year. It is proposed to allocate £2.000m for the recruitment of further social workers to support carers assessments and £1.259m to support respite services for carers. This investment is in support of the implementation of the IJB's Carers Strategy.
- 5.7 As reported previously there is a funding gap in relation to Health Visitors following a national regrading which took place a number of years ago. This has resulted in a funding pressure of £2.4m, for which no funding has been made available nationally. This budget recommends funding of £0.5m as a first phase in starting to bridge the financial gap which has been caused by this regrading. A review of Health Visiting will be undertaken this financial year to determine the optimum delivery model and seek to identify potential efficiencies to reduce this gap further.
- 5.8 Each year the Homeless Service receives an annual grant based on activity levels. For 2021/22 this is estimated to be £4.826m which is an increase of £0.232m. In prior financial years this money has been given directly to this service to reflect the increase in demand levels. However, this is now received as part of the Scottish Government's settlement to the Council. It has been confirmed that this will not be provided directly to the service. This will result in a deficit in funding of £0.232m. A provision for this has been included within this budget.
- 5.9 This leaves a funding gap of £5.879m which will require to be met from savings. The table below identifies the options for funding which are available to the IJB.

Savings Proposals	£millions
Savings - Turnover Savings	-1.000
Savings - Maximising Independence – Children	-2.100
Savings - Treatment Foster Care	-0.090

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Savings - Alcohol and Drug Recovery Service - Locality Services - Efficiency Savings	-0.250
Savings - Alcohol and Drug Recovery Services - Day Service Review	-0.171
Savings - Sexual Health - Efficiency Savings	-0.050
Savings - Police Custody - Efficiency Savings	-0.100
Savings - Addictions - Efficiency Savings	-0.050
Savings - Transformation Programme Integrated Alcohol Drug Crisis Service	-0.400
Savings - Homeless Service - Efficiency Savings	-0.750
Savings - Homeless and Asylum Health Service - Service Redesign	-0.092
Savings - Health Improvement - Vacant Posts and Release of Funds from Programmes	-0.100
Savings - Purchased Intermediate Care - Reduction in Contract	-0.500
Savings - Resources - Efficiencies Across A Number of Teams	-0.052
Savings - Maximising Independence - Adult and Older People	-0.174

Total Savings Identified	-5.879
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- 5.10 Approval is also sought for the service reviews of the two services below to be undertaken with consideration of these options for savings delivery in 2022-23.

Service Reviews for consideration of Savings Options - 2022/23	£millions
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Savings - Termination of GHSCP contribution to the Autism Resource Centre	-0.069
Savings - Sign Language Interpreting Service (SLIS) - Closure of current Direct Provision to a purchased model of care	-0.120

Total Potential Savings Identified	-0.189
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- 5.11 The current focus of the IJB is responding to the Coronavirus outbreak and service delivery during this challenging time. This represents a significant risk for the IJB both in terms of the additional costs which will be incurred in delivering the response to the outbreak in the City and also the impact this will have on our ability to deliver savings as efforts are focused on our response.
- 5.12 The volatility of the drugs supply market, demand for services and BREXIT also represent a significant financial risk to the IJB.
- 5.13 The pandemic has also impacted on our current transformation programme with 75% of 2020-21 savings delivered, leaving £3.469m still to be delivered in 2021-22. The pandemic will also impact on our ability to deliver further transformation in 2021-22. Taking this into account we have limited the further savings identified for Maximising Independence to allow this

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programme to further develop in 2021-22 and to catch up with the delivery of the savings previously identified in 2020-21.

- 5.14 This may require the IJB to use general reserves to manage this financial risk. This financial risk will be monitored during 2021-22 and reported through the financial performance reports to the IJB and IJB Finance, Audit and Scrutiny Committee.

6. Criminal Justice

- 6.1 Since 2017-18 the funding for Community Justice Authorities has come to IJB's from Central Government. This budget continues to be ring-fenced solely for the provision of criminal justice social work services.
- 6.2 The 2021-22 allocation letter received on 1 February 2021 confirmed an indicative allocation of £19,001,882 for Glasgow City HSCP, an increase of £213,436 or 1.0% from 2020-21. Work is underway to manage the services within this allocation.

