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Item No: 8

Meeting Date: Wednesday 25th March 2020

Glasgow City Integration Joint Board

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

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MEDIUM TERM FINANCIAL OUTLOOK 2020 - 2023

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 2020 – 2023 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:	<p>The draft medium term financial outlook identifies an estimated funding gap of £83m over the three years, with £14m identified for 2020 - 21.</p> <p>This This funding gap represents a challenging target and would be beyond a level which Chief Officers could support in light of the demographic and demand pressures and our ability to continue to deliver services which are safe. As a result over the medium term the IJB will continue to engage with Partner Bodies in relation to future funding levels.</p>
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.

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Risk Implications:	<p>The IJB is required to set a balanced budget for 2020 – 21 by the end of March 2020. 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 between 2020 and 2023. 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.</p>
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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 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 first developed a medium term financial outlook to support the development of the 2019 – 2022 Strategic Plan. This outlook has been updated and now covers the period 2020 – 2023.

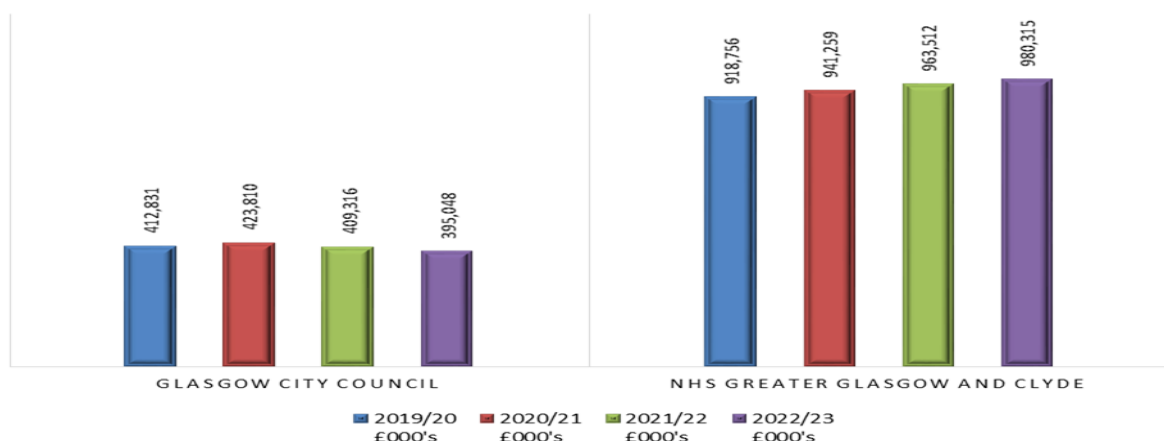
2. Financial Context

- 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.



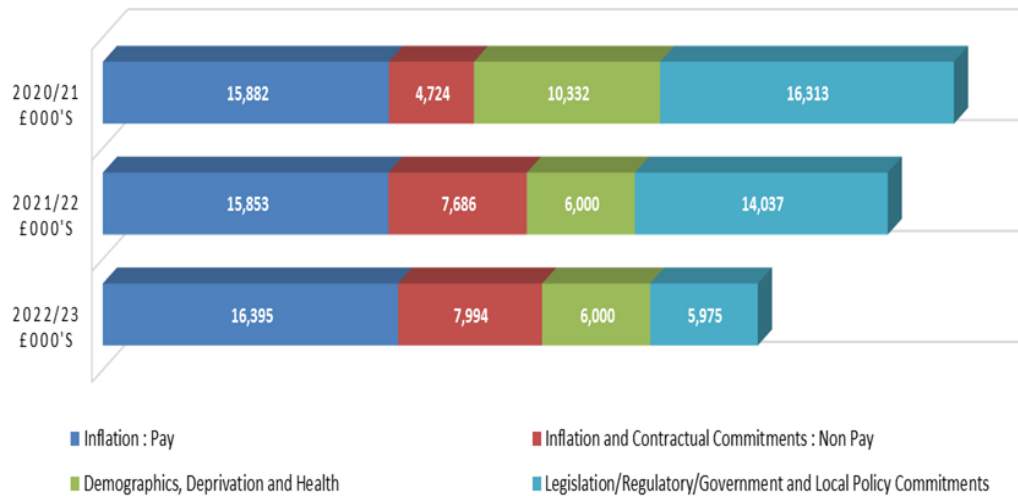
Impact on Funding

- 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 2020-21 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 £62m between 2020-21 and 2022-23, with Council funding expected to reduce by £18m over the same time period.



