



Item No: 8

Meeting Date: Wednesday 27th March 2019

Glasgow City Integration Joint Board

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MEDIUM TERM FINANCIAL OUTLOOK 2019 - 2022

Purpose of Report:	This report outlines the Medium Term Financial Outlook for the Integration Joint Board (IJB) and has been prepared to support financial planning and delivery of the IJB's Strategic Plan.
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Background/Engagement:	This draft plan has been developed to support financial planning and delivery of the IJB's Strategic Plan. All services, Partner Bodies and IJB members have been engaged in the development of this outlook.
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Recommendations:	The Integration Joint Board is asked to: a) approve the Medium Term Financial Outlook 2019 – 2022 attached to this report at Appendix 1.
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Relevance to Integration Joint Board Strategic Plan:

This report outlines the funding and expenditure requirements over the medium term to support delivery of the Integration Joint Board Strategic Plan.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	Not applicable at this time.
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Personnel:	Any implications for Personnel can only be established once final funding allocations are known from Partner Bodies, and the implications for Personnel can then be assessed.
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Carers:	Expenditure in relation to Carers' services is included within this draft medium term financial outlook.
Provider Organisations:	Expenditure on services delivered to clients by provider organisations is included within this draft medium term financial outlook.
Equalities:	Not applicable at this time.
Fairer Scotland Compliance:	The expenditure on services supports the delivery of a Fairer Scotland.
Financial:	The draft medium term financial outlook identifies an estimated funding gap of £100m over the three years, with £36m identified for 2019 - 20.
Legal:	<p>The Integration Scheme requires Glasgow City Council and NHS Greater Glasgow and Clyde to consider draft budget proposals based on the Strategic Plan as part of their respective annual budget setting processes. This is required to include assumptions on a range of issues including but not limited to:-</p> <ul style="list-style-type: none"> • activity changes • cost inflation • efficiencies • performance against outcomes • legal requirements • transfer to or from amounts sets aside by the Health Board • adjustments to address equity of resource allocation
Economic Impact:	Not applicable at this time.
Sustainability:	Sustainability of service provision over the medium term will be dependent on the final medium term financial outlook and the decisions required to deliver a balanced budget.
Sustainable Procurement and Article 19:	Not applicable at this time.
Risk Implications:	<p>The IJB is required to set a balanced budget for 2019 – 20 by the end of March 2019. This requires both Glasgow City Council and NHS Greater Glasgow and Clyde to provide financial allocations to support this timescale.</p> <p>The Medium Term Financial Outlook makes a number of assumptions about funding and expenditure requirements</p>

	between 2019 and 2022. Sensitivity analysis is used to test the major assumptions made by the model and understand what the implications are if assumptions change. This effectively tests ‘what if’ scenarios and enables the IJB to determine the potential fluctuation which could exist within the modelling and will assist future planning.
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Implications for Glasgow City Council:	The Integration Scheme requires Glasgow City Council to consider draft budget proposals based on the Strategic Plan as part of their annual budget setting processes.
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Implications for NHS Greater Glasgow & Clyde:	The Integration Scheme requires NHS Greater Glasgow and Clyde to consider draft budget proposals based on the Strategic Plan as part of their annual budget setting processes.
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Direction Required to Council, Health Board or Both	Direction to:	
	1. No Direction Required	
	2. Glasgow City Council	
	3. NHS Greater Glasgow & Clyde	
	4. Glasgow City Council and NHS Greater Glasgow & Clyde	✓

1. Purpose

- 1.1 The IJB’s Strategic Plan for the next three years will set out the ambitions of Glasgow City IJB. However, it is important that this is set within the context of the funding which is available to support delivery, and medium term financial planning is an important part of the strategic planning process.
- 1.2 This has been recognised by the Accounts Commission report in November 2018, which highlighted the need to link resources to strategic priorities, recommending longer-term, integrated financial planning between IJB’s and Partner Bodies to deliver sustainable service reform.
- 1.3 Glasgow City IJB has developed a medium term financial outlook this year to support the development of the 2019 – 2022 Strategic Plan. This outlook has been updated to reflect comments which have been received as part of our consultation process with IJB members in February and also to reflect the latest funding offer from Glasgow City Council and NHS Greater Glasgow and Clyde.

2. Financial Context

2.1 The Medium Term Financial Outlook provides an opportunity for the IJB to gain an understanding of the financial climate in which it will operate over the medium term. This has been done by considering the impact of a range of factors, which are illustrated below and reflect the complexity of factors which can impact on IJB financial pressures.

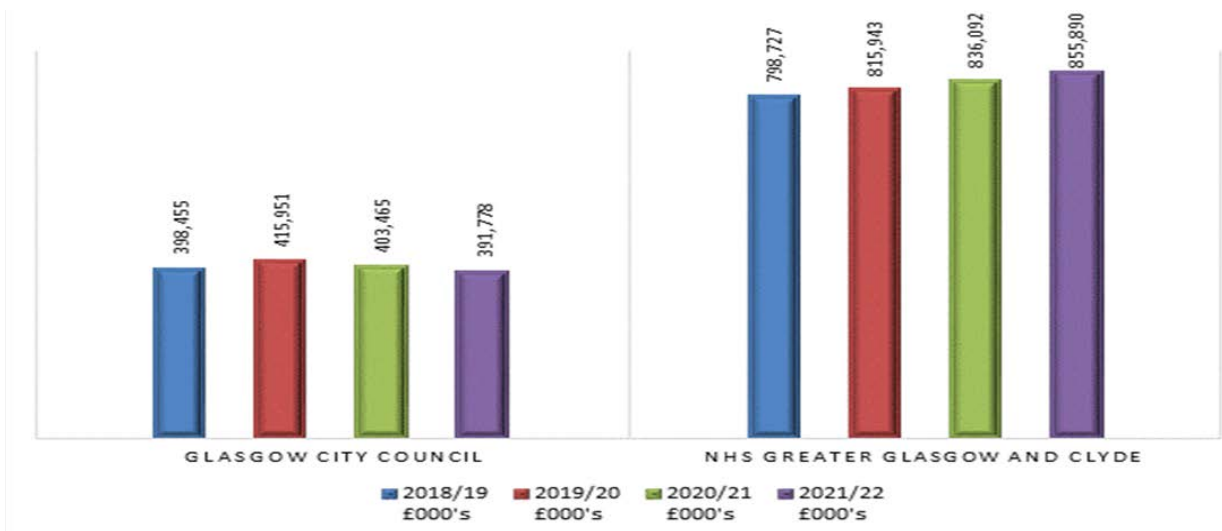


Impact on Funding

2.2 The IJB is reliant on funding from Glasgow City Council and NHS Greater Glasgow and Clyde. These Partners' contributions are contingent on their respective financial planning and budget setting processes, as well as the financial settlements which each body receives from the Scottish Government. The budget setting process will also consider the level of savings which will be applied to the IJB by both Partner bodies.

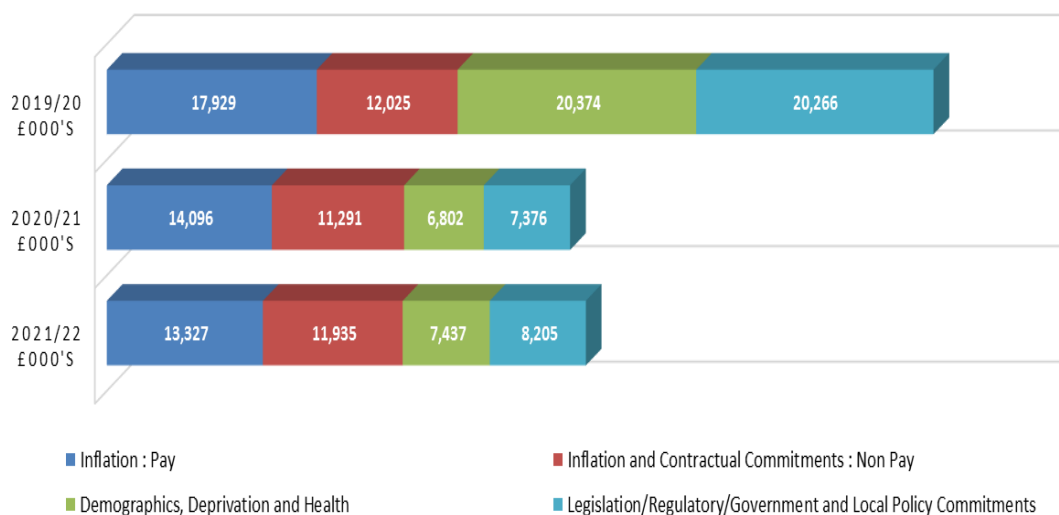
2.3 The Integration Scheme requires Glasgow City Council and NHS Greater Glasgow and Clyde to consider draft budget proposals based on the Strategic Plan as part of their respective annual budget setting processes. The funding which is proposed to be delegated to the IJB from Glasgow City Council and NHS Greater Glasgow and Clyde for 2019-20 is reflected within this document. This is the subject of a separate report to the March IJB.

2.4 Funding assumptions beyond this are based on the best information available at this time and forecast that Health Board funding is likely to increase by £57m between 2019-20 and 2021-22, with Council funding expected to reduce by £6m over the same time period.



Impact on Expenditure

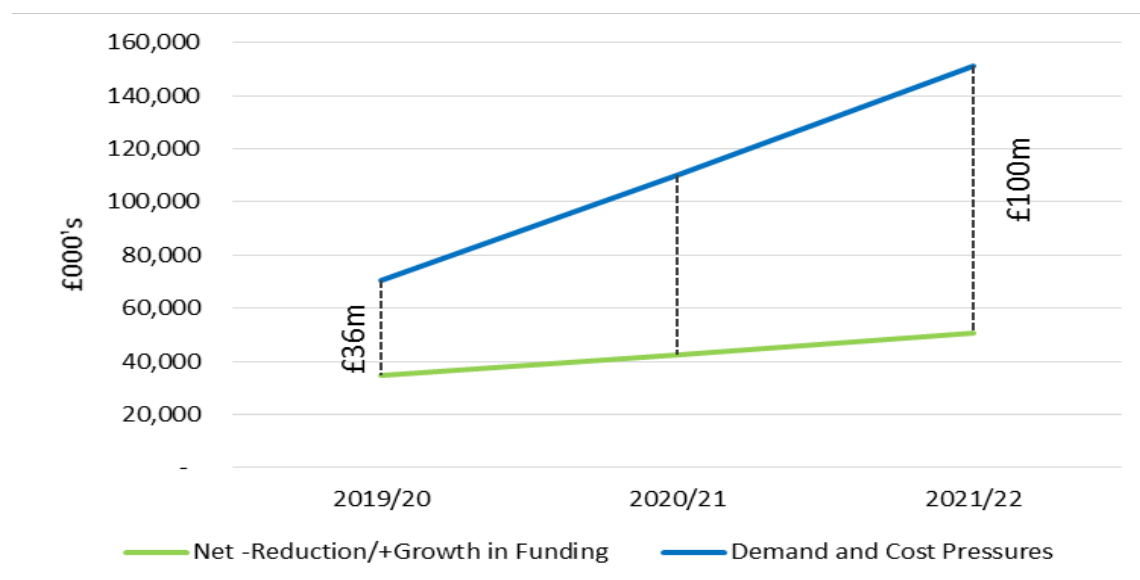
2.5 Each year the IJB will face cost pressures as a result of a range of factors including demand, inflation and changes in legislation/regulations. This Outlook has assessed the key factors likely to impact over the medium term and estimates that the IJB will face cost and demand pressures of £151m over the next three years.



2.6 These pressures reflect a number of inflationary pressures which the IJB is required to contractually pay which it has no control over and ranges from £25m to £30m per annum. In addition to this, services are experiencing high levels of demand for services as a result of demographics, deprivation and health issues some of which are being reflected in our financial performance in 2018-19. In addition to this there are a number of new commitments in relation to national and local policy commitments.

Impact on Financial Position

2.7 The assessment of both funding and expenditure identifies a shortfall in funding of £100m and represents the scale of the challenge facing the IJB over the medium term.



2.8 This will require the IJB to consider options for savings in 2019 – 20 of £36m to deliver a balanced budget and this is the subject of a separate report to the March IJB.

3. Recommendations

3.1 The Integration Joint Board is asked to:

- a) approve the Medium Term Financial Outlook 2019 – 2022 attached to this report at Appendix 1.

DIRECTION FROM THE GLASGOW CITY INTEGRATION JOINT BOARD

1	Reference number	270319-8-a
2	Date direction issued by Integration Joint Board	27 March 2019
3	Date from which direction takes effect	27 March 2019
4	Direction to:	Glasgow City Council and NHS Greater Glasgow and Clyde jointly
5	Does this direction supersede, amend or cancel a previous direction – if yes, include the reference number(s)	No
6	Functions covered by direction	All functions as outlined in the draft Medium Term Financial Outlook.
7	Full text of direction	<p>The Integration Scheme requires Glasgow City Council and NHS Greater Glasgow and Clyde to consider draft budget proposals based on the Strategic Plan as part of their annual budget setting processes.</p> <p>Both Partners are requested to consider this Medium Term Financial Outlook as part of their annual budget process for 2020 – 21 and 2021 – 22.</p>
8	Budget allocated by Integration Joint Board to carry out direction	Not relevant at this stage.
9	Performance monitoring arrangements	In line with the agreed Performance Management Framework of the Glasgow City Integration Joint Board and the Glasgow City Health and Social Care Partnership.
10	Date direction will be reviewed	31 March 2020



MEDIUM TERM FINANCIAL OUTLOOK 2019 - 2022

Glasgow City Integration Joint Board

Glasgow City
HSCP
Health and Social Care Partnership

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EXECUTIVE SUMMARY

Glasgow City IJB is ambitious about what it wants to achieve and is clear about its ambitions and priorities for the next three years as set out in its Strategic Plan. The financial position for public services continue to be challenging, therefore it is important that the IJB's ambitions are set within the context of the funding which is available. This Medium Term Financial Outlook assists the IJB to plan based on the totality of resources across the health and social care system to meet the needs of local people and support delivery of its Strategic Plan for 2019 to 2022.

Glasgow City IJB delivers a range of services to its citizens and in 2018-19 has funding of £1.2bn to spend on services. Glasgow remains a city of contrasts. Parts of the city still suffer from unacceptable levels of poverty and inequality and not all the prosperity and success in the city has been shared. Almost half of our citizens live in the 20% most deprived areas in Scotland. One in three of our children live in poverty and there are significant long term health challenges which stop citizens from reaching their full potential.