7. Revenue Budget for 2022/23 and 2023/24

- 7.1. The Medium Term Financial Outlook identifies an estimated funding gap of £27m and £25m in 2021-22 and 2022-23. There has been significant progress already in transforming services. As well as delivering financial savings this has enabled services to increase their effectiveness and efficiency, enabling services to manage the increasing demand and complexity of the patients and service users supported. The IJB is committed to transforming services, and this programme of work will continue moving forward, however future gains will be smaller and this alone will be unable to bridge the funding gap which has been identified above.
- 7.2 A clear strategy is required to ensure the IJB remains financially sustainable over the medium term. The Medium Term Financial Outlook outlines the financial strategy being adopted to deliver financial sustainability over the medium term.

8. Recommendations

- 8.1 The Integration Joint Board is asked to:
- a) Note the contents of this report;
 - b) Note and accept the funding offer from Glasgow City Council;
 - c) Note and conditionally accept the indicative funding offer from NHS Greater Glasgow and Clyde, subject to confirmation when the out-turn for the 2020/21 financial year has been finalised;
 - d) Note that the budget for set aside is still notional and further updates will be provided once final arrangements are put in place for 2021-22;
 - e) Agree to the funding pressures outlined at section 5.2;
 - f) Agree to the savings programme outlined at section 5.9.

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- g) Delegate a budget to NHS Greater Glasgow and Clyde of £966,117,000 and direct that this budget is spent in line with the strategic plan of the IJB and the proposals included within this paper at section 5.2 and 5.9; and
- h) Delegate a budget to Glasgow City Council of £452,051,700 and direct that this budget is spent in line with the strategic plan of the IJB and the proposals included within this paper at section 5.2, 5.9 and 5.10.

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Direction from the Glasgow City Integration Joint Board

1	Reference number	240321-8
2	Report Title	Integration Joint Board Financial Allocations and Budget for 2021-22
3	Date direction issued by Integration Joint Board	24 March 2021
4	Date from which direction takes effect	24 March 2021
5	Direction to:	Glasgow City Council and NHS Greater Glasgow and Clyde jointly
6	Does this direction supersede, revise or revoke a previous direction – if yes, include the reference number(s)	No
7	Functions covered by direction	Budget 2021/22
8	Full text of direction	Glasgow City Council is directed to spend the delegated net budget of £444,199,800 in line with the Strategic Plan and the budget outlined within this report. NHS Greater Glasgow and Clyde is directed to spend the delegated net budget of £966,117,000 in line with the Strategic Plan and the budget outlined within this report.
9	Budget allocated by Integration Joint Board to carry out direction	The budget delegated to NHS Greater Glasgow and Clyde is £966,117,000 and Glasgow City Council is £452,051,700 as per this report.
10	Performance monitoring arrangements	The budget will be monitored through standard budget monitoring arrangements.
11	Date direction will be reviewed	April 2021

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Rùnaire a' Chaibineit airson Ionmhas
Ceit Fhoirbheis BPA
Cabinet Secretary for Finance
Kate Forbes MSP



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

Copy to: The Leaders of all Scottish local authorities

28 January 2021

Dear Alison,

Today I set out the Scottish Government's proposed Budget, including tax and public sector pay policies for 2021-22 and introduced the associated Budget Bill to Parliament. Further to the announcement I write now to confirm the details of the local government finance settlement.

The intention is that details of the indicative allocations to individual local authorities for 2021-22 will be published on Monday 1 February in a Local Government Finance Circular which will begin the statutory consultation period on the settlement.

COVID-19 has taken a heavy toll on our society, communities and lives. While the local impacts have undoubtedly been severe in many areas, our communities have also shown an enduring resolve in a time of great crisis. I am indebted to local authorities in continuing to support their communities and to deliver vital public services and for the central role in administering financial support to our businesses under the most significant of pressures.

The physical and mental ill-health caused by COVID-19, together with the economic impacts, including loss of businesses and jobs, have in turn impacted people's standards of living and put many more on the cusp of financial insecurity, with the risks of poverty and homelessness that brings. There have been significant consequences for education and our communities have felt the economic impacts sharply in how we travel, live, work, and shop. Our Budget responds to those challenges.

The total non-COVID-19 revenue funding to be provided through the settlement for 2021-22 will be £11,003.4 million, which includes distributable non-domestic rates incomes of £2,631 million.

The Capital settlement has been set at £617 million.