Impact on Expenditure

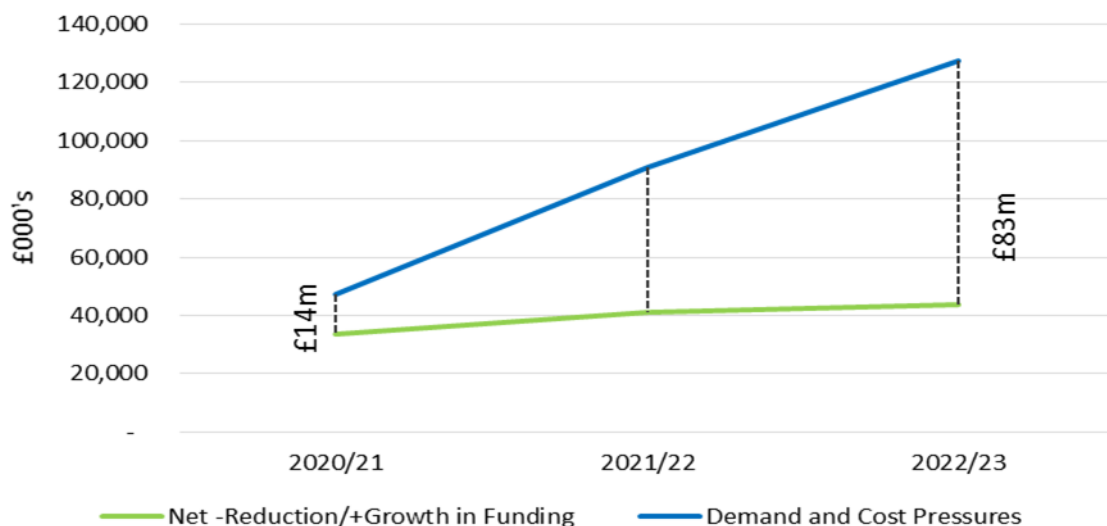
- 2.5 Each year the IJB will face cost pressures as a result of range of factors including demand, inflation and changes in legislation/regulations. This Outlook has assessed the key factors likely to impact over the medium term and estimates that the IJB will face cost and demand pressures of £127m 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 £20m to £23m 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 2019-20. 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 £83m and represents the scale of the challenge facing the IJB over the medium term.



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- 2.8 This will require the IJB to consider options for savings in 2020 – 21 of £13m to deliver a balanced budget and this is the subject of a separate report to the March IJB.
- 2.9 This shortfall represents a challenging target and would be beyond a level which Chief Officers could support in light of the demographic and demand pressures and our ability to continue to deliver services which are safe. As a result over the medium term the IJB will continue to engage with Partner Bodies in relation to future funding levels.

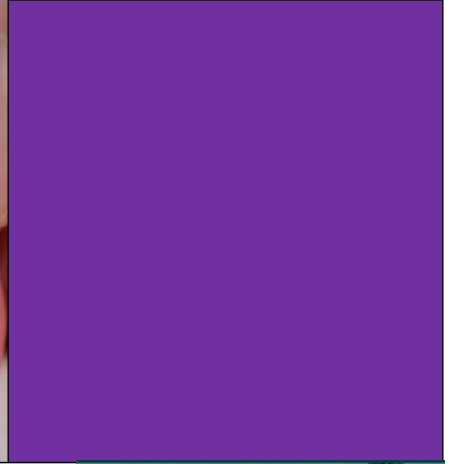
3. Recommendations

- 3.1 The Integration Joint Board is asked to:
- a) Approve the Medium Term Financial Outlook 2020 – 2023 attached to this report at Appendix 1.

DIRECTION FROM THE GLASGOW CITY INTEGRATION JOINT BOARD

1	Reference number	250320-8
2	Report Title	Medium Term Financial Outlook 2020 - 2023
3	Date direction issued by Integration Joint Board	25 March 2019
4	Date from which direction takes effect	25 March 2019
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	All functions as outlined in the Medium Term Financial Outlook.
8	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 2021 – 22 and 2022 – 23.</p>
9	Budget allocated by Integration Joint Board to carry out direction	Not relevant at this stage.
10	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.
11	Date direction will be reviewed	31 March 2021

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Medium Term Financial Outlook 2020-2023

Glasgow City Integration Joint Board



**Flourishing Communities,
Healthier Lives**



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1. EXECUTIVE SUMMARY

Glasgow City IJB Medium Term Financial Plan underpins the delivery of the ambitions and priorities as outlined in the three year Strategic Plan. It recognises the challenging economic climate that the public sector operates within and directs the best allocation of resources across the health and social care system to meet the needs of our communities and ensure longer term service resilience and an ability to respond to changing demands and pressures as they arise.

Glasgow City IJB delivers a range of services to its citizens and in 2019-20 has funding of £1.2bn to spend on services. The City of Glasgow has a number of challenges to address in relation to deprivation, ill health and inequality and there continues to be more that can be done to ensure that there are opportunities for everyone in the City to flourish and live longer, and have healthier and more independent lives within stronger communities.

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, 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. This outlook estimates a funding shortfall of £83m 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 tolerance of the system in its current form to continue to reform to absorb the twin challenges of increasing demand and reducing resources is itself reducing. The IJB can and will continue to identify and effect any efficiency opportunities that exist. However, under current trends, it is prudent to forecast that this will lead over time to a steady erosion of performance across key measures as the system as currently configured reaches the limits of its capacity.