The demographic, health and deprivation profile of the city impact on the demand that is experienced in all of our services and can often result in higher support levels than experienced in other parts of Scotland. This creates a challenging environment in which to operate, managing demand within the financial constraints in which we operate, whilst transforming services and delivering on the integration agenda.

Glasgow City IJB is clear about the challenges which are ahead and its aspirations for all of its services and this needs to be considered in the context of the financial resources which will be available over the Medium Term. Over the medium term this outlook estimates a funding shortfall of £100m over the next three financial years which the Integrated Joint Board will need to address. This is based on the best estimates available and sensitivity analysis has been undertaken to highlight the implication of changes to underlying assumptions.

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.

A clear strategy is required to ensure the IJB remains financially sustainable over the medium term. This will require services to be re-imagined and a new social care contract to be discussed with the citizens of Glasgow. This will represent a significant change to the IJB, our partners and the citizens of Glasgow and will require us all to work together to focus our limited resources on offering services which are sustainable over the longer term and are targeted to those with the greatest need.

PURPOSE

Glasgow City Integration Joint Board (IJB) was established in February 2016, and has responsibility for planning how community health and social care services are delivered in Glasgow. It does this by directing Glasgow City Council and NHS Greater Glasgow and Clyde to work jointly together to deliver integrated community and social care services through the Glasgow City Health and Social Care Partnership.

Integration of services is about putting people first and ensuring that they get the right care and support whatever their needs, at the right time and in the most appropriate place.

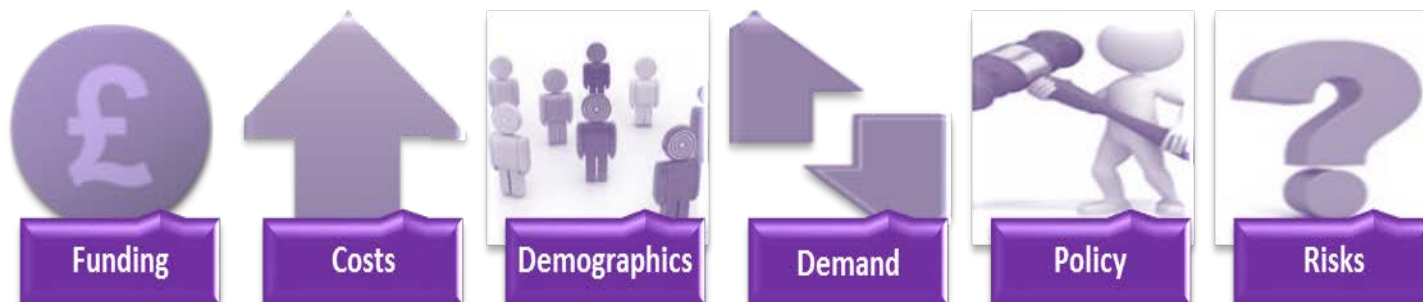
Glasgow City IJB is ambitious about what it wants to achieve and has already delivered early successes integrating and improving services for the people of Glasgow. The IJB is clear about its ambitions and priorities for the next three years and has set this out in its Strategic Plan.

Medium Term financial planning is an important part of the strategic planning process. The financial position for public services continue to be challenging, therefore it is important that the IJB's ambitions are set within the context of the funding which is available.

The purpose of this Medium Term Financial Outlook is to ensure that resources are targeted at the delivery of the priorities of the Strategic Plan and also to support the annual financial planning process. This Outlook will assist the IJB to plan based on the totality of resources across the health and care system to meet the needs of local people and support delivery of its Strategic Plan for 2019 to 2022.

Approach to the Development of the Medium Term Financial Outlook

The Medium Term Financial Outlook provides an opportunity for the IJB to gain an understanding of the financial climate in which it will operate over the medium term. This will be done by considering the impact of a range of factors, which are illustrated below and reflect the complexity of factors which can impact on IJB financial pressures.



LOCAL CONTEXT

Glasgow is Scotland's largest city, with just over 600,000 citizens. It is a city with a great history and heritage built around the River Clyde and on the strength of its people, their pride in the city, spirit and diversity. It is the centre of the only metropolitan area in Scotland and is the most ethnically diverse city in the country.

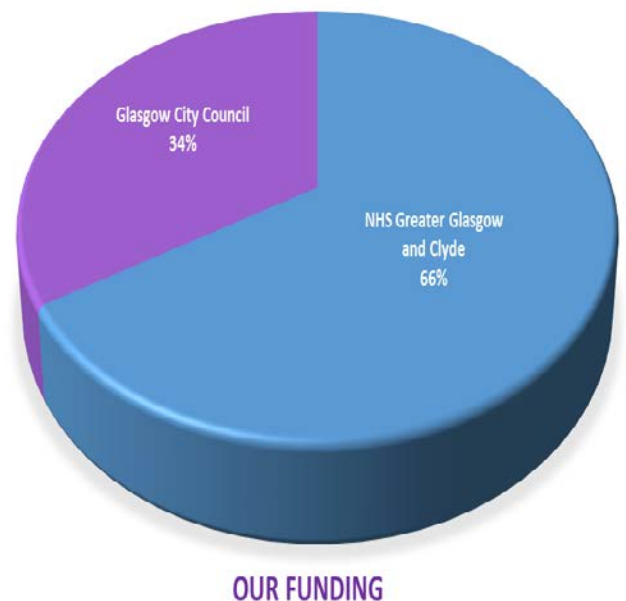
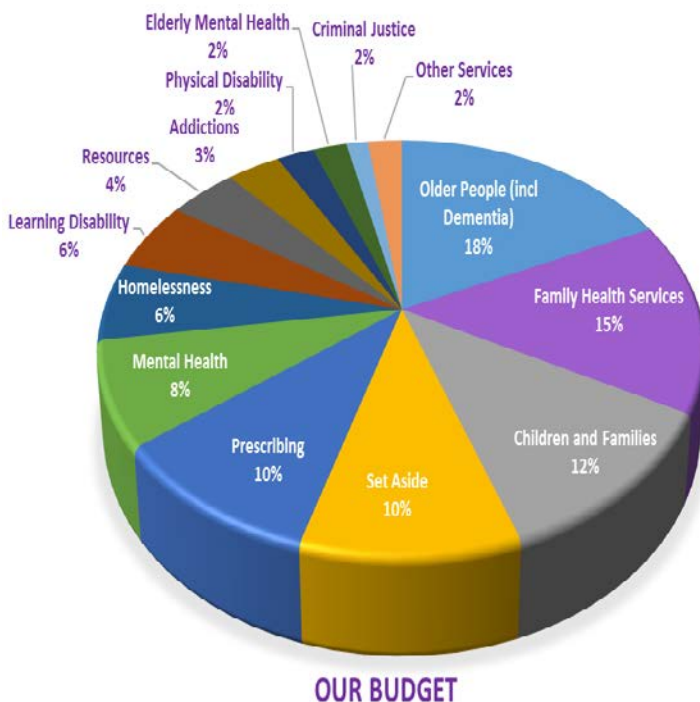
Glasgow remains, however, a city of contrasts. Parts of the city still suffer from unacceptable levels of poverty and inequality and not all the prosperity and success in the city has been shared. Almost half of our citizens live in the 20% most deprived areas in Scotland. One in three of our children live in poverty and there are significant long term health challenges which stop citizens from reaching their full potential.

Glasgow City IJB has a clear vision for health and social care services in Glasgow City.

The City's people can **flourish**, with access to health and social care support when they need it. This will be done by **transforming** health and social care services for better lives. We believe that stronger **communities** make healthier lives.

Our Budget

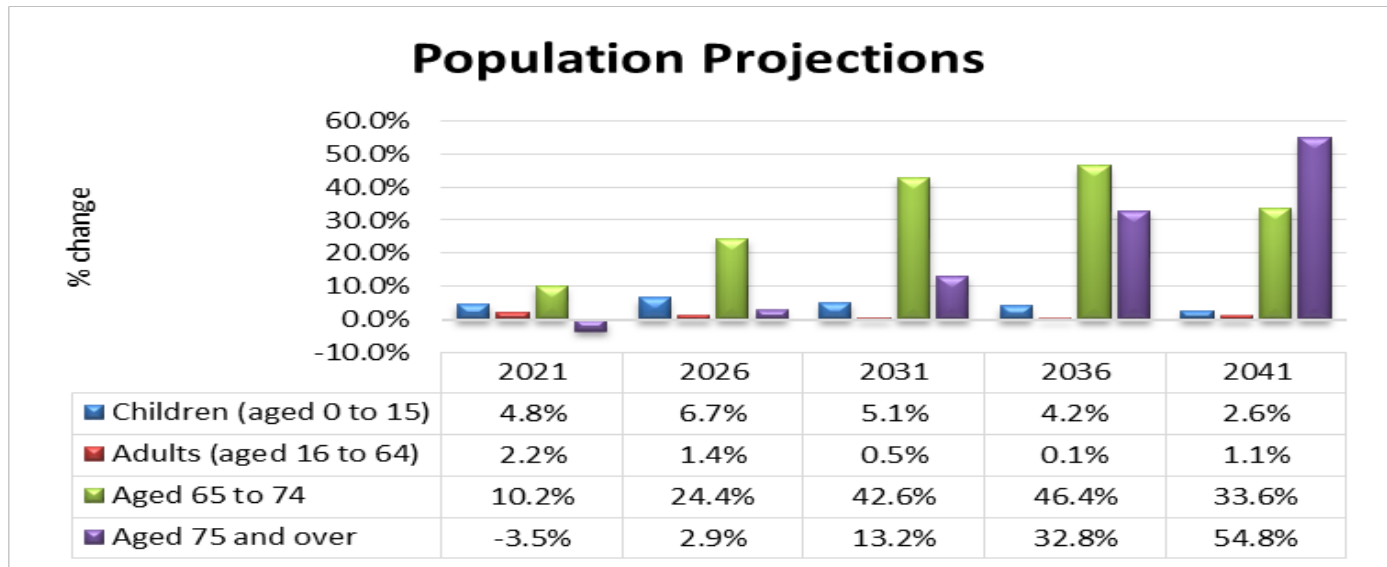
Glasgow City IJB delivers a range of services to its citizens and in 2018-19 has funding of £1.2bn to spend on services. This is funded through budgets delegated from both Glasgow City Council and



NHS Greater Glasgow and Clyde and is illustrated below.

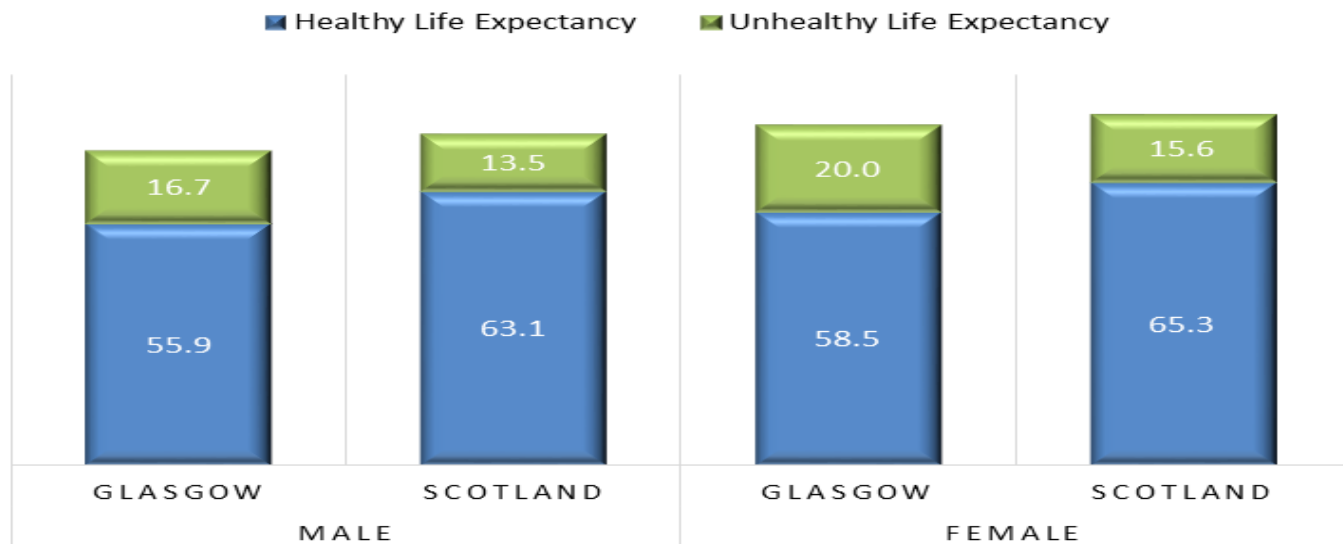
Our Demography

Glasgow is expected to experience an increase in its demographic profile over the next 25 years, with the population forecast to increase by 7.1% to 659,000 by 2041. Over this period all population groups will increase. However the largest movement will be in those citizens who are aged 65 and over with aged 65 to 74 increasing by 33.6% and aged 75 and over increasing by 54.8%. Over the medium term the biggest increase will be experienced in aged 65 to 74 which is forecast to increase by 10.2% by 2021.



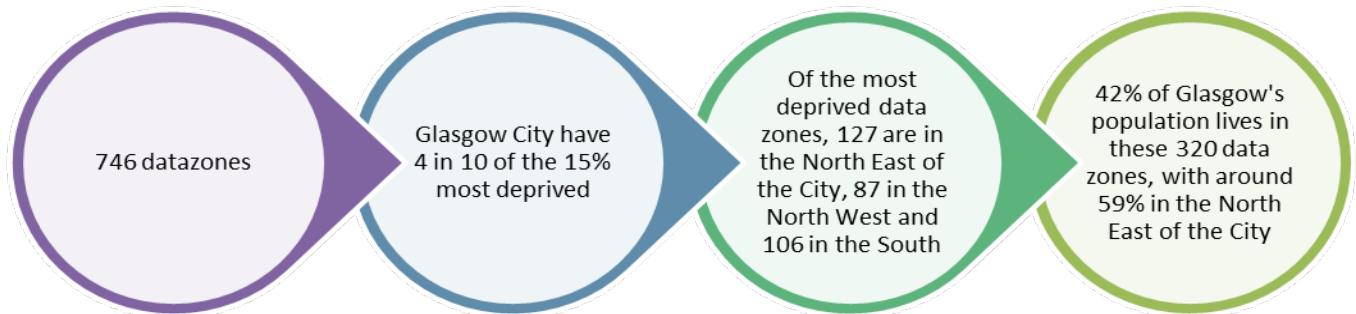
Our Health and Deprivation

Life expectancy in Glasgow is lower than Scotland as a whole and residents of Glasgow will become unhealthy at a younger age, and live longer with health issues, than the Scottish average. The earlier people become unhealthy, the sooner they are likely to access services from the IJB to support them to remain within their own homes and local communities.