The total funding which the Scottish Government will provide to local government in 2021 -22 through the settlement is therefore £11,620.4 million, and includes;

- £59 million revenue to support the final tranche of increased funding for the expansion in funded Early Learning and Childcare entitlement to 1,140 hours;
- In addition to the £100 million available in 2020-21, a further £72.6 million to be transferred from the health portfolio to the Local Authorities in-year for investment in adult health and social care and mental health services that are delegated to Integration Authorities under the Public Bodies (Joint Working) (Scotland) Act 2014. This brings the total transferred from the health portfolio to support health and social care integration to £883.6 million in 2021-22. The additional £72.6 million for local government includes a contribution to continued delivery of the real Living Wage (£34 million), uprating of free personal and nursing care payments (£10.1 million), continued implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£28.5 million);
- The ongoing £88 million to maintain the pupil:teacher ratio nationally and secure places for all probationers who require one under the teacher induction scheme;
- Continued provision in support of Teachers Pay (£156 million) and Pensions (£97 million);
- An increase of £7.7 million in the specific grant support for Inter-Island Ferries bringing the total to £19.2 million;
- £5.3 million for Barclay implementation costs; and
- The capital settlement includes an uplift in provision for flood risk schemes of £10 million.

In recognition of the unique pressures created by the pandemic the settlement also includes an additional £90 million available to compensate councils who choose to freeze their council tax at 2020-21 levels, helping to protect household incomes. This additional allocation provides compensation to support services and equates to an increase in council tax of around 3%.

Including the additional funding to compensate for a council tax freeze the revenue allocation delivers an increase for local government for 2021-22 compared to 2020-21 of £335.6 million or 3.1% to support services.

I can also confirm local government will be allocated a further £259 million of non-recurring COVID-19 funding for 2021-22. The distribution of this funding, which will be provided as general revenue grant, will be discussed and agreed with COSLA.

Local authorities will again, in return for this settlement, be expected to deliver further certain specific commitments.

This year, we will again work with local government to agree a small number of deliverable outcomes to help ensure Integration Authorities use total resources to focus on delivery of key areas for improvement, including: reducing delayed discharges; improving availability of, and access to, community-based health and social care services; and ensuring more people are

supported to stay at home. We will also wish to ensure that the social care workforce is supported and sustained during and following the challenges of the Covid pandemic. We will provide support and challenge by working with local government to agree a shared national and local approach to accountability for delivery, building upon existing shared mechanisms for routine reporting of expenditure, activity and outcomes across Scotland.

The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2020-21 recurring budgets for adult social care services that are delegated. This means that, when taken together, Local Authority adult social care budgets for allocation to Integration Authorities must be £72.6 million greater than 2020-21 recurring budgets.

The Scottish Government, in partnership with local authorities, retains the ambition of empowering schools to make key decisions over areas such as the curriculum, budgets and staffing while continuing to deepen collaboration across the education sector. In recognising that teachers are central to achieving our ambition of delivering excellence and equity in Scottish education we will continue to commit an overall funding package of £88 million in the local government finance settlement to support both maintaining the pupil teacher ratio at a national level and ensuring that places are provided for all probationers who require one under the teacher induction scheme.

We will continue to invest in the Attainment Scotland Fund to deliver the Scottish Attainment Challenge. This will see each local authority area continue to benefit from over £120 million in Pupil Equity Funding (PEF), which will go directly to headteachers to provide additional support to help close the poverty-related attainment gap and overcome barriers to learning linked to poverty. This is in addition to the £62 million in Attainment Scotland Funding allocated to LAs outwith the local government finance settlement. This funding will continue to provide authorities and schools with additional means to provide targeted literacy, numeracy and health and wellbeing support for children and young people most impacted by poverty.

On non-domestic rates, the Scottish Budget commits, within the fiscal limitations of the devolved settlement, to extending the 100% Retail, Hospitality and Leisure (RHL) and aviation relief for at least three months. We hope that this interim measure will provide a degree of certainty in the absence of any clarity from UK Government over both the future of their equivalent RHL relief and other macroeconomic support measures such as the furlough scheme. Should the UK Government bring forward an extension to their equivalent RHL relief that generates consequential funding, Ministers will match the extension period as part of a tailored package of business support measures. In addition, our decision to reduce the Basic Property Rate ('poundage') to 49 pence, the same as in 2019-20, will deliver savings for Scottish businesses compared with previously published plans. Notwithstanding the limitations of the devolved settlement we are fully committed to doing all we can to prioritise support for businesses and this unprecedented step will ensure that properties' gross rates liabilities are no higher than they were prior to the pandemic, all else being equal.