A clear strategy is required to ensure the IJB remains financially sustainable over the medium term. This will focus on delivery of a sustainable health and social care service for the City which will focus on prevention and early intervention approaches and will encourage individuals and communities to support each other. This recognises that the best health and care outcomes are associated with the highest possible levels of self-management and independence. We need to change the way we work with people to reflect the way they live now, balancing the need for care and support as well as continuing to work with Partner Bodies in relation to future funding.

2. PURPOSE

Glasgow City Council and NHS Greater Glasgow and Clyde deliver integrated health and social care services as Glasgow City Health and Social Care Partnership, through the Integration Joint Board (IJB), established in February 2016.

Glasgow City IJB is committed to

- developing collaborative working to ensure that our communities receive the right care at the right time in the right setting and
- support people to remain in their homes for as long as they can, leading healthy lives and be supported as far as possible within community settings.

Through transformational change and using innovative new approaches to support Glasgow's health and social care needs, the IJB is focused on improving the health and wellbeing of the city and contributing to reducing health inequalities and the impact of poverty and deprivation in the City. This is detailed in the [Strategic Plan](#) for Health and Social Care 2019-22 which outlines planned activities to deliver the vision for health and social care in Glasgow which is shown below.

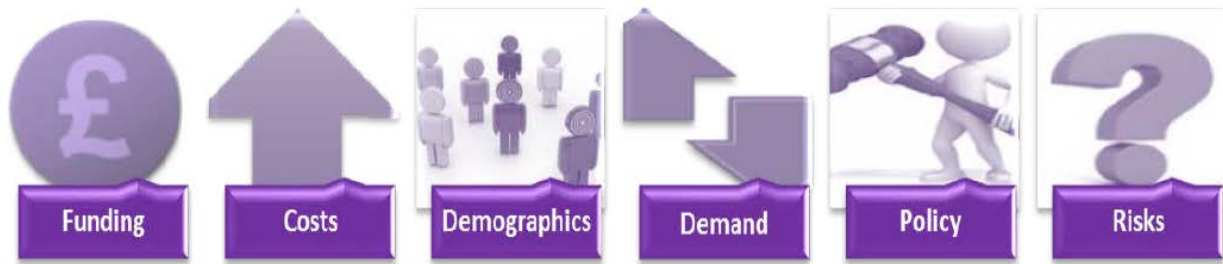


Medium term financial planning is an essential piece of the strategic planning process providing the IJB with the ability to look strategically, and develop plans which are cognisant of pressures on public spending and wider economic impacts. It has been recognised by Audit Scotland as essential to deliver integration and integrated financial planning in Scotland.

A robust medium term financial plan will enable informed decisions, balancing the financial impact of IJB policies and objectives and outlining how this contributes towards achieving desired outcomes whilst ensuring sustainability and continuity of service delivery.

OUR APPROACH

The IJB approved its first Medium Term Financial Outlook in 2019 to support the delivery of its Strategic Plan. This Outlook provides an update on this and is key to translating the organisation's ambitions and constraints into deliverable options for the future. This update will consider the impact of a range of factors, which are illustrated below and reflect the complexity of factors which can impact on IJB financial pressures.