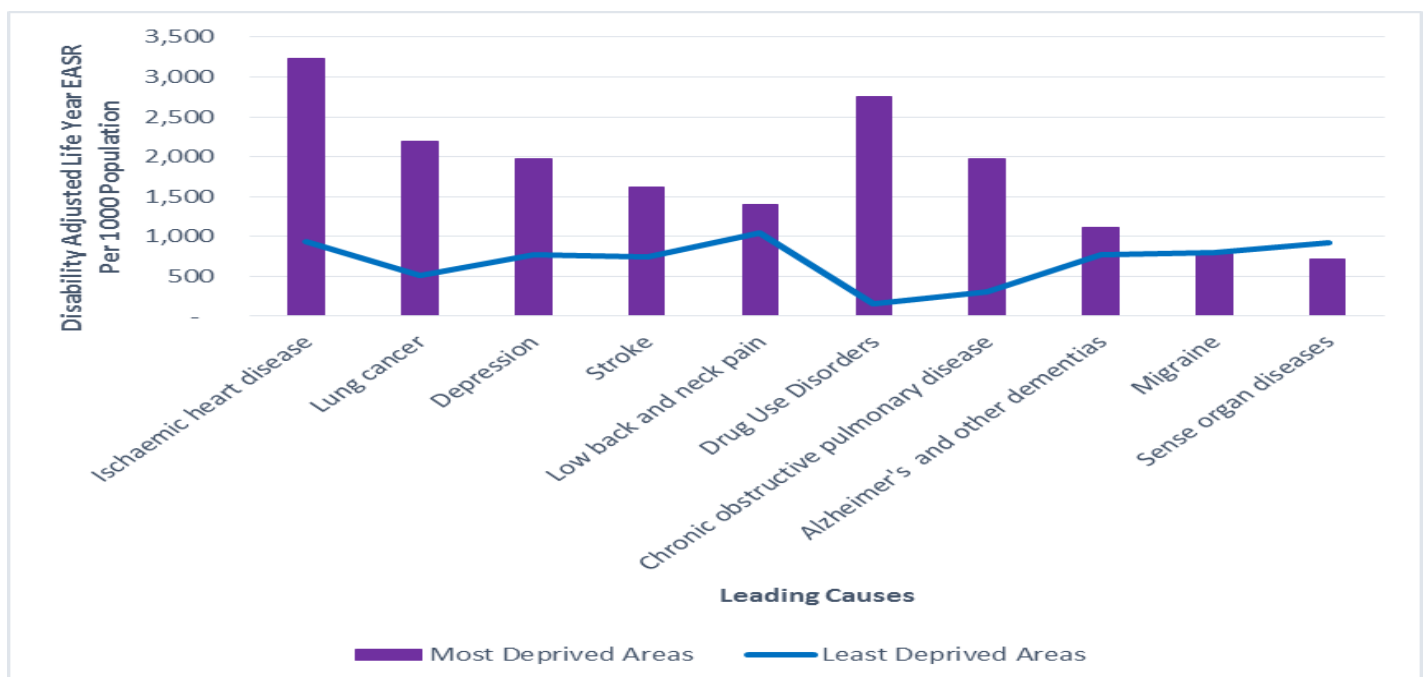


31% of Glasgow City's citizens are living with one or more long term health condition, which is higher than the Scottish average of 30%. Glasgow City shows higher number of citizens with blindness or partial sight loss, learning disability, learning difficulty, physical disability and mental health conditions when compared with the Scottish average. Glasgow City also experiences a number of other challenges linked to addictions, with 30% of Glasgow males and 18% of Glasgow females identified as potential problem drinkers, both far higher than the equivalent Scottish averages of 24% for males and 12% for females. Glasgow City also has an estimated 13,000 problem drug users, most of whom also consume alcohol on a daily basis. There were almost 2,000 drug related hospital stays in Glasgow during 2016/17 - a rate of 304 per 100,000 population, nearly twice the Scottish rate of 162 per 100,000 population.

The Scottish Government publishes the Scottish Index of Multiple Deprivation (SIMD) which uses a range of socio-economic data to calculate relative deprivation across small geographical areas with populations between 500 and 2,000 people. Within Glasgow there are 746 areas (datazones) which have been assessed through the SIMD.



The recent 'burden of disease' work lead by Health Scotland shows very clearly the nature and extent of the impact of deprivation on health and care services and the added burden placed on services as a result of disease. This is illustrated in the graph below which shows the leading diseases which are unlikely to cause death but may cause substantial poor health.

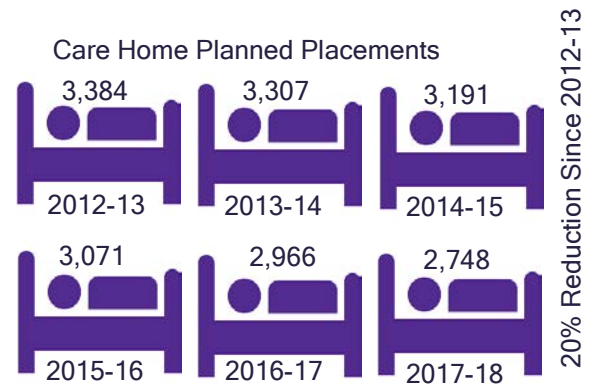


Impact on Demand

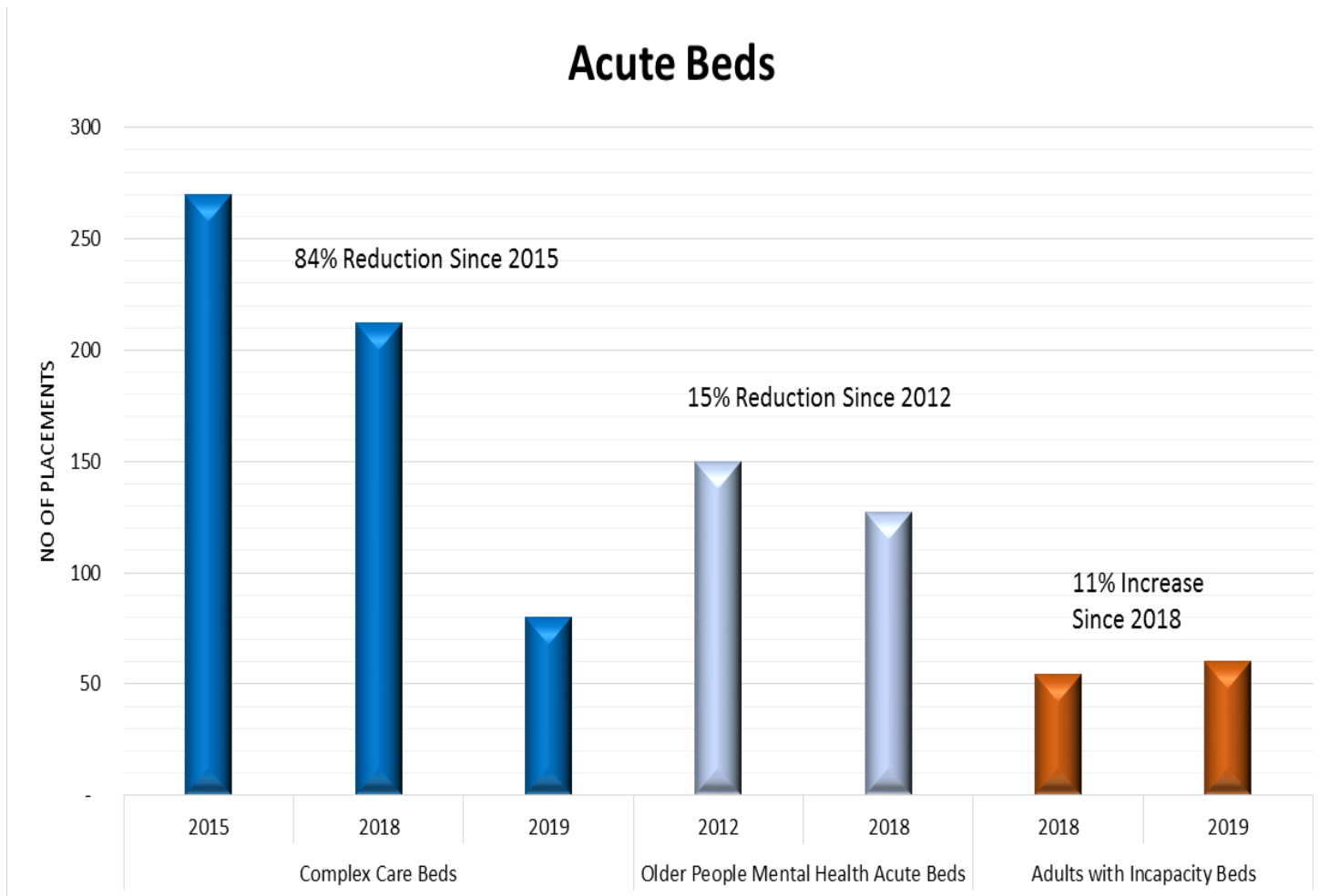
All of these areas impact on the demand that is experienced in all of our services and can often result in higher support levels than experienced in other parts of Scotland. This creates a challenging environment in which to operate, managing demand within the financial constraints in which we operate, whilst transforming services and delivering on the integration agenda.

Older People Services

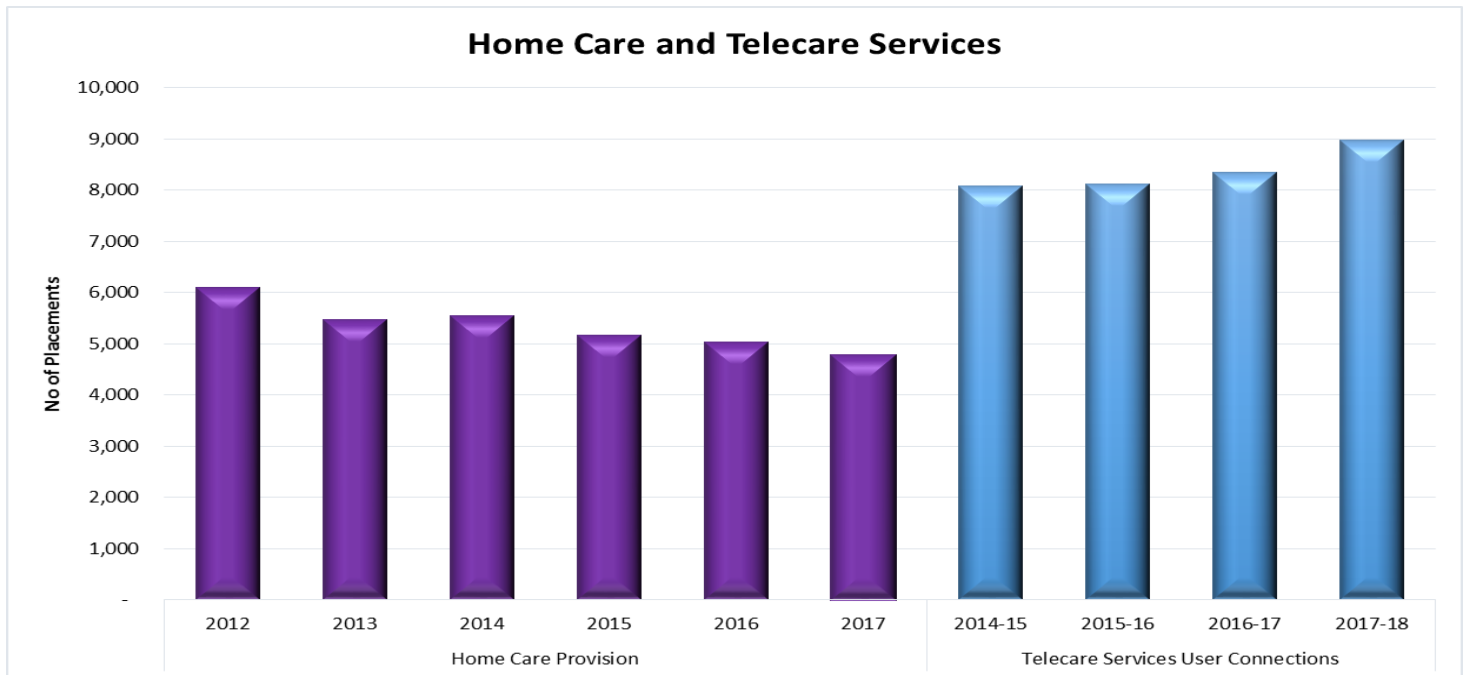
The direction of travel for Older People Services in recent years has been to shift the balance of care away from traditional hospital or institutional care towards providing more support in communities so people can live independently for as long as possible in their own homes or other community based settings. As the data on this page shows Glasgow has made great strides in this direction by reducing reliance on traditional hospital and institutional care.



Acute Beds



However, further work is required to continue to transform services. This includes changes to what is a relatively risk averse perhaps at times relatively paternal historical culture in Glasgow, where the tendency has at times been to 'do for' rather than enable people to 'do for themselves'. There has been significant progress in changing this natural tendency over recent years and this has been reflected in the development of successful new community based service models and preventative services which focus on rebuilding confidence and skills for independence. Some key information on the activity in these services is shown on this page.



Supported Living
Increase in places to 734 in 2017-18

This shift in care has not only supported the development of community social care services, it has also delivered savings of £18m over the last 5 years, which has been required to manage services within the funding which has been available from partners.

Community Based Supported Living
Development of 72 places

The investment in community social care services has been essential to delivering the shift in the balance of care, however all of these services are reporting increased levels of demand and increasing levels of frailty of the clients which are supported. This is reflected in the increased need for care home placements in 2018, which will be the first increase in six years, and is reflected in the projections shown on Page 10.

65 to 74 year olds
10.2% increase projected between 2016 and 2021

Locally Glasgow City Council has transferred the delivery of Homecare Services back to the Council. This comes with it a financial pressure of £6.5m which will need to be considered as part of the medium term financial outlook.