In coming to the decisions announced in the Scottish Budget I have listened carefully to the representations that COSLA made on behalf of local government over the unprecedented pressures and challenges they are facing and this is recognised in the decisions taken on the level of funding to be delivered through the local government finance settlement.

The Scottish Government and COSLA worked together to agree the details of a lost income scheme to compensate councils for the loss of income from sales, fees and charges due to the pandemic in 2020-21. The scheme was worth an estimated £90 million for 2020-21 but was subject to confirmation of the consequentials from the UK Government. While that confirmation is still awaited, I can also confirm that I am increasing the allocation to £200

million, which when added to the previously committed £49 million of consequential that could also be used to support lost income for council Arm's Length Organisations will provide an extra £249 million of allocated funding to support councils losses due to the pandemic. While I appreciate that confirmation of this additional funding is coming late in the financial year it will allow councils to manage the costs of COVID-19 and subsequently support continued financial sustainability. I can reaffirm my commitment that if there are any further consequential that accrue to the Scottish Budget for this purpose in 2021-22, I will pass these on in full to Scottish local authorities.

KATE FORBES



Executive Director of Finance
Martin Booth
BA FCPFA MBA

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18 March 2021

Executive Director Social Care Services/Chief Officer Glasgow City HSCP
Commonwealth House
32 Albion Street
Glasgow
G1 1LH

Dear Margaret,

As a result of the budget approved by the Council on 11 March 2021 I can confirm that the Council's 2021-22 contribution to the Glasgow Health and Social Care Partnership amounts to £452,051,700.

Yours sincerely

Martin Booth
Executive Director of Finance

**Directorate for Health Finance Corporate
Governance and Value**

Richard McCallum, Interim Director



Scottish Government
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Chief Executives, NHS Scotland

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

Issued via email

28 January 2021

Dear Chief Executives

Budget 2021-22 – Indicative Allocation

Following the announcement of the Scottish Government's Budget for 2021-22 by the Cabinet Secretary for Finance in Parliament today, I am writing to provide details of the funding settlement for Health Boards. A breakdown of the total is provided in **Annex A** to this letter.

The immediate priority of the budget is to support our response to the pandemic and take forward delivery of the key ambitions set out in the Programme for Government.

The position set out in this letter is subject to any amendments agreed through the Scottish Parliament's Budget Bill process, and may also require to be updated to reflect the UK Government's Budget on 3 March. I will keep you up to date with any changes to your planning assumptions.

Baseline Funding

All Boards will receive a baseline uplift of 1.5%. In addition, those Boards furthest from NRAC parity will receive a share of £30.2 million, which will continue to maintain all Boards within 0.8% of NRAC parity.

In terms of pay, initial funding has been allocated in line with the Scottish Public Sector Pay Policy for planning purposes. This will be used as an anchor point in the forthcoming Agenda for Change pay settlement and funding arrangements for Boards will be revisited by the Scottish Government in line with the outcome of the pay negotiations.

The funding position continues to assume that the £15 million of National Board savings are fully delivered in 2021-22 and that further progress is made in National Boards collaborating to deliver service improvement and further savings. Whilst we have taken account of the

particular challenges in delivering this in full in 2020-21, I expect National Boards to identify sufficient recurring measures to address this position going forward.

Covid-19 Funding

Additional funding of £869 million will be provided to support the ongoing response to the pandemic, and we will develop our approach to allocating this funding on receipt of remobilisation plans due at the end of February. While we anticipate that further Covid funding will be provided by the UK Government, this tranche of funding should provide sufficient assurance for continuing with key programmes of work, such as vaccinations and Test and Protect.

Investment in Improving Patient Outcomes

In addition to the baseline funding uplift, a total of £595.9 million will be invested in improving patient outcomes in 2021-22, as set out below:

Improving patient outcomes	2020-21 Investment in reform (£m)	2021-22 Investment in reform (£m)	Increase for 2021-22 (£m)
Primary Care	205	250	45
Waiting Times	136	136	-
Mental Health and CAMHS	89	111.1	22.1
Trauma Networks	31	37.8	6.8
Drugs Deaths	11	61	50
TOTAL	472	595.9	123.9

When combining the £123.9 million increase in investment in reform with an increase of £193 million in baseline funding for frontline NHS Boards, the total initial additional funding for frontline NHS Boards will amount to £316.9 million (2.8 per cent) in 2021-22. Further detail is set out in **Annex A**.