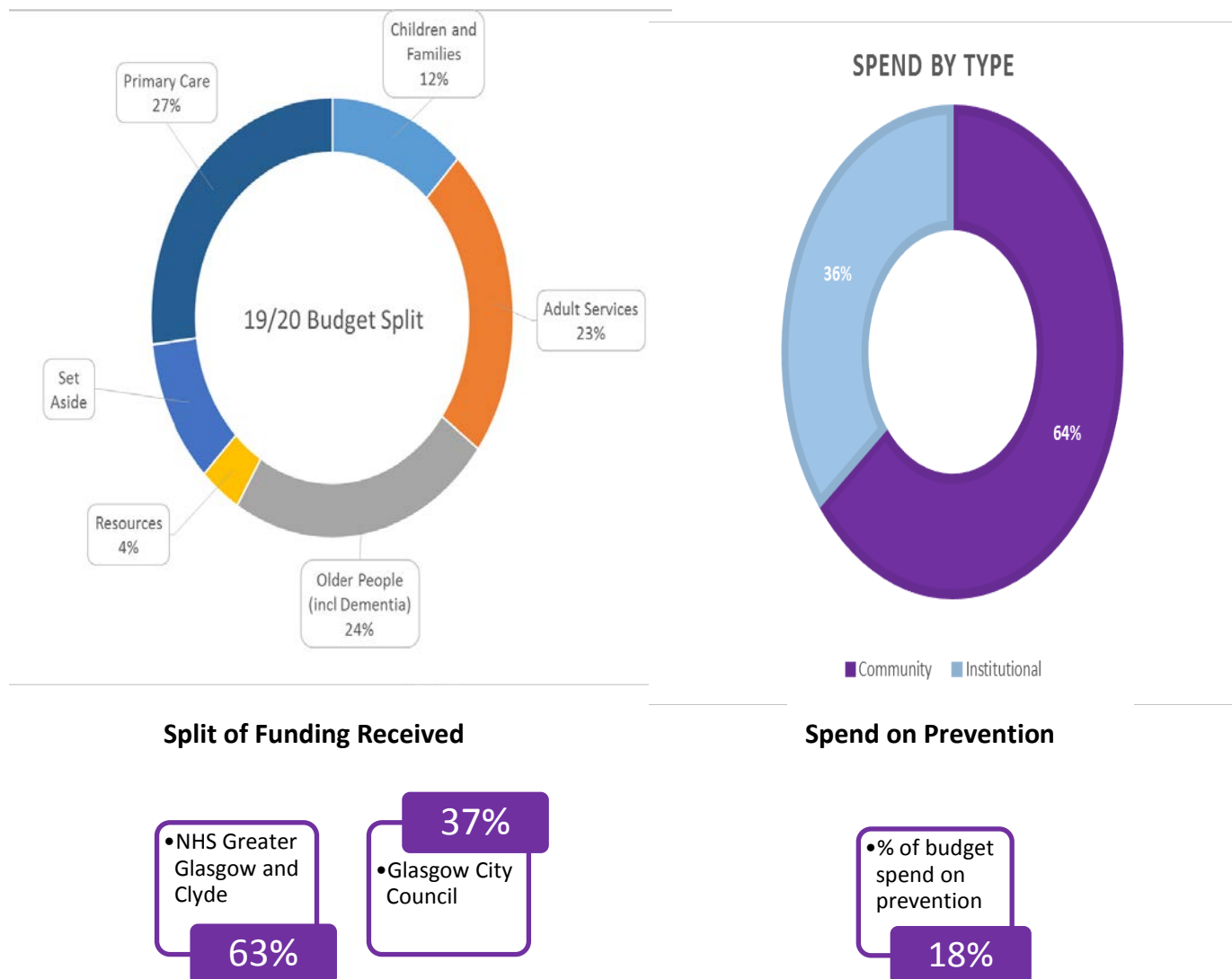
3. LOCAL CONTEXT

The City of Glasgow has been transformed in recent years, developing remarkable business and tourism sectors and becoming one of Europe's top financial centres, whilst the physical enhancement of the City has been dramatic. However, challenges in addressing deprivation, ill health and inequality are significant and well documented.

A lot of progress has been made in addressing these issues, but there continues to be more that can be done to ensure that there are opportunities for everyone in the City to flourish and live longer, and have healthier and more independent lives within stronger communities.

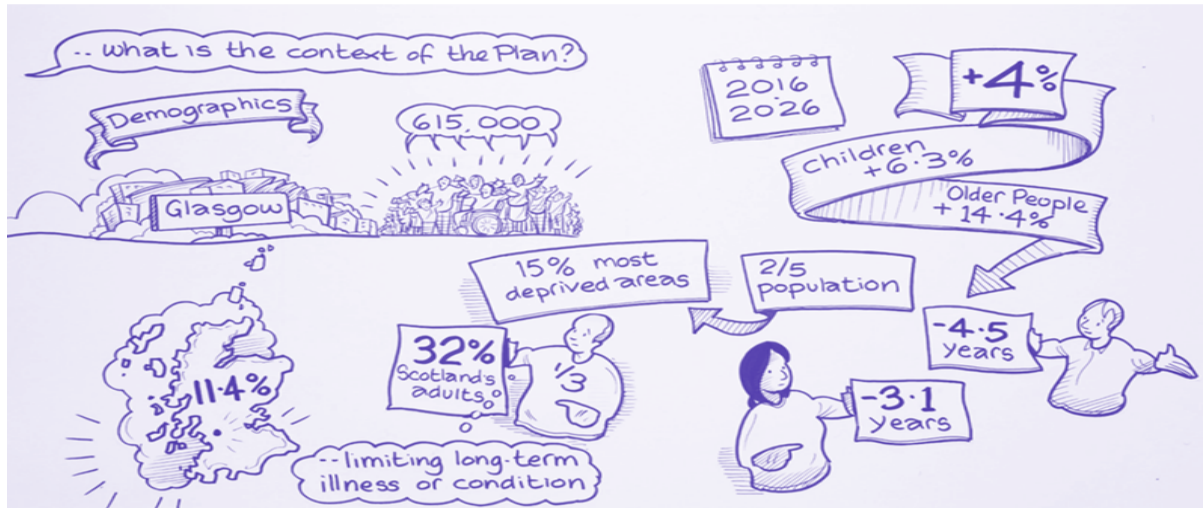
OUR BUDGET

The budget for Glasgow City IJB in 2019/20 is £1.2bn, funded through delegated budgets from both Glasgow City Council and NHS Greater Glasgow and Clyde.