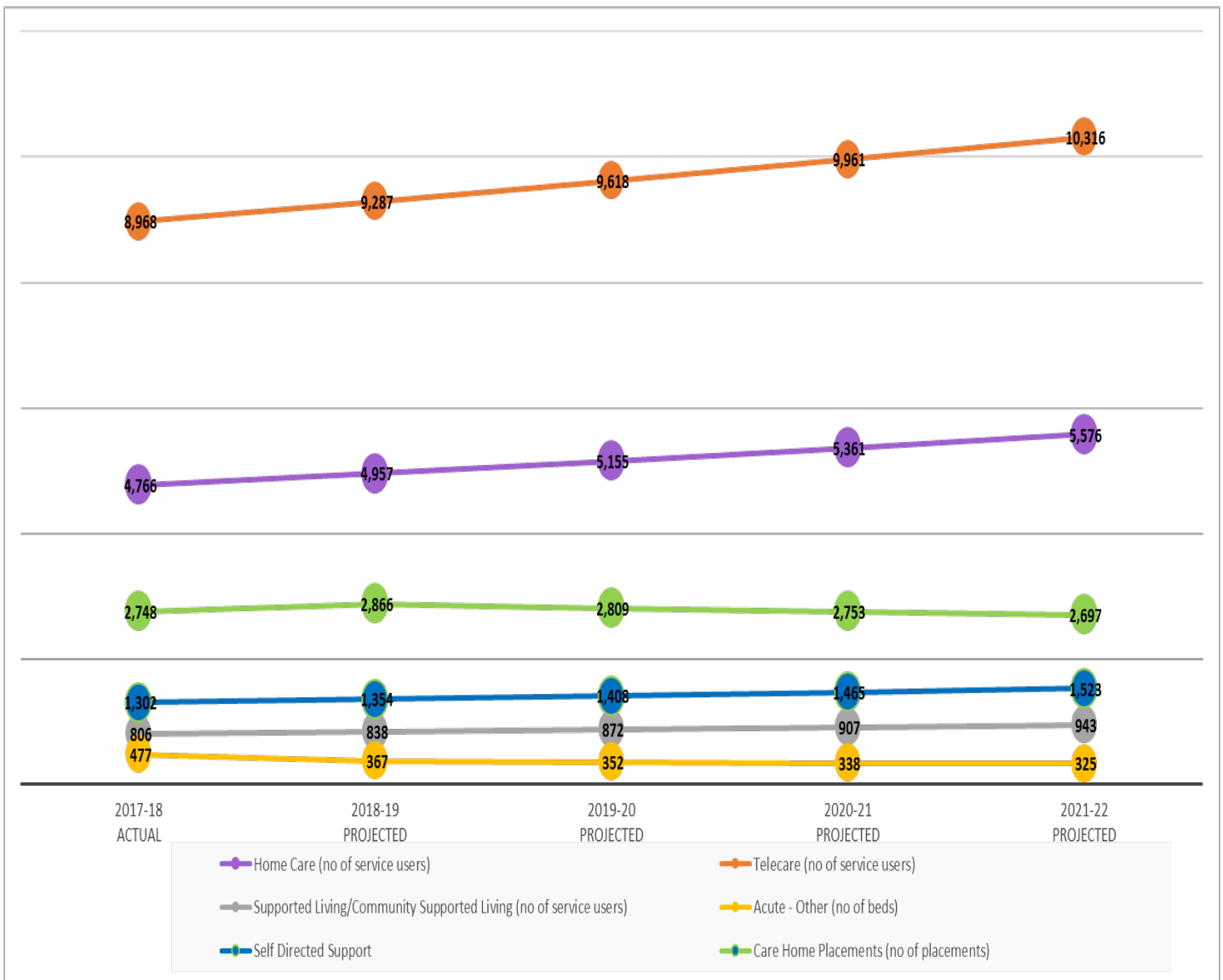
75 and Over
3.5% reduction projected between 2016 and 2021

Maintaining this strategic shift in services becomes more challenging year on year as the number of older people with complex needs increases. While more people in Scotland and Glasgow are generally living longer healthier lives than ever before, there is a significant proportion of the City's population with additional complex needs and who place extra demand on care services. In May 2018, the Institute of Fiscal Studies and the Health Foundation recognised the pressure on social care funding, forecasting the need for a

Self Directed Support
Increased from 491 service users in 2012/13 to 1,354 in 2018/19

3.9% per annum increase alone to meet the changing complex needs of the population, including a recognition of pressures as a result of the general population living longer.

Planning assumptions over the medium term are to continue to support Glasgow's population to live as independently as possible for as long as possible, but with a clear intention to shift the focus to enabling and supporting those that require assistance to enjoy the best quality of life possible, informed by choices they make for themselves. For older people's health and social care services that means a different approach to managing risk, particularly where older people, their families and carers make conscious choices to live with risk in the community. The graph below demonstrates what this shift could look like including the need for investment in community based solutions to both.



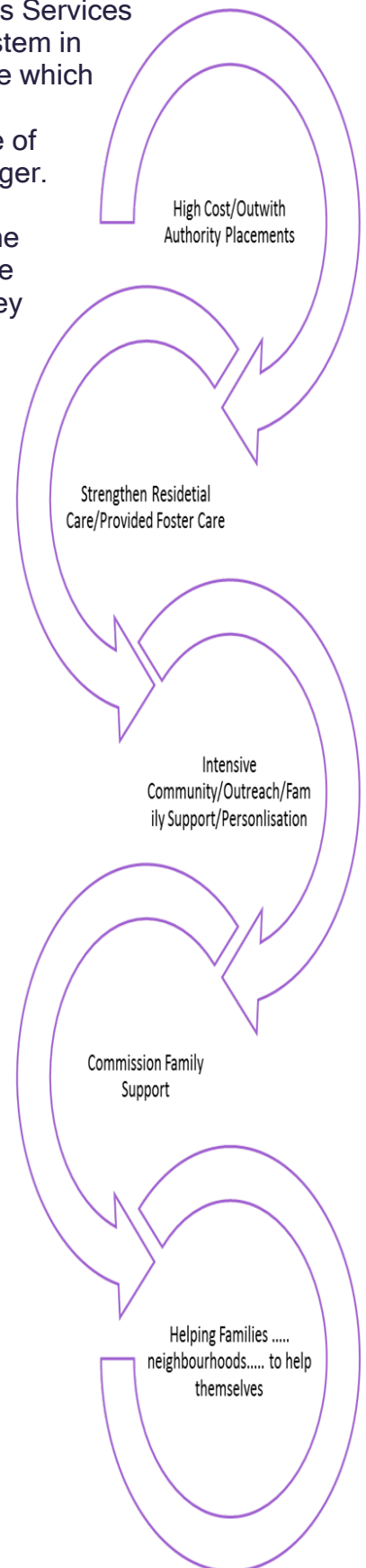
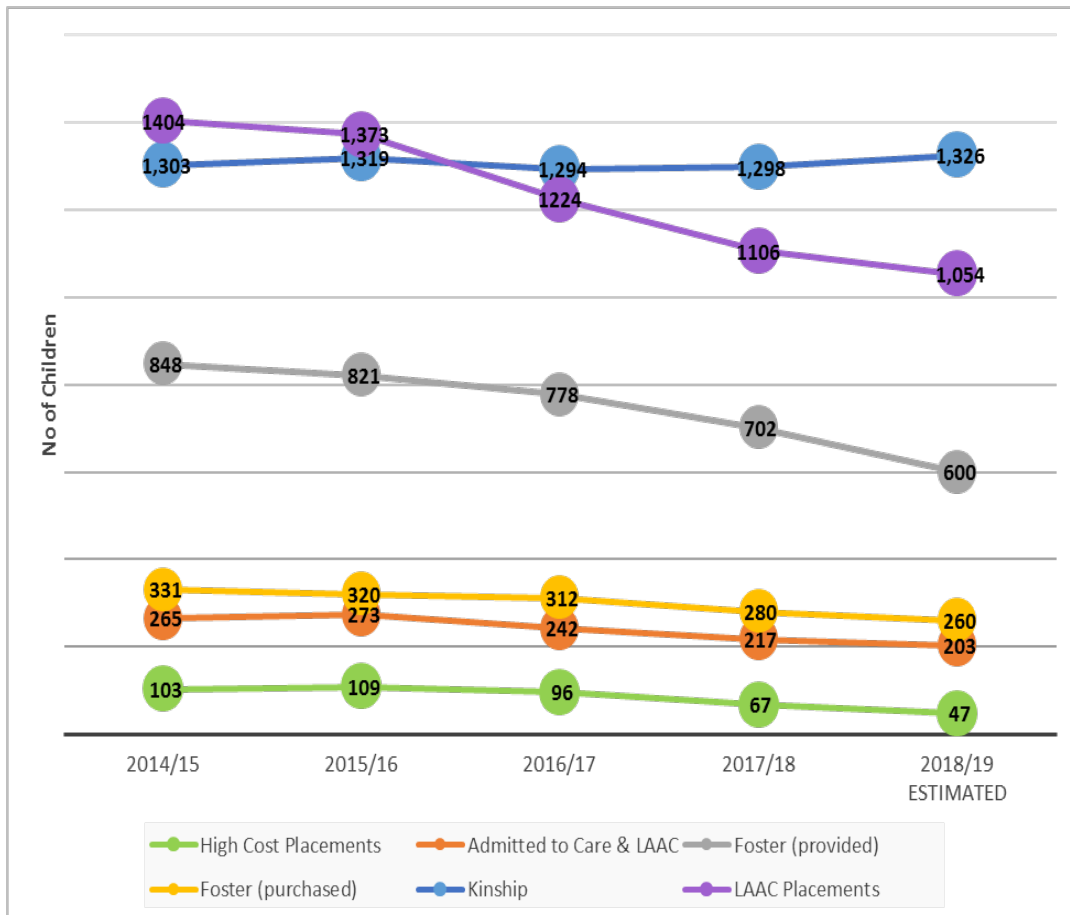
In looking towards 2021 the intention is to build upon the momentum already established over recent years and accelerate progress still further in the face of the significant challenges which will be experienced by the HSCP over the period. This will require a profound shift in the culture which operates across the whole system, with greater emphasis on family and carer support than exists at present, more effective applications of technology and a more efficient use of the Acute system.

Children's Services

The introduction of the Health and Social Care Partnership provided Children's Services with an opportunity to undertake a comprehensive review of the child care system in Glasgow. This review reflected and concluded that Glasgow needed a service which was aligned to the policy aims of Getting It Right for Every Child, delivering a service which would help families to help themselves and improving the range of family support services in place to sustain more young people at home for longer.

This approach is shown opposite and seeks to implement the aspirations of the Christie Commission, to avoid spending money in an intervention that could be avoided, by prioritizing a preventative approach with a significant shift in money to prevention in the community infrastructure.

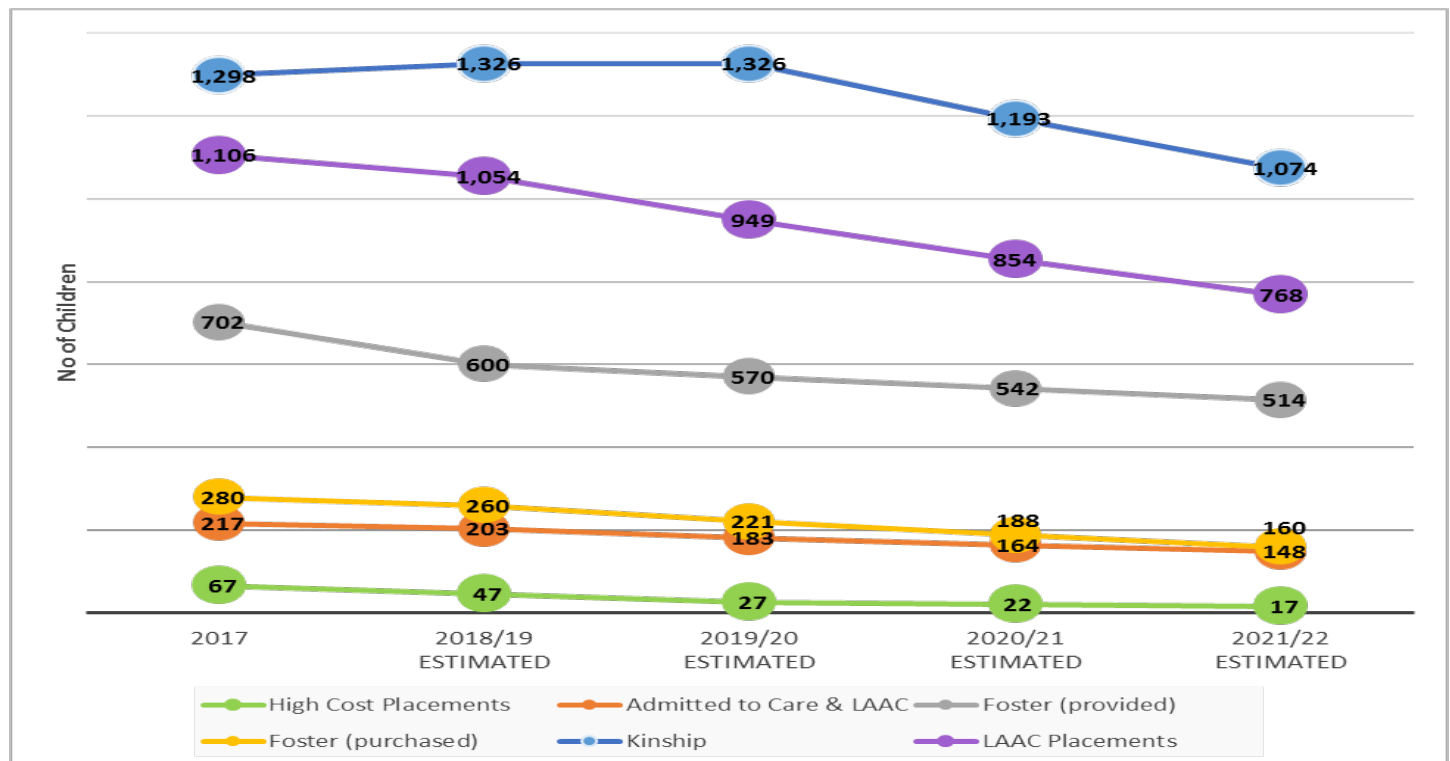
Children and Family Services have already secured significant financial savings of £9m over the last 3 years and contributed to a radical rethink for children's health and care services in the city of Glasgow. Measurable progress has been made and this is illustrated in the graph below which shows a reduction in the number of children and young people with packages of care, which did not provide outcomes commensurate with the scale of investment and more importantly deliver the desired outcomes for these young people.