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

Core Areas of Investment

Primary Care

Investment in the Primary Care Fund will increase to £250 million in 2021-22. This will support the delivery of the new GP contract and wider Primary Care reform and continued development of new models of primary care.

We will maintain Covid-19 funding support for Community Hubs while they are still required. This is alongside our continued support for multi-disciplinary teams, which are supporting GPs to fulfil their role as expert medical generalists in the community.

Support for Waiting Times

Investment of £136 million will again be provided for investment in addressing waiting times. Whilst progress had been made in reducing waiting times in recent years, the response to the pandemic has interrupted this progress. In addition to this funding, we will consider the provision of further funding beyond this level in order to support the remobilisation of elective care as part of NHS Board remobilisation plans and reduce the backlog.

Included within the funding is £136 million, is £10 million for winter 2021-22, to allow Boards maximum opportunity to plan as appropriate.

Mental Health and CAMHS

Funding of £111.1 million will be directed to a range of partners for investment to support mental health, and children and young people's mental health. This funding will underpin our continued approach to improving mental health services and support for children, young people and adults.

As part of the 2021-22 budget we are providing £15 million to support the continued establishment of new Community Mental Health and Wellbeing Services. While the pandemic has had an impact on the planning and development of those services, we are working with local authorities to ensure they are ready to start supporting children, young people and their families as soon as possible, with support available across all 32 local authorities in 2021.

The Mental Health Transition and Recovery Plan outlines the Scottish Government's response to the mental health impacts of COVID-19 and further funding will be provided from the £869 million COVID-19 funding to support Boards and Integration Authorities in meeting these challenges.

Trauma Networks

This funding will increase from £31 million to £37.8 million, taking forward the implementation of the major trauma networks.

Alcohol and drugs

The 2021-22 Portfolio budget provides an additional £50 million targeted towards reducing drugs deaths. This forms part of a total of funding of £250 million over the next five years and will support further investment in a range of community-based interventions, including primary prevention and expansion of residential rehabilitation.

Reform Funding

This budget prioritises baseline funding, along with increased investment in particular areas of reform that will improve patient outcomes and funding for the response to the Covid pandemic. We will however continue to work with colleagues to agree investment in specific programmes of work, as well as in-year funding to support the strategies of NHS 24 and Scottish Ambulance Service, which will have a wider benefit to the sector.

Health and Social Care Integration

In 2021-22, NHS payments to Integration Authorities for delegated health functions must deliver an uplift of at least 1.5% over 2020-21 agreed recurring budgets.

In addition to this, and separate from the Board Funding uplift, the Health Portfolio will invest a further £72.6 million in Local Authorities for investment in adult social care and integration. This takes the total funding transferred from the health portfolio to £883 million in 2021-22. The additional £72.6 million will support delivery of the Living Wage (£34 million), continued implementation of the Carers Act (£28.5 million) and uprating of free personal care (£10.1 million).

The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2020-21 recurring budgets for adult social care services that are delegated.

Therefore, Local Authority adult social care budgets for allocation to Integration Authorities must be £72.6 million greater than 2020-21 recurring budgets.

Capital Funding

Boards should assume an unchanged initial capital formula allocation, with additional investment planned for the elective centres and Baird Family Hospital and Anchor Centre in Aberdeen.

2021/22 Financial Plan

We will continue to engage with Boards to finalise Remobilisation Plans and the development of one year financial plans and I hope the information contained in this letter is helpful in the finalising of these plans. We plan to revisit three year financial plans when the NHS is no longer on an emergency footing.