OUR DEMOGRAPHICS

Glasgow City has a population of 615,070 (2016 National Records of Scotland), which is 11.4% of the population of Scotland, with an estimate population growth of 24,600 (4%) between 2016 and 2026, which compares to a 3.2% increase for Scotland as a whole. During this period the City will experience a 14.4% increase in our population of older people. (Source : [National Records of Scotland](#))



OUR HEALTH & DEPRIVATION

The City of Glasgow has a number of challenges to address in relation to deprivation, ill health and inequality and there continues to be more that can be done to ensure that there are opportunities for everyone in the City to flourish and live longer, and have healthier and more independent lives within stronger communities.

LIFE EXPECTANCY

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. Despite the life expectancy forecast to increase steadily for both males and females, the gap between Glasgow and Scotland is likely to remain unchanged in size.

72.9 years

2016-17 life expectancy
for a Glasgow male

compared to 77.4 years for a Scottish
male (a difference of 4.5 years)

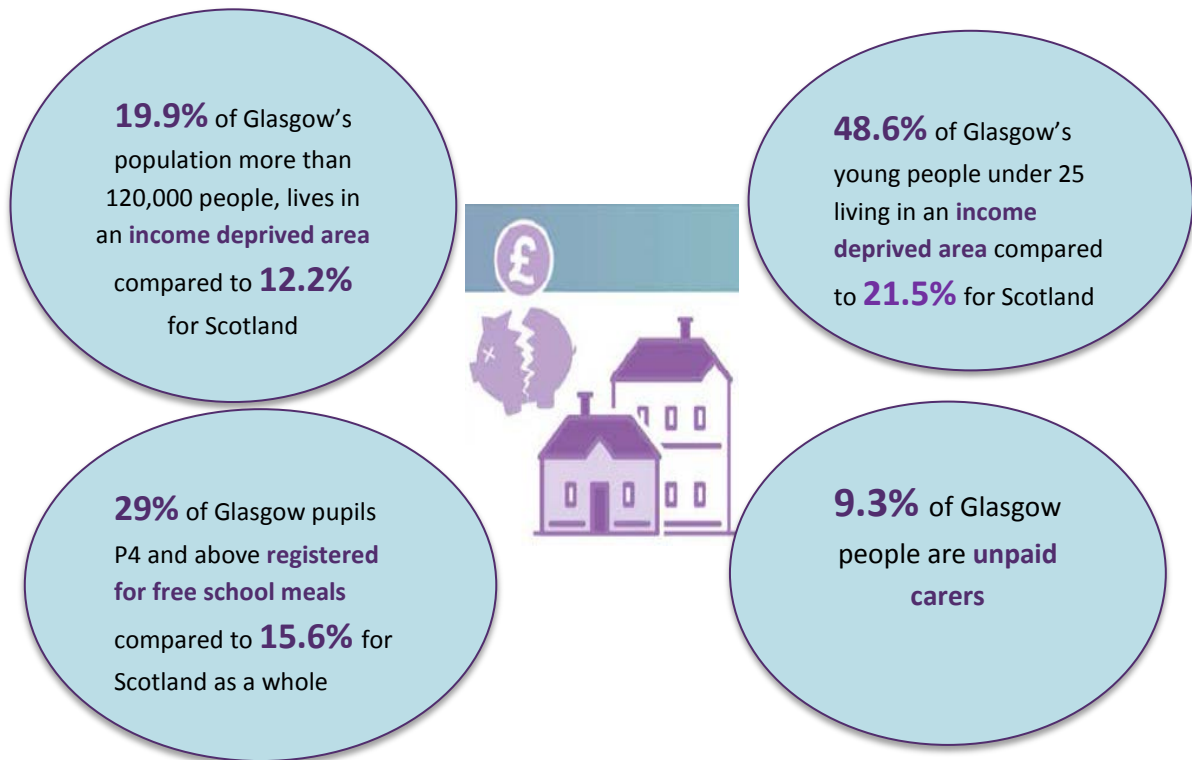
78.2 years

2016-17 life expectancy
for a Glasgow female

compared to 81.3 years for a Scottish
female (a difference of 3.1 years)

POVERTY AND DEPRIVATION

Deprivation can have a detrimental impact on the health of our population and the services which they require to access from the IJB. This has been demonstrated by the 'burdens of disease work lead by Health Scotland which clearly shows the nature and extent of the impact of deprivation on health and care services. Below are some of the key statistics which outline the level of deprivation experienced within the city.



HEALTH

Glasgow City residents face a variety of complex health issues which the IJB is required to respond. Some of these are highlighted below.