This service believes that more can be done to shift this balance of care. However if this progress is to be sustained effective re-investment is required to strengthen the internal infrastructure available within the child health and social care system to ensure families are offered the levels of support required to prevent the need for intervention. Good progress has already been made with the introduction of Kinship Care, Family Group Conferencing and Extended Family Network Search which are delivering innovative and supportive options for children within their own extended family network. A review of Glasgow's own residential care provision is also underway to maximise the use of these resources to support those children requiring higher levels of support. The need for re-investment in family support and early intervention and prevention is not only the responsibility of the IJB, partners also have a role to play in delivering a city wide and service wide approach to delivering a successful strategy.

Future plans for the IJB include the development of an extended, more robust, intensive and assertive "edge of care" service which will endeavor to maintain more, older young people at home to prevent their unnecessary admission into 'acute' care. By developing and strengthening support in local communities, the IJB will seek to reduce inappropriate, unplanned and emergency admissions and instead support greater number of children and young people to continue to live in their families, and remain within their schools and within their local communities. This will not only improve performance securing better outcomes and more positive destinations for children and young people, it will also enable the whole system to operate more effectively.

Over the medium term there is an opportunity to grasp a number of initiatives to progress the direction of travel now established and to secure a step change for the most vulnerable children and young people in Glasgow. The graph below shows the potential further reductions which could be secured if supported by the required investment in prevention and early intervention and this needs to be considered when developing the IJB's financial plans over the medium term.



Adult Service

Adult Services incorporates a broad range of services which are offered across Glasgow City. The vision for Adult Services clearly sets out the need to deliver high quality and effective services for adults with a complex range of needs. Service users and patients should receive the right services at the right time and service users and their families should be supported to live as independently as possible within their communities.

To deliver this vision there is a need for a profound shift in the whole system culture, which will rely on:-

- A range of preventative and effective early intervention services and supports being available to patients and service users.
- A network across the City of effective and extensive relationships with 3rd and independent sector organisations including a co-production approach to purchased services.
- A recovery approach which is peer lead and provides support for self-management and community capacity building.
- A detailed programme of work with service users; carers; stakeholders and the public to manage expectations of what future services can deliver.
- Redesign of the more intensive services to target those most at need and to ensure there are effective; sustainable; safe and secure outcomes for these service users.

Adult Services has made significant progress in shifting the balance of care and delivering more effective community based alternatives. Developments in Mental Health Services in Glasgow is a good example of this were a reduction of hospital beds has been supported by improved community services, reducing from 4,370 in 1978 to 783 in 2017. These bed closures released significant levels of funding for reinvestment in community services, and allowed for major improvements in the quality of accommodation in the Inpatient estate. A number of services have also been re-profiled and the development of the Recovery Model of Care in some services has been a significant step change in relation to providing greater self-determination and choice.

Demand for Adult Services across the City remains high. Some examples of this demand are shown on the opposite page.

Criminal
Justice Services

Adults with
Mental Health
problems

Sexual Health
Services

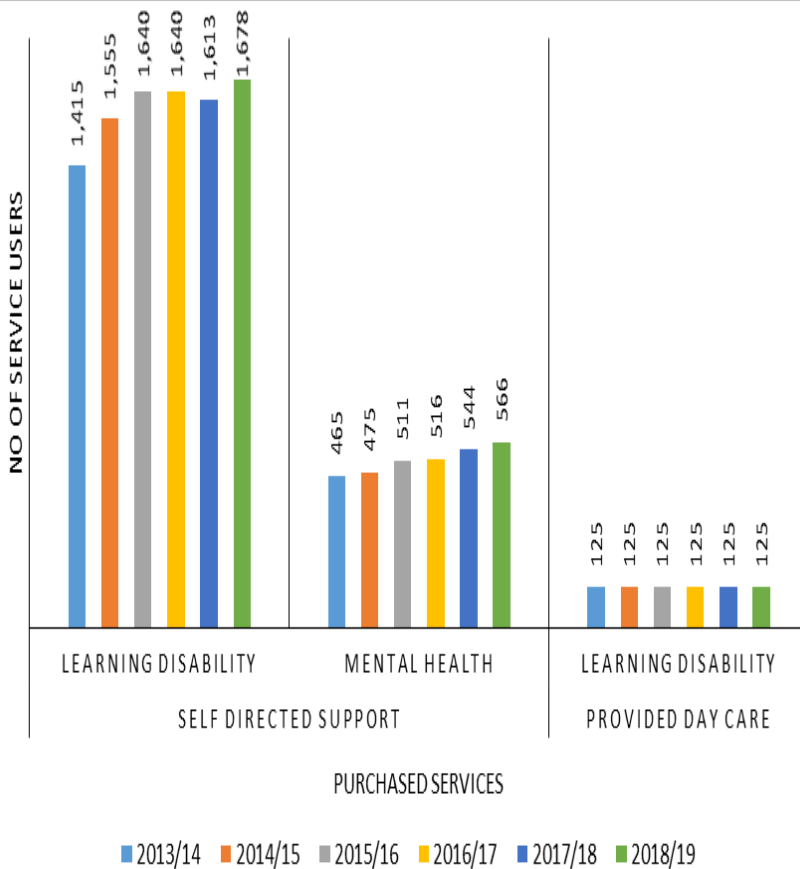
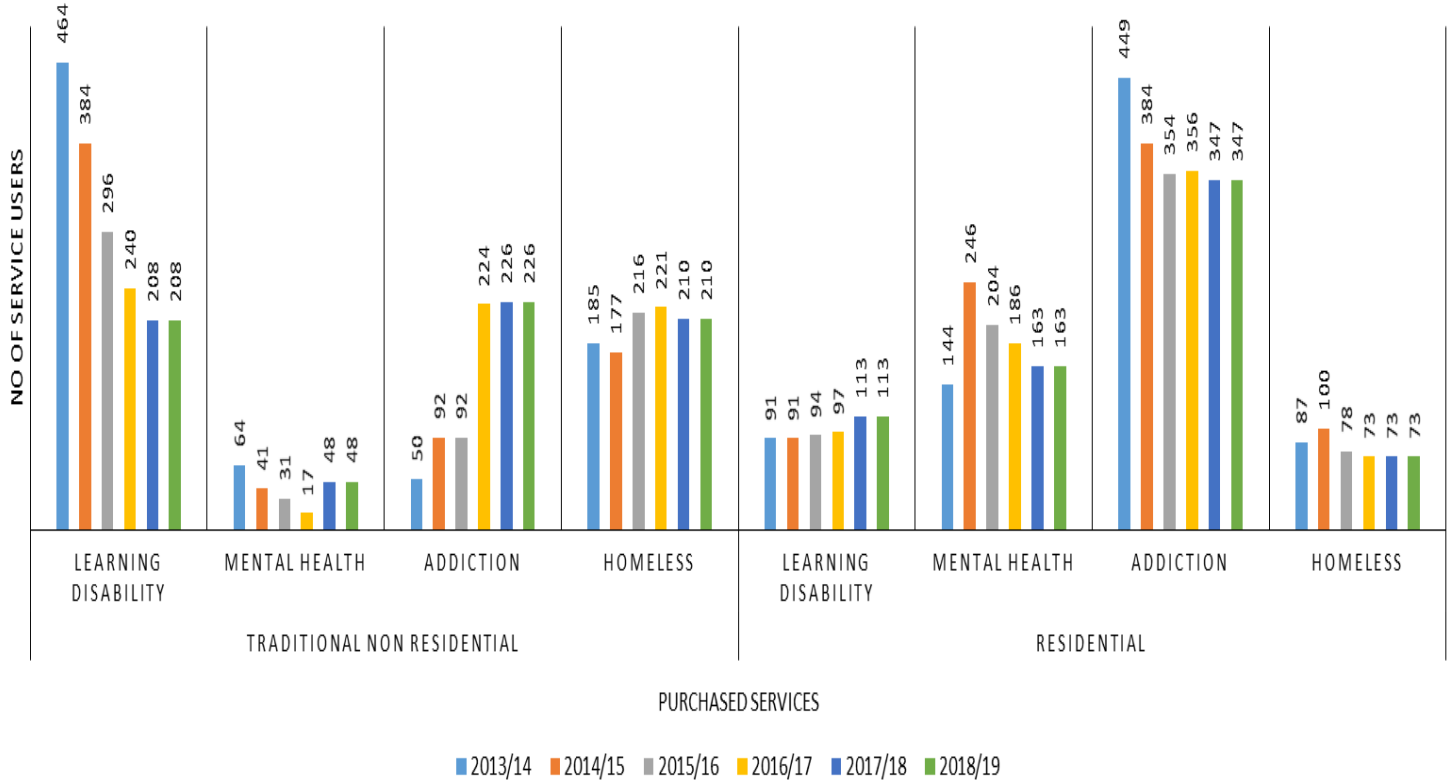
People with an
Alcohol and/or
Drug Issues

People with a
Learning
Disability

Healthcare for
people in
Prisons

Healthcare for
people in
Police Custody

Homeless
Services







Criminal Justice - 2017/18

- 4,127 reports requested
- 2,781 community payback order imposed
- 173 Long Term custody (over 4 years) imposed
- 231 Throughcare licenses in the community

Homelessness - 2017/18

- 9,017 approaches for homelessness related advice and assistance
- leading to 5,203 homelessness applications
- 4,185 households were assessed as being homeless or potentially homeless.
- At the end of 2017/2018, there were 3,413 live homeless applications

Over the medium term, work will continue to transform services and deliver the vision for Adult Services. For adult mental health the objective is to provide alternatives to inpatient care which would reduce the number of beds across all sites and achieve occupancy levels at or below 95%. This will allow us to fund the development of community alternatives to inpatient care with the emphasis on recovery, supported self-management, community resources and resilience. This approach is supported by the 5 year strategy commissioned by the Chief Officers of the 6 Health and Social Care Partnerships within Greater Glasgow and Clyde, and in partnership with NHS Greater Glasgow & Clyde, who are committed to the need to take a whole-system approach to the strategic planning of Adult Mental Health Services and this is illustrated below.

balance of care		Reduce inpatient beds and invest in alternative forms of health and social care
Productivity: specialisation & matched care		Enhance capacity in CMHTs, PCMHTs Extend role of specialist teams Rationalise, consolidate unscheduled care
Transformational		Task & Resource Shifting: recovery-oriented models of care Quality Improvement: BPD, bipolar disorder Culture change: compassionate, trauma-sensitive care
Prevention		Focussed investment in early years, conduct disorder, bullying, ACE reduction

For Learning Disability this will mean recommending future provision that aspires to meet the objectives of supporting people to live safely and independently as long as possible at home or in a homely setting, in a cost effective and risk enabling way. The emergence of a greater number and variety of technological solutions to assist people to be supported in the community, combined with the increasing costs of current service provision, provide an opportunity to review and refresh current practices and models of care. This will include assessing and reviewing care needs of individuals requiring overnight support to ensure that all suitable alternative options to sleepovers available are given full consideration.

In terms of homelessness prevention and assessment services, it is unlikely to reduce significantly over the short to medium term. Challenges continue to be experienced in fulfilling the statutory requirement to provide temporary and emergency accommodation and the service continues to work with the Scottish Housing Regulator on a voluntary intervention basis to reduce the time households spend in homelessness. There is scope for the service to reduce the number of live homeless applications and increase turnover to improve the choice and quality available within temporary and emergency accommodation and take forward a process of change to ensure support services are modern, fit for purpose and geared to providing better outcomes for service users. This will be assisted by the formation of the Alliance Partnership to facilitate innovation and change across services.

Primary Care Services

Primary health care is the first point of contact for health care for most people. It is mainly provided by GPs (general practitioners), but community pharmacists, opticians and dentists are also primary health care providers. Within the wider primary and community teams there are practitioners providing care for patients, including practice nurses, health visitors, district nurses, physiotherapists, podiatrists and dieticians.



The Scottish Government has recognised the increasing demand and expectations that are placed upon frontline services within primary care and is clear that the status quo is not an option. In support of this, the Scottish Government has introduced a new contract with GP's, which over the next three years will enable GPs to operate as "expert medical generalists". This will be achieved by diverting work that can best be done by others, leaving GPs with more capacity to care for people with complex needs.

While the new contract is intended to primarily benefit patients - by reducing and re-focusing GP and GP practice workload - its implications are much wider. There is an expectation that many services will need to be reconfigured and, crucially, there are clear expectations of gains for patients in the city, in terms of easier access to effective integrated assessment, treatment, advice and support as well as improvements in how they are directed to local support networks and - for more complex patients - more time with their GPs.



This represents a significant programme of transformation change that will affect all practices and provides a unique opportunity to shape primary care alongside community care services. Glasgow City has developed a Primary Care Improvement Plan in support of this work.

These developments are supported by additional funding from the Scottish Government, with Glasgow City receiving £5.5m in 2018/19, rising to £18.732m by 2021/22. This investment is welcome, however may not be sufficient to meet the costs of this extensive programme of change, especially given the extensive health inequalities which are experienced by the population of Glasgow which places additional burdens on health care. This will require the IJB to make choices and decision on how this money is spent to achieve the most impact. In the medium term, this plan assumes that this programme of change will be managed within the funding which has been provided by the Scottish Government.

Impact of Integration So Far

The IJB is ambitious about what it wants to achieve and to date has focused on the delivery of a transformation programme which focuses on early intervention, prevention and harm reduction, delivers care which enables choice, supports independent living and shifts the balance of care where appropriate. Some examples of what has been delivered can be seen below.