Yours sincerely

Richard McCallum

Interim Director of Health Finance and Governance

Annex A – Board Funding Uplifts

NHS Territorial Boards	2020-21 Allocation	Recurring Allocations	Total 2020-21 Allocation	Uplift incl NRAC	Uplift incl NRAC	2021-22 Total Allocation	NRAC Funding	Distance from NRAC parity
	£m	£m	£m	£m	%	£m	£m	%
Ayrshire and Arran	762.4	(0.6)	761.8	12.7	1.7%	774.5	1.2	-0.8%
Borders	219.8	(0.4)	219.4	3.3	1.5%	222.7	-	-0.8%
Dumfries and Galloway	316.1	(0.3)	315.8	4.7	1.5%	320.6	-	1.5%
Fife	701.5	(1.3)	700.2	12.4	1.8%	712.6	1.9	-0.8%
Forth Valley	558.7	(1.0)	557.7	11.8	2.1%	569.4	3.4	-0.8%
Grampian	1,013.5	(0.8)	1,012.7	15.2	1.5%	1,027.9	-	0.1%
Greater Glasgow and Clyde	2,364.7	(2.0)	2,362.7	35.4	1.5%	2,398.1	-	1.8%
Highland	666.0	(0.6)	665.5	26.4	4.0%	691.9	16.4	-0.8%
Lanarkshire	1,268.1	(1.1)	1,267.1	19.0	1.5%	1,286.1	-	-0.8%
Lothian	1,540.1	0.4	1,540.5	29.0	1.9%	1,569.5	5.9	-0.8%
Orkney	52.6	(0.0)	52.6	2.2	4.2%	54.8	1.4	-0.8%
Shetland	53.9	(0.0)	53.8	0.8	1.5%	54.6	-	0.4%
Tayside	808.5	(0.7)	807.8	12.1	1.5%	819.9	-	-0.8%
Western Isles	80.0	(0.1)	79.9	1.2	1.5%	81.1	-	10.6%
	10,405.9	(8.5)	10,397.5	186.2	1.8%	10,583.7	30.2	
NHS National Boards								
National Waiting Times Centre	60.0	-	60.0	0.9	1.5%	60.9		
Scottish Ambulance Service	278.4	1.1	279.5	4.2	1.5%	283.7		
The State Hospital	37.6	-	37.6	0.6	1.5%	38.1		
NHS 24	72.7	-	72.7	1.1	1.5%	73.8		
NHS Education for Scotland*	461.5	0.2	461.7	9.9	2.1%	471.7		
NHS National Services Scotland	327.7	8.7	336.4	5.0	1.5%	341.4		
Healthcare Improvement Scotland	26.3	0.9	27.1	0.4	1.5%	27.5		
Public Health Scotland	47.9	-	47.9	0.7	1.5%	48.6		
Nationals Total	1,312.1	11.0	1,323.1	22.8	1.7%	1,345.9		
Total NHS Boards	11,718.0	2.5	11,720.6	209.1	1.8%	11,929.6		
Improving Patient Outcomes	472.0		472.0	123.9		595.9		
Total Frontline NHS Boards**	11,326.6	(7.3)	11,319.3	316.9	2.8%	11,636.2		

*The uplift for NHS Education for Scotland includes recurring funding for training grades

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

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Dear Susanne

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

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

Annual uplift to NHSGGC

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

The HSCP Settlement

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

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

Set Aside Budget

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

Recharges to HSCPs

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

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

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

Yours sincerely

James Hobson

Assistant Director of Finance
NHS Greater Glasgow and Clyde

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Appendix 1 – Financial Allocation 2021/22

Spend Categories	Glasgow Hscp	SCS Hosted
	£000s	£000s
Family Health Services *	210,933	0
Fhs Income*	(8,944)	0
Family Health Services Budget (Net)	201,988	0
Prescribing & Drugs	136,093	64
Non Pay Supplies	23,656	1,860
Pay	213,293	17,515
Other Non Pay & Savings	167,475	(50)
Other Income	(24,816)	(5,086)
Budget - HCH incl Prescribing	515,702	14,303
Total Rollover budget - NET	717,690	14,303
Adjustments:		
Non Recurring bud allocated to base	(4,435)	(15)
Budget Eligible for HCH & Prescribing uplift	511,266	14,288
<u>Uplifts</u>		
Scottish Government allocation	7,669	214
West of Scotland Sexual Assault & Rape Service (Topsliced)	(304)	
West of Scotland Sexual Assault & Rape Service (Hosted)	562	
Total Uplift	7,927	214
Revised Budget	725,617	14,517
Set Aside Budget		
2020/21 value	222,643	
Uplift at 1.5%	3,340	
2021/22 value	225,983	

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