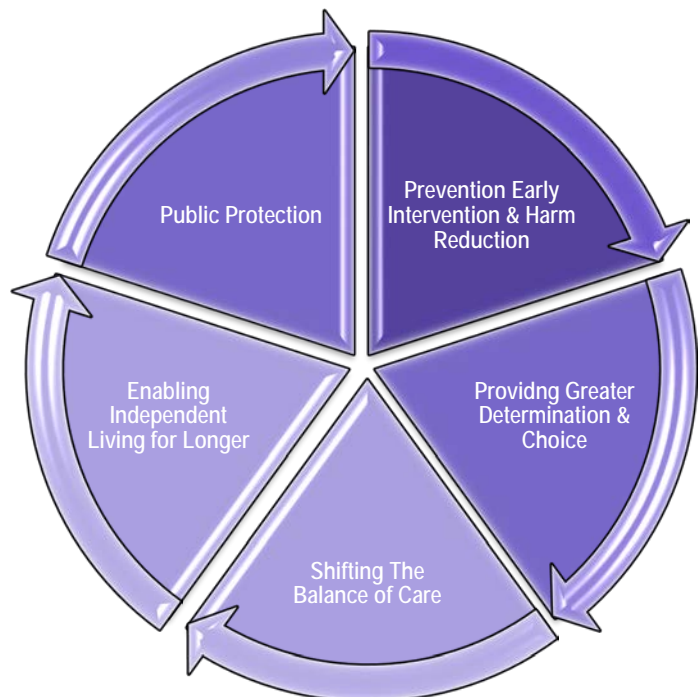
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IMPACT ON DEMAND

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.

The priorities of the IJB, illustrated opposite, recognises that delivering 'more of the same' will not be enough to meet the challenges of rising demand, budget pressures and inequalities. Transformational change is therefore needed to the way health and social care services are planned, delivered and accessed in the City.



OLDER PEOPLES SERVICES

58% reduction in care home placements to 2012/13 -2018/19
2019/20 forecast however is showing a 3% increase on last years figure

84% reduction in complex care beds

15% reduction in Older People Mental Health Beds

2% increase in Standard Telecare Referrals compared to Prior Year
A 7% increase since 16/17

10,268 people supported through Homecare services during 2018/19

18/19 - 842 Supported Living Referrals undertaken
19/20 - forecasting 828 referrals

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. The service has engaged in transformational change programmes over a number of years to drive more efficient use of available resources to ensure that demand continues to be met. These include amongst others, home care re-ablement, anticipatory care planning, carer support, housing options, and technology-enabled care.

In each case the driving principles relate to maximising independence whilst minimising dependency, enabling proportionate risk rather than eliminating risk at any cost and supporting individuals to remain living at home for as long as possible.

Significant progress has been made in delivering on this agenda and these can be seen opposite.

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.

The Ministerial Strategic Group reported in February 2019 on their review of integration. This review concluded that the arrangements for hospital budgets and set aside arrangements must be fully implemented to enable IA's to plan the use of these budgets during 2019/20. The Scottish Government has given a commitment to work with IA's Health Boards and Local Authorities to ensure the legislation and statutory guidance is put into practice

Glasgow City IJB is currently leading on the development of a commissioning plan to support the strategic planning for set aside services, known as Unscheduled Care. This plan will help determine the services which require to be commissioned under

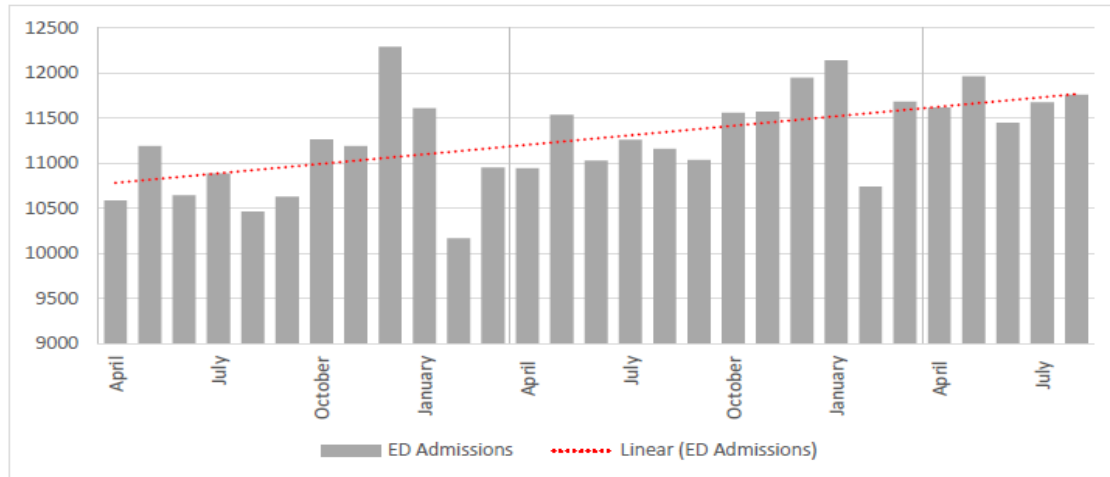
the set aside arrangements and how this will shift over time. It will be used to support the strategic planning of these services by both the Health Board and IJB.

However core services are getting closer to the limits of their capacity. The purchased care homes budget, the largest social care budget in the IJB, is under constant and increasing pressure. The IJB's own residential units consistently operate at or around 100% occupancy. Home care, supported living, intermediate care and other core services all report similar

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pressures. Acute services are now consistently experiencing very high levels of demand, reflected both in Emergency Department performance and occupancy levels.

Greater Glasgow & Clyde: Monthly Emergency Admissions April 2017 to August 2019



During the period April 2017 to August 2019 Greater Glasgow & Clyde Emergency Departments have seen a sustained increase in demand. The first 5 months of 2019 has seen a 1.0% increase in emergency attendances compared to the same period last year. Emergency admissions to hospital have also increased compared to 2018/19 by 3.8% year to date.

Within Greater Glasgow and Clyde the number of people who are awaiting discharge increased during 2018/19 and has continued into 2019/20. The impact on beds rose by a daily average of 82 during 2017/18 to a daily average of 108 during 2019/20 (April – July). This places added pressure on the services which we deliver.

- the number of delays for patients aged over 65 in GG&C has risen from 305 in September 2018 to 472 in January 2020 – the highest since 2012/13;
- total acute delays for all ages in GG&C has risen from 342 in September 2018 to 527 in January 2020 (this is the highest it has been for some years);
- in 2018/19 there were 36,968 bed days occupied by people delayed in their discharge, and of these 29,072 were occupied by people aged 65 years and over; and,
- there has been an increase of 9,323 in delayed discharge bed days between 2017/18 and 2018/19.

This level of demand has a significant impact on our services. In partnership with colleagues in the other IJBs with Greater Glasgow and Clyde, and colleagues in the Acute secondary health services, a joint programme of work is also currently underway to develop a **JOINT COMMISSIONING PLAN FOR UNSCHEDULED CARE**, to relieve pressure on both acute and primary care services and ensure patients and service users are receiving appropriate care in the correct location. This feeds into NHS Greater Glasgow and Clyde's Moving Forward Together Programme and has three main themes

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- Early intervention and prevention of admission to hospital to better support people in the community
- Improving hospital discharge and better supporting people to transfer from acute care to community supports
- Improving the primary/secondary care interface jointly with acute to better manage patient care in the most appropriate setting in line with the IJB's and NHS Board's strategic direction

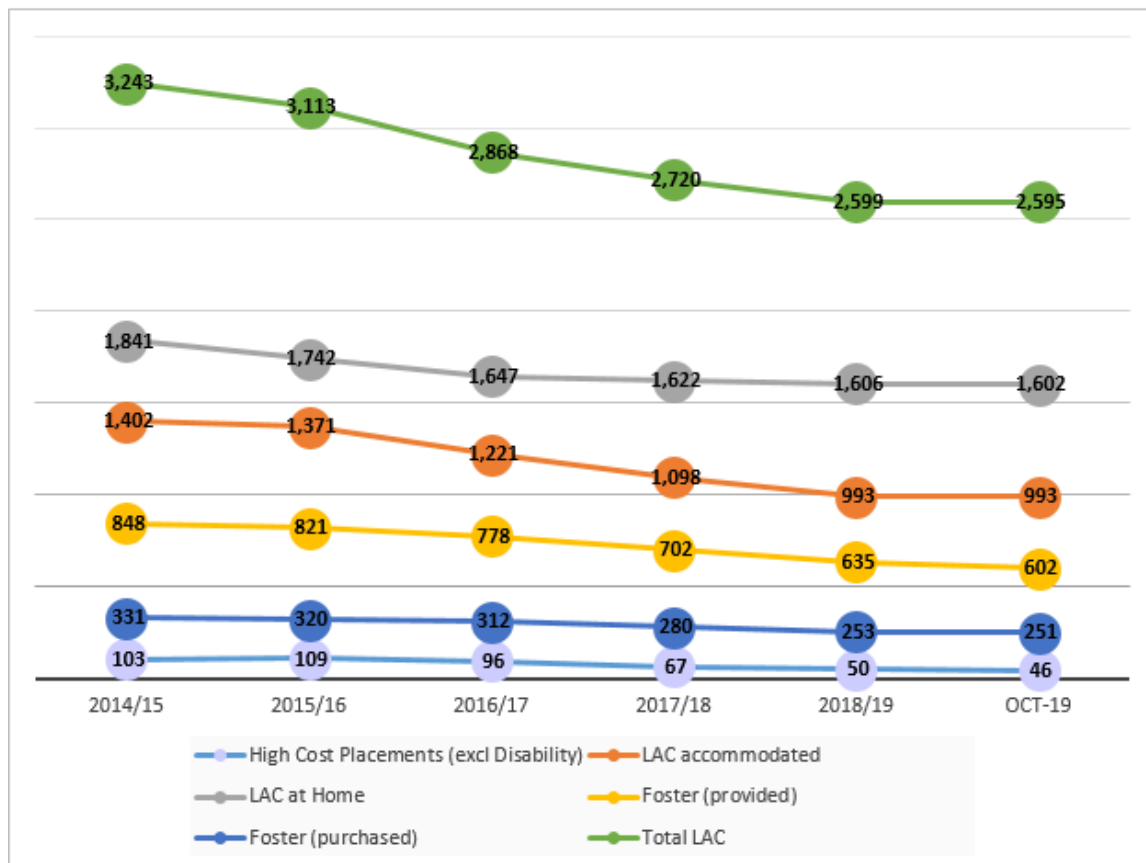
The Service continues to look at opportunities for transformation and the **OLDER PEOPLE MENTAL HEALTH 5 YEAR STRATEGY** is currently in development and will have a focus on shifting the balance of care including looking at alternatives to admission to inpatient care including the use of technology, development of post diagnostic support services and efficient and effective community mental health teams.

The tolerance of the system in its current form to continue to reform to absorb the twin challenges of increasing demand and reducing resources is itself reducing. The IJB can and will continue to identify and effect any efficiency opportunities that exist under the status quo to manage demand. However, under current trends it is prudent to forecast that this will lead over time to a steady erosion of performance across key measures as the system as currently configured reaches the limits of its capacity. The time is now right for the IJB to develop a stepped change to the services which are delivered to individuals, families and communities. This will focus our resources and energies on prevention and early intervention, working in partnership with local community organisations, and third, independent and housing partners. This will require the IJB to support individuals, families and communities to increase independence whilst receiving better outcomes for our service users and patients.

CHILDREN'S SERVICES

Children and Families has outlined a clear transformational agenda which aligns to the policy aims of Getting It Right for Every Child, delivers a service which will help families to help themselves and improve the range of family support services in place to sustain more young people at home for longer.

This services has already delivered a significant part of this transformation agenda which has 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.



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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.

Further investment is also planned which will see a further £3m per annum invested to support an expanded neighbourhood family support model across the City, develop a model of support for intensive services aimed at over 12 year olds on the edges of care, and create a Care Experienced Team jointly with Education Services to improve the planning and co-ordination of support for care experienced children and young people. In addition the IJB will access £2m from the Care Experienced Young People Fund to work jointly with Education Services to achieve the shared objectives of improving the attainment and outcomes for care experienced children and young people.

Transformation of services continues to be high on the agenda. However the service recognises that service delivery continues to be required for the most complex and traumatized young people in the city including those in need of secure care and those children/young people with exceptional disabilities and care needs significantly beyond the capability of our provided residential care.

Children and Families will continue to develop and strengthen support in local communities, 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.

The Care review rightly identifies a promise to better meet the needs of our young people. To radically change the system to both effective and robust prevention and at the same time better outcomes in care. These dual and raised expectations will mean continued investment in prevention along with investment in care. Significantly this will continue to require additional financial commitment in kinship care, foster care, residential and critically in the legal and statutory requirements of continued and after care. The implications of the National historical enquiry will also reinforce the continued expectations and financial requirements to improve outcomes and secure positive destinations for all.

Significant progress has been made to date, delivering improved outcomes for the children of Glasgow and keeping children with their families or within their local communities. However if this progress is to be sustained, effective re-investment of savings 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.

993 children in Glasgow
Looked After and
Accommodated.
A reduction of **30%** from 2016.

46 children accommodated in
high cost placements in May
2019.
A reduction from **111** in March
2017.

61% of all looked after children
are in kinship care
arrangements

Family Group Decision Making
team received **831** referrals
which has so far culminated in
163 family meetings
(compared to **415** referrals and
58 meetings in 2017/18)

374 Extended Family Network
searches have been completed
and in total, **6,000** family
members were found who had
not been known to Social Work

ADULT SERVICES

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.

The service continues to pursue the transformational change agenda and key service reforms being pursued in this service include:-

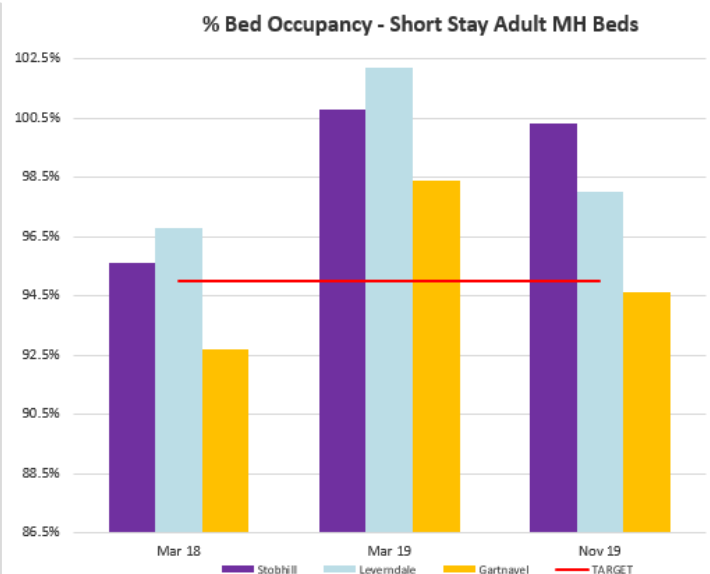