Early intervention, prevention and harm reduction	Providing greater self determination and choice	Shifting the balance of care	Enabling independent living for longer	Public protection
Supported 2,490 people to successfully quit smoking	Initiated the roll out across the city of Family Group Decision Making which transfers decision making from professionals to family groups with the child at the centre	Implemented the children's services transformation programme, reducing reliance upon high cost and out of city residential placements; strengthening the role of prevention; and developing comprehensive family support services in the most vulnerable neighbourhoods	Introduced the Home is Best service which seeks to support the smoother transition of patients from acute to intermediate and other community based care settings	311 children on the child protection register - a reduction of 174 from March 2017
Offered 13,870 people the opportunity to make changes to their drinking habits	2,994 adults and 184 children with disabilities in receipt of personalised services	Continued to implement and develop intermediate care provision, which has supported an ongoing reduction in the numbers of people being unnecessarily delayed in hospital, and an increase in the numbers being supported at home.	7,409 referrals for telecare services	Opened two new build emergency homeless facilities for males to support the prevention of homelessness
Delivered a range of health improvement initiatives in local neighbourhoods, which aim to find a better way of working between organisations and communities, making better use of resources and assets to achieve improved outcomes	Increases in the number of people who have registered a power of attorney	Led on behalf of all six HSCPs in NHS Greater Glasgow and Clyde on the development of a whole system five year Strategy for Mental Health, which has now been agreed and will be implemented going forward.	5,117 new carers identified and a support plan put in place	Retendered and increased the contract value for an additional 450 units of private rented sector accommodation over the next 3 years to support a reduction in homelessness.

NATIONAL CONTEXT

IJB's operate in a complex and changing environment where national issues can have an impact on what services are delivered and how they are delivered, as well as the financial resources which are available to support the IJB in commissioning services. An understanding of this national context is essential when developing a medium term financial outlook.

The Economy

The Global, UK and Scottish economy has an impact on the citizens that we support across a range of areas including earnings, taxation and employment. It also impacts on the funding available to support public spending and in turn, the funding available to Councils and Health Boards to deliver services.

The Scottish economy has picked up in recent months, with growth nudging ahead of the UK as a whole. However growth still remain weak by historical standards. Annual growth of 1.4% remains well below trend. Growth has not been above 2% on an annual basis since early 2014. The Fraser of Allander Institute forecasts growth of 1.4% for 2019 and 2020, however stress the heightened degree of uncertainty around forecasts and that they would change materially should a 'no deal' Brexit outcome become a reality.

Brexit uncertainties continues to weigh heavily on the economic outlook, with most forecasters predicting that both the UK and Scottish economies are in the midst of an unprecedented period of uncertainty. Looking forward, most forecasts are for growth to remain fragile for the next few years with weak productivity being they key factor.

Scotland's funding is largely dependent on funding from the UK Government and income from devolved tax revenues. The outlook for Scotland's resource block grant has improved significantly from last year when it was on course to fall by over 1% between 2018/19 and 2019/20. However recent spending decisions by the UK government mean it will now increase significantly, with growth of 3% expected over the remaining three years of the parliament. The outlook for Scotland's income tax revenue has deteriorated by £400m, and will offset some of the increase in the block grant in 2019/20. This improving national position will aid the Scottish Government in delivering on its policy commitments. How it does this will determine the impact which it will have on the funding which is received by our Partner bodies and ultimately the IJB.

UK and Scottish Legislative and Policy Changes

UK and Scottish Government legislation and policies and how these are funded can have implications for the IJB and its medium term financial planning. There are a number areas which could impact on the IJB over the medium term.

(i) **Withdrawal from the European Union (Brexit)**

The greatest risk to the economic outlook remains Brexit, with the general view that this is likely to have a long term negative impact on the economy. The UK will leave the European Union (EU) in March 2019, marking the most significant change to the UK economy in over 45 years. More than 2 years since the EU referendum, much remains unclear about the future relationship between the UK and the EU. The economic impact of Brexit could be to reduce Scotland's GDP by £12.7bn by 2030 compared to staying in the EU. In addition it is likely to impact on our supply chains and labour markets. As a result it is impossible to ignore the risk it creates to some of the planning assumptions included in this outlook.

The Chancellor has indicated that should a 'no-deal' outcome become a reality, he is likely to implement an emergency budget to introduce measures to support the economy. A 'no deal' outcome would represent a significant economic shock to the UK economy which would impact on growth and would require both the UK Government and the Bank of England to take significant action to support the economy through a period of turmoil.

If a deal is secured, depending on the terms, it has the potential to unlock funds to the UK, however it is recognised that this is disingenuous and there is unlikely to be - at least in the short-run - much in the way of a Brexit dividend for growth in public finances.

(ii) Local Governance Review

The Scottish Government aims to strengthen local decision-making and democratic governance in ways that improve outcomes for local communities and give greater control to those who live and work in the area. The Scottish Government and COSLA launched a review in December 2017 to consider how decisions are made about Scotland's public services with the aim of devolving more power to communities. The review's findings will contribute to a Local Democracy Bill which will be introduced before the end of the Parliament in 2021 and could impact on how decisions are made in relation to services provided within local communities.

(iii) Free Personal Care - Under 65's

The Scottish Government has committed to the extension of Free Personal Care to all under 65s who require it regardless of condition. Ministers have committed to the extension by 1 April 2019. This will represent a significant change not only to how personal care is funded, but could see an increase in demand for personal care services across Scotland.

(iv) Safe and Effective Staffing

Scottish Government is currently considering the Health and Care (Staffing) (Scotland) Bill which seeks to make statutory provision about appropriate staffing by the National Health Service and by providers of care services to enable safe and high quality care and improved outcomes for service users. This would apply to care services registered and inspected by the Care Inspectorate and could have implications both for services delivered and those commissioned by the IJB. It is too early to assess the implications of this Bill, but is an area which the IJB will closely monitor to enable any financial and operational consequences to be fully understood.

(v) Carers Act (Scotland) Act 2016

This Act is designed to support carers' health and wellbeing and help make caring more sustainable. This Act came into effect from 1 April 2018 and places a duty for local authorities to provide support for carers, based on the carer's identified needs which meet the local eligibility criteria. This will be supported by adult carer support plans and a young carer statement to identify carers' needs and personal outcomes. The IJB is well placed to meet the requirements of the Act and have detailed plans in place across the City.

(vi) Primary Care

The Scottish Government has recognised the increasing demand and expectations that are placed upon our frontline services within primary care and is clear that status quo is not an option. In support of this and to ensure the new GP contract can be fully implemented. The Cabinet Secretary for Health and Sport has announced that, in addition to the funding for General Medical Services, funding in direct support of general practice nationally will increase annually by £250 million by the end of 2021-22, and forms part of the Scottish Governments commitment to an extra investment of £500 million per year for primary care funding. Some of

this funding will flow to IJBs to deliver services which will support GP practices to become sustainable for the future.

(vii) Mental Health

As part of the Mental Health Strategy 2017-2027, Scottish Government Ministers made a commitment to provide funding to support the employment of 800 additional mental health workers to improve access in key settings such as Accident and Emergency departments, GP practices, police station custody suites and prisons. £12m is being made available for Scotland in 2018-19 rising to £35 million in 2021-22. Some of this funding will flow to Glasgow City and will be used to deliver on this national commitment as well as the Five Year Mental Health Strategy which has been approved for delivery within Greater Glasgow and Clyde. During 2018-19, the Scottish Government has committed to an additional £250m of new funding to support a wide range of mental health services. Details of how this will flow to IJB's are still awaited.

(viii) Scottish Living Wage

The Scottish Living Wage is currently £9.00 and is part of a Scottish Government policy to improve people's lives and help build a fairer society. This is subject to annual review and in recent years has increased by 20p, 30p and 25p in 2017/18, 2018/19 and 2019/20. This impacts on our costs as an employer and also the costs of services which we commission directly from service providers.

(ix) Regional Planning

The Scottish Governments Health and Social Care Delivery Plan and the National Clinical Strategy set out the expectations for a modern health and care system for Scotland. This includes a requirement for organisations to come together and focus on regional planning of services where appropriate. West of Scotland Health Boards are working together and connecting beyond traditional boundaries - across health and social care; across professions and disciplines; across settings; across specialties; and across organisations to build a person-centred and sustainable service that is fit for the 21st Century. Glasgow City IJB is an active partner in this process.

(x) The Scottish Child Abuse Inquiry

The Scottish Child Abuse Inquiry is looking at the abuse of children in care. The inquiry was set up in October 2015, and is most likely to continue until 2021 at the latest. The Inquiry will report to Scottish Minister as soon as reasonable practicable, with recommendations to improve the law, policies and practices in Scotland.

The Limitation (Childhood Abuse) (Scotland) Act 2017 gives victims of alleged child abuse after September 1964, which includes sexual abuse, physical abuse and emotional abuse, the right to pursue personal injury claims.

The financial implications of the recommendation of the inquiry and any personal injury claims, continue to be monitored, however they are unable to be quantified at this time. As a result it is difficult to make financial provision which represents a risk for the IJB and Glasgow City Council. This will continue to be kept under review and financial provision will be made when more information becomes available.

(xi) Named Person Provision

Under current Scottish Government plans every child in Scotland would have a named person responsible for helping them get the support they need. A Named Person will normally be the health visitor for a pre-school child and a promoted teacher - such as a head teacher, or guidance teacher or other promoted member of staff - for a school age child. However, the introduction of this has been delayed after the Supreme Court ruling against the scheme in July 2016.

Scottish Government Funding

Scottish Government funding is the main source of funding for both Councils and Health Boards and changes to policy, legislation or changes in the economy can have an impact on the funding which they receive. Between 2010/11 and 2018/19, revenue funding of Councils has fallen by just under 9% in real terms. Scottish Government revenue funding of Health Boards has increased by 8.1% in real terms between 2008/09 and 2018/19. The Scottish Government looks set to continue this increase in Health funding, with a clear commitment to increasing the health budget by £2bn over the lifetime of the current parliament, representing an increase of just under 2% per annum in real terms between 2018/19 and 2021/22. Funding for local government is forecast to reduce in real terms by 2% per annum, excluding the additional resources ring fenced for early year developments.

Glasgow City Council and Greater Glasgow and Clyde Health Board delegate budgets to the IJB to enable the IJB to fund the services which it commissions. Any changes to the Scottish Government funding which they receive is likely to impact on the level of budgets which are delegated to the IJB and the level of savings which are required to meet demand, demographic and inflationary pressures.

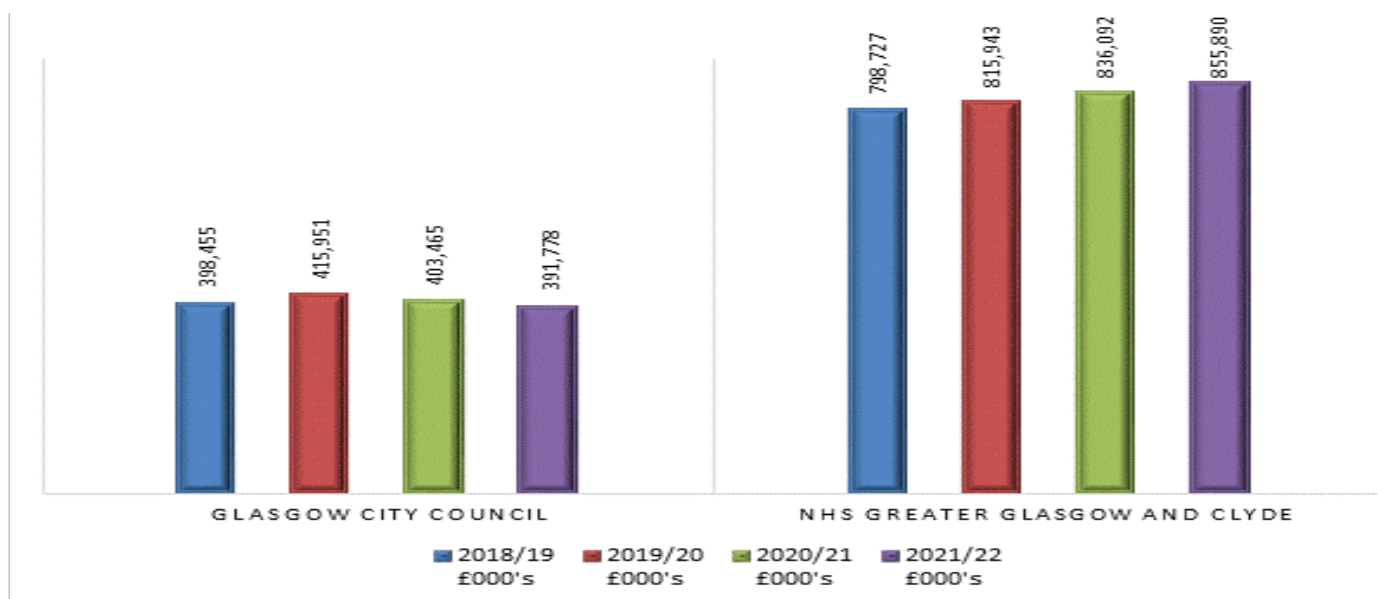
MEDIUM TERM FINANCIAL OUTLOOK

Glasgow City IJB operates in an increasing challenging environment and the local and national context outlined in this document highlight the main areas which will impact on our medium term finances. This Medium Term, Financial Outlook seeks to consider this context to establish the main factors which will impact on the finances of the IJB over the medium term and will provide the IJB with the financial context in which it operates to support decision making over the medium term.

Impact on Funding

The IJB is reliant on funding from Glasgow City Council and Greater Glasgow and Clyde Health Board. These Partners' contributions are contingent on their respective financial planning and budget setting processes, as well as the financial settlements which each body receives from the Scottish Government. The budget setting process will also consider the level of savings which will be applied to the IJB by both Partner bodies. The IJB actively engages in the budget setting processes of each partner body.

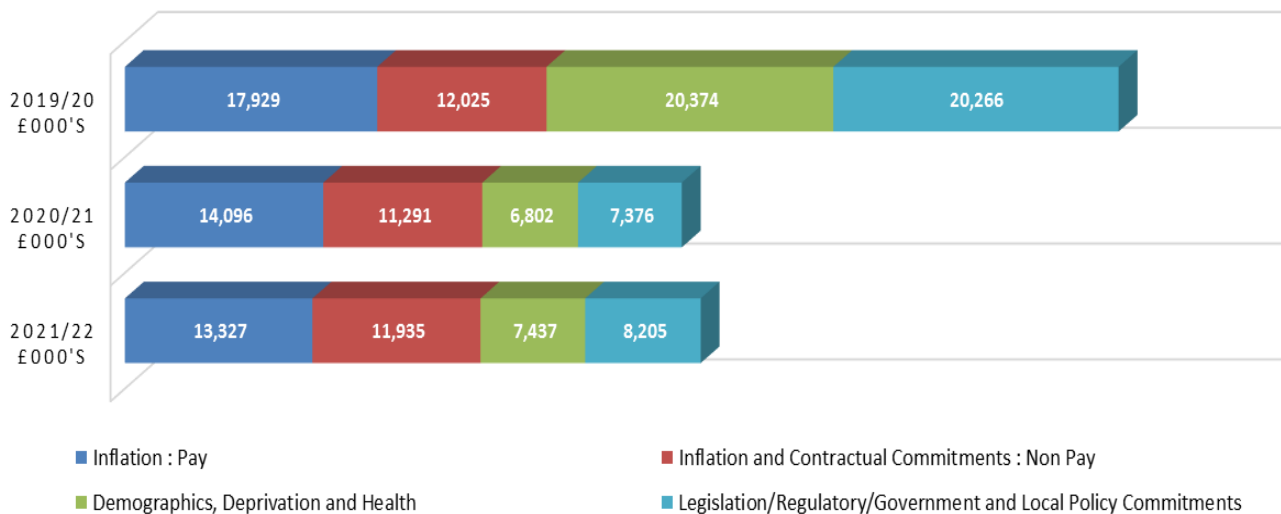
The Medium Term Financial Outlook makes assumptions about future funding contributions from Partners based on information which is currently available. Using this information it is forecast that Health Board funding is likely to increase by £57m between 2019-20 and 2021-22, with Council funding expected to reduce by £6m over the same time period. The Scottish Government has been clear in its commitment to increase the health budget over the lifetime of the current parliament and the increase in anticipated funding from the Health Board is reflective of this. Funding for local government for Health and Social Care will see a £160 million increase in investment across Scotland in 2019-20. There has been no commitment to continue to increase investment in Social Care beyond 2019-20 and it is assumed that for 2020-21 and 2021-22 that funding levels continue to reduce from 2020-21 and is reflective of funding levels over recent years.



Expenditure Requirements

Financial planning requires assumptions to be made about demand and cost pressures which could be faced by the IJB over the medium term. These have been informed by the local and national context within which the IJB operates.

Each year the IJB will face cost pressures as a result of range of factors including demand, inflation and changes in legislation/regulations. This Outlook has assessed the key factors likely to impact over the medium term and estimates that the IJB will face cost and demand pressures of £151m over the next three years.



The key areas are:-

(i) Inflation : Pay

Employee costs represent 32% of the IJB's net budget. Inflationary pressure in this area represents a significant pressure for the IJB. The assumptions for pay reflect the current inflationary assumptions of both Partner bodies.

Glasgow City Council is currently in negotiations aimed at resolving the mass equal pay claims which have been presented against it. The Council is also engaging with recognised trade unions and other claimant representatives to carry out the work necessary to achieve an Equality Act compliant Job Evaluation scheme and pay structure. It is assumed that any financial consequences as a result of settling the equal pay claim and any proposed Job Evaluation scheme and pay structure will be fully met by Glasgow City Council.

(ii) Inflation and Contractual Commitments : Non Pay

Inflationary pressures reflect anticipated annual increases to payments to third parties and in the main reflect anticipated increases linked to contracts such as the National Care Home Contract and the cost of prescriptions within primary care services. Current planning assumptions are that non pay inflation and contractual commitments equates to an average £12m per annum over the life of the outlook.

It is assumed that Scottish Governments commitment to the Scottish Living Wage will continue over the medium term, however it is also assumed that additional Scottish Government funding will be provided, therefore having no adverse impact on costs over the medium term.

(iii) Demographics, Deprivation and Health

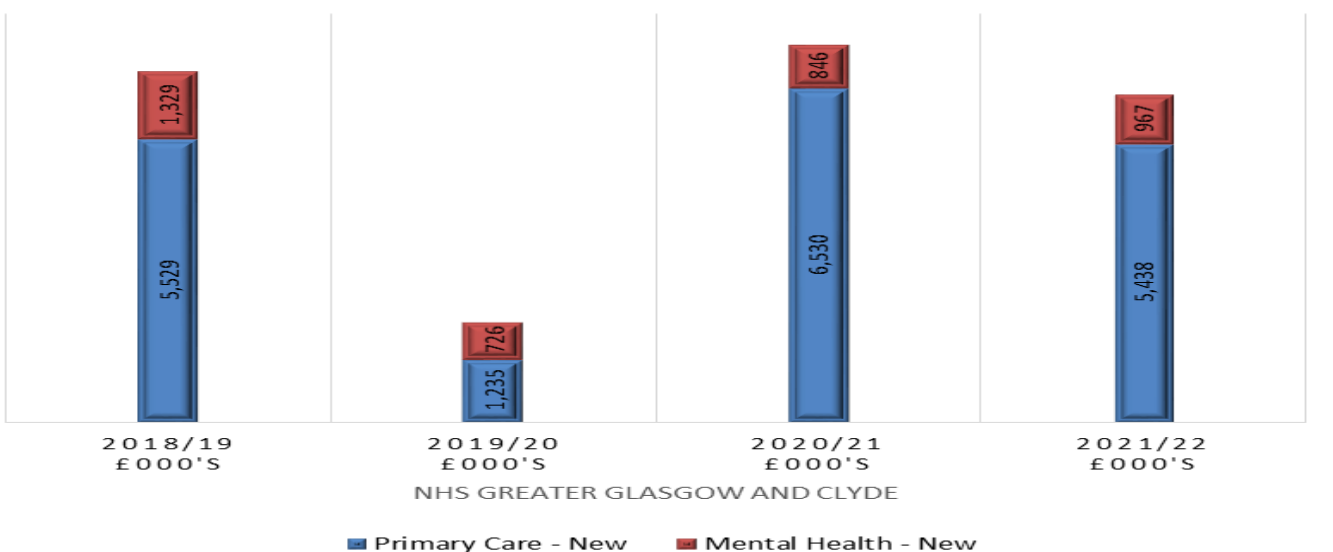
This outlook has considered the local context of Glasgow City and how this impacts on demand for services. Historically services have managed this demand, through the transformation of services, which has enabled gains in productivity and effectiveness to secure delivery of more services from the money they have received.

Services will continue to transform, however it is unlikely that demand as a result of demographics, health and deprivation can be funded purely from transformation. Modelling with this plan has looked at demand experienced during 2018-19 and has also assumed that there is a need for a 4% increase in some budgets on an annual basis to reflect the likely increase in demand reflective of the need of the citizens of Glasgow. This outlook will require to consider if this is sustainable over the longer term.

(iv) Legislation/Regulatory/Government and Local Policy Commitments

The IJB is subject to legislation, regulatory, government and local policy changes which can have cost implications. It is not anticipated that there are any significant changes to regulations which will have a significant impact on the finances of the IJB. This outlook also assumes that any new statutory or policy burdens during the lifetime of this outlook will be fully funded by the Scottish Government, although this is not guaranteed.

The additional funding identified for Primary Care and Mental Health Services have been reflected, where these are known. The graph below illustrates the level of additional funding assumed to be coming from Greater Glasgow and Clyde Health Board.



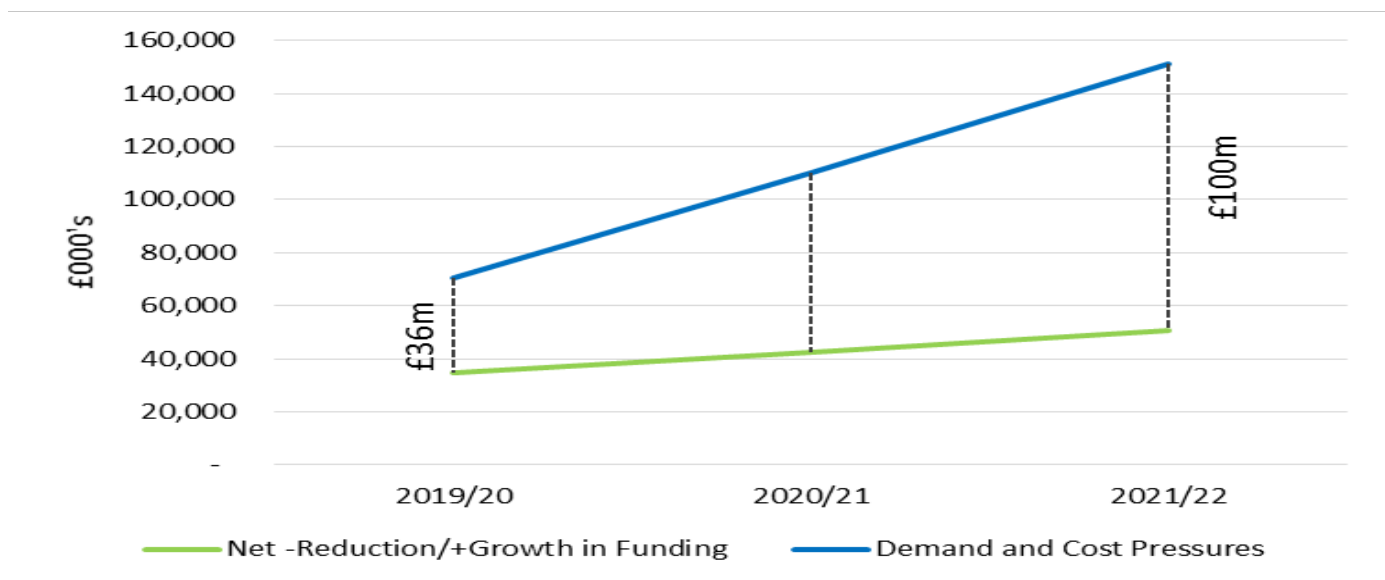
The plan also reflects Glasgow City IJB's known commitments which are linked to the additional £160m increased investment across Scotland for Health and Social Care.

In April 2018 the Council took the decision to transfer services from Cordia LLP back into Council Services. The services which transferred to the Health and Social Care Partnership had a budgeted deficit of £6.5m. Non-recurring funding was put in place by the IJB and the Council

to fund this in 2018-19 on the basis that the Glasgow City Council would consider funding this as part of their 2019-20 budget exercise. The 2019-20 Glasgow City Council budget made no funding provision for this deficit. As part of the budget offer for 2019-20 the Council has confirmed that it will continue to engage with the IJB on the scale of the budgetary pressure associated with Homecare and to work towards finding a financially sustainable solution for 2019-20 and future years. This is not included in the financial allocation received to date, but may result in an increase to funding in 2019-20.

Impact on Our Financial Position

This assessment provides a forecast of the financial position for the IJB over the medium term, and identifies a shortfall in funding of £100m and represents the scale of the challenge facing the IJB. This assumes that social care funding by Local Government continues to be reduced in 2020-21 and 2021-22.



Set Aside

At the heart of integration is the desire to move from services within an acute hospital setting, to those which are community based. The legislation delegated some hospital services to IJB's through a 'Set Aside' budget to support this agenda. However to date, both locally and nationally, it has been difficult to implement this part of the Act. The IJB will continue to work with Greater Glasgow and Clyde Health Board and also at a national level to agree arrangements which will enable this part of the legislation to be fulfilled. The delegation of the budget to the IJB in the future will enable the IJB to strategically plan for these hospital based services and consider opportunities to enable a shift in the balance of care to a community setting, as originally planned by the legislation.

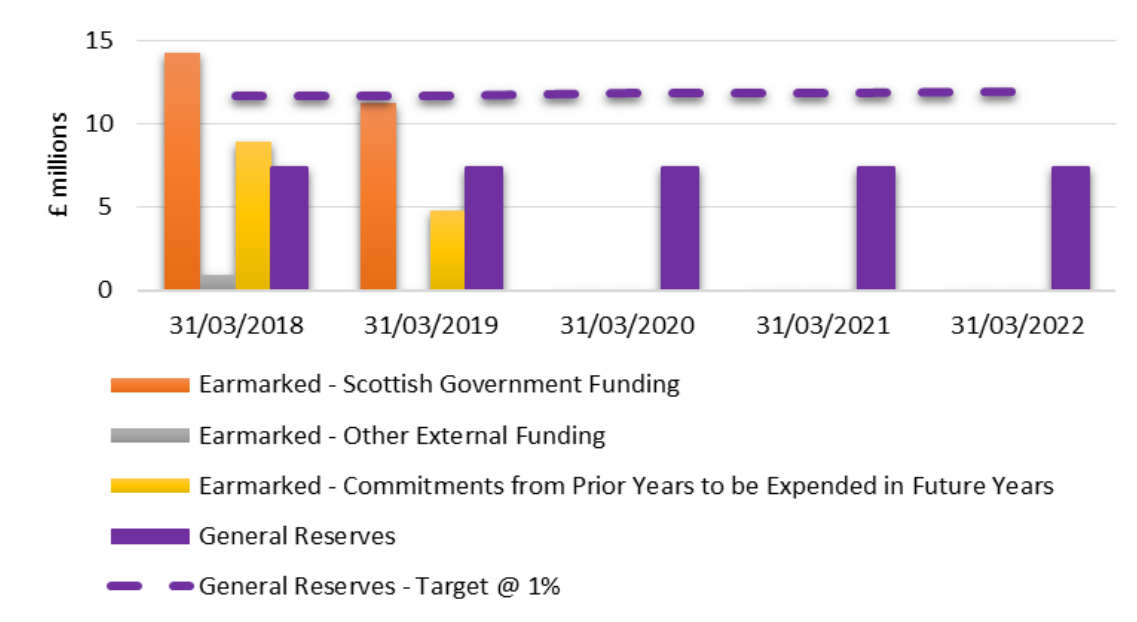
Reserves

The IJB held £31.4m in reserves at the 31st March 2018. Reserves are a key component of the IJB's funding strategy. At 31 March 2018, the IJB had £31.4m of reserves, of which £24m is earmarked to support the delivery of projects which span financial years and are required to enable the IJB to deliver on national outcomes. The remaining balance is general reserves which are not held to meet any specific liability and offer the IJB some flexibility to deal with unforeseen events or emergencies.

The IJB currently holds £7.4m in general reserves which represents 0.6% of net expenditure. The IJB Reserve Policy aims for a reserve balance of up to 2% of net expenditure.

Over the medium term this plan recommends that general reserves are increased to 1%, which would represent 50% of the target set by the Reserve Policy. This will require an additional £4.5m to be placed in reserves. This will be delivered, where prudent and will be dependent on financial performance of the IJB and the availability of in year funds which can support the increase of these reserves.

The graph below provides a forecast of when reserves are anticipated to be used over the medium term and confirms the target set for General Reserves.



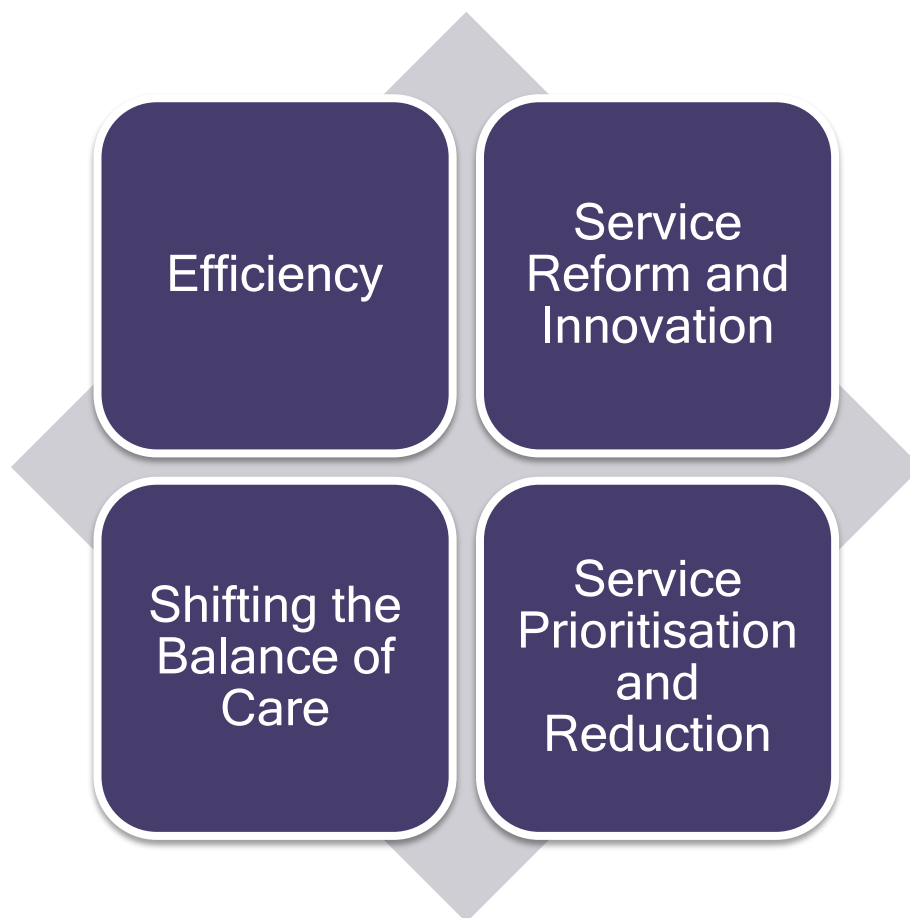
OUR RESPONSE

The IJB is operating in an increasingly challenging environment with funding not keeping pace with increasing demand for services and increasing costs linked to delivery. This is reflected in the Medium Term Financial Outlook, which has identified a £97m funding gap over the next three years.

Delivery of effective and lasting transformation of health and social care services is central to the vision of the IJB. The IJB's Strategic Plan for Health and Social Care 2019 - 2022 outlines its ambitions over the medium term and the transformation programme which supports delivery.

There has been significant progress already in transforming services and 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 it will be unable to bridge the funding gap which has been identified above.

The Financial Strategy has four key components which underpin the financial strategy over the medium term.



Efficiency

The IJB has a statutory duty to deliver Best Value in its use of public funds and as part of this remains committed to keeping under review the cost of service delivery and the sources of income which are available to fund services. Over the Medium Term this will include maximising income opportunities, considering spend to save opportunities and keeping our cost base under review to identify opportunities for efficiencies.

In 2019/20 this will secure £6.5m of savings for the IJB, with a target of £5.9m and £6.8m set for 2020/21 and 2021/22 respectively.

Service Reform and Innovation

During 2018/19 the IJB approved transformation programmes for Adults, Older People and Children and Families Services. In addition it has approved the Mental Health Strategy for Greater Glasgow and Clyde and the Primary Care Improvement Plan for Glasgow City.

The IJB is clear about its commitment to service reform and innovation. This is not just about changing the ways in which services are structured. It is a significant change in how they are planned and delivered working in partnership with stakeholders including patients, service users and carers to better support them to achieve their personal outcomes and aspirations.

In 2019/20 this will secure £7.8m of savings for the IJB, with a target of £6m set for 2020/21 and 2021/22.

Shifting the Balance of Care

With growing demand for support and less money available, current service provision cannot be sustained. This will require services to be re-imagined and a new social care contract to be discussed with the citizens of Glasgow. This work will focus on offering services which are sustainable over the longer term and target the available resources to those with the greatest need.

This will require a radical rethink of the services on offer and could mean that the IJB will not always be the first source of support. This will require a culture change by not only the IJB and our partners but also the citizens of Glasgow. The IJB will not be able to deliver this approach alone and will require work with partners to harness the totality of resources available, with a focus on investment in families and communities and the infrastructure required to support this new service delivery model.

This work will recognise the strengths and resources of individuals and their families to support independent living, with the IJB working in partnership with patients and service users and their families to meet the assessed need. It will also create conditions which will enable our staff to focus their skills and expertise in supporting the most vulnerable of our service users and patients.

This change in approach will impact on service users and comes with a number of risks, including the potential for legal challenge and impacts on other partner bodies.

In 2019/20 this will secure £4m of savings for the IJB, with a target of £18m set for 2020/21 and 2021/22.

Service Prioritisation and Reduction

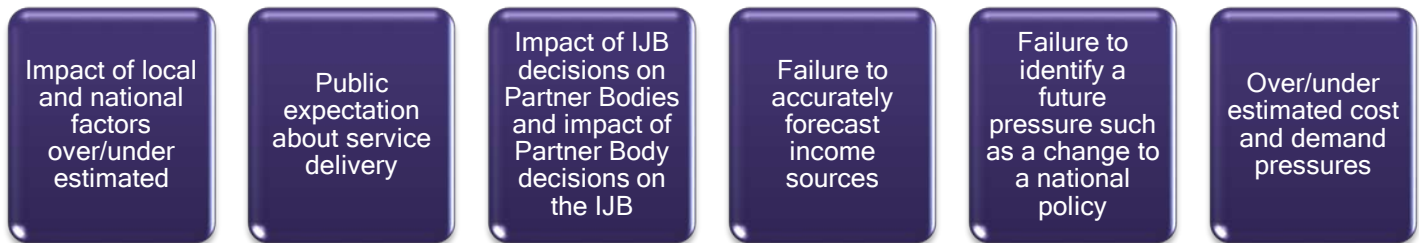
The scale of the financial challenge will require the IJB to consider prioritising, and in some cases, reducing or stopping some services in order to live within the funding which is available.

This is an option which will only be considered where financial balance cannot be secured through the other three components. This plan recognises that a level of service reduction will be required. In 2019/20 this will secure £1.3m of savings for the IJB, with a target of £2m set for 2020/21 and 2021/22.

A summary of the proposals to deliver a balanced budget for 2019/20 are included within Appendix 2. This appendix also details the targets which have been set for each of the key components and will form the focus of future financial planning over the medium term when more detailed plans will be required to secure delivery and a balanced budget in each of the next three years.

RISK AND SENSITIVITY ANALYSIS

The medium term financial plan is a financial model and as such has risks associated with it.



As an organisation the IJB needs to be aware of these risks but should not become risk adverse when developing its future plans. The IJB recognises strategic risks through the IJB Risk register. This is used to ensure significant risk is identified and effective actions implemented that reduce these risks to acceptable levels whilst securing service delivery within available resources.

Sensitivity analysis is used to test the major assumptions made by the model and understand what the implications are if assumptions change. This effectively tests 'what if' scenarios and enables the IJB to determine the potential fluctuation which could exist within the modelling and will assist future planning.

The table below shows what would happen if the main assumptions increase by 1%. For example if pay inflationary was 1% higher than the assumptions which have been made, this would represent an additional cost of £3.8m in 2019-20.

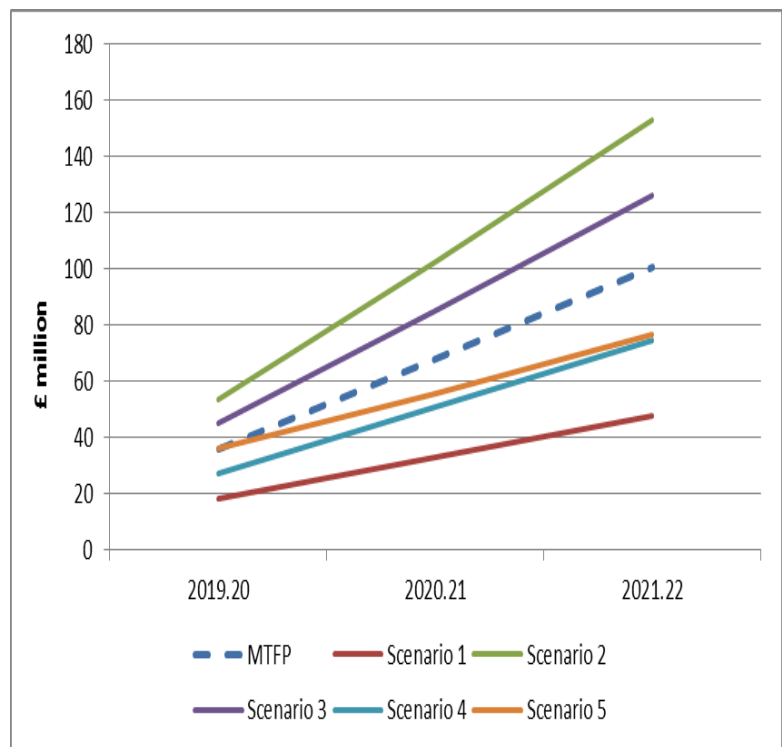
Sensitivity Analysis	Change in Assumption	2019-20 £000's	2020-21 £000's	2021-22 £000's
Funding from Health Board	Increase of 1%	- 4,649	- 5,109	- 5,357
Funding from the Council	Increase of 1%	- 3,985	- 3,950	- 3,834
Inflation : Pay	Increase of 1%	3,783	4,030	4,171
Inflation and Contractual Commitments : Non Pay	Increase of 1%	3,692	2,927	3,090
Demographics, Deprivation and Health	Increase of 1%	1,545	1,200	1,359

To understand the implication of changes in assumptions a number of scenarios have been undertaken which includes a combination of different changes in our main assumptions. The scenarios which have been considered for planning purposes are outlined below:-

Scenario 1	Scenario 2	Scenario 3	Scenario 4
<ul style="list-style-type: none"> •1% increase in both GCC & NHSGGC funding •1% reduction in pay and non pay inflation and demographics 	<ul style="list-style-type: none"> •1% decrease in both GCC & NHSGGC funding •1% increase in pay and non pay inflation and demographics 	<ul style="list-style-type: none"> •Both GCC and NHSGGC funding remains the same •1% increase in pay and non pay inflation and demographics 	<ul style="list-style-type: none"> •Both GCC and NHSGGC funding remains the same •1% reduction in pay and non pay inflation and demographics

The impact of each of these scenarios is shown in the graph opposite. Scenario One forecasts based on all our major assumptions improving with the IJB receiving more money and cost and demand pressures being less than currently forecast within the outlook. This would significantly reduce the funding gap from £100m to £48m over the next three years. The probability of this occurring is low.

Scenario Two forecasts based on all major assumptions declining with the IJB receiving less income than assumed within the core assumptions and cost and demand increases being higher than assumed within the outlook. This would see the funding gap increase from £100m to £153m over the 3 years. This scenario is used to consider the impact if all core assumptions are worse than originally estimated.



Scenario Three and Four has been used to demonstrate the impact of a mix of outcomes and shows under scenario three that the funding gap would increase to £126m and under scenario four would decrease to £75m

The medium term financial outlook assumes that local government funding for social care will return to a reducing position in 2020-21 and 2021-22. Scenario 5 has been undertaken to show the impact if all other assumptions remain the same, however a flat cash settlement is offered for social care. This would reduce the funding gap on the Medium Term Financial Plan to £77m.

The scenarios demonstrate the degree of variation which can occur within the plan. The plan is based on the best assumptions available at this time. However it is important that this is kept under review as part of the IJB's annual budget setting process and updated to reflect the latest information to refine the plan annually.

APPENDIX ONE

	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Children and Families	148,969	154,823	157,983	161,011
Adult Services	221,920	237,360	242,944	249,879
Older People Services	232,065	263,851	275,441	287,349
Resources	142,224	146,501	152,104	157,742
Criminal Justice	- 840	- 108	282	683
Prescribing	128,701	137,045	145,739	154,956
Family Health Services	183,872	183,872	183,872	183,872
Other Services	10,978	11,855	16,399	20,177
Set-aside	129,294	132,578	132,578	132,578
Total	1,197,183	1,267,776	1,307,342	1,348,246
Funding				
Glasgow City Council	398,455	415,951	403,465	391,778
NHS Greater Glasgow and Clyde	798,727	815,943	836,092	855,890
Total	1,197,183	1,231,894	1,239,557	1,247,668
Funding Gap	-	35,882	67,785	100,579

APPENDIX TWO

	2019/20 Proposed Saving £000's	2020/21 Target £000's	2021/22 Target £000's
Efficiency			
Prescribing Contingency Budget	3,500	-	-
Prescribing - Efficiency Programme	2,045	-	-
South Locality HQ Lease Costs	36	-	-
Additional Income from other Health Board's Based on Activity	850	-	-
A Review of Support Services	60	-	-
Efficiency : Total	6,491	5,903	6,794
Service Reform and Innovation			
Childrens and Families Transformation Programme	5,000	-	-
Homeless Services	2,600	-	-
A Review of Older People Daycare Services	200	-	-
Service Reform and Innovation : Total	7,800	6,000	6,000
Shift the Balance of Care			
Shifting the Balance of Care	4,000	-	-
Shift the Balance of Care : Total	4,000	18,000	18,000
Service Prioritisation and Reduction			
Former Integrated Care Fund Services	124	-	-
Assisted Garden Maintenance Service	1,040	-	-
Additions - Purchased Review of Move on Services	100	-	-
Service Prioritisation and Reduction : Total	1,264	2,000	2,000
Total Savings	19,555	31,903	32,794
Use of Reserves - Care Homes and Assisted Garden Maintenance - Non Recurring	3,420		
Demographic Pressures Restricted to Funding Available	6,407		
Homecare Services - Work Jointly with Glasgow City Council to Develop a Financially Sustainable Solution	6,500		
Total Funding Plans per Year	35,882	31,903	32,794
Total Funding Plans Cumulative	35,882	67,785	100,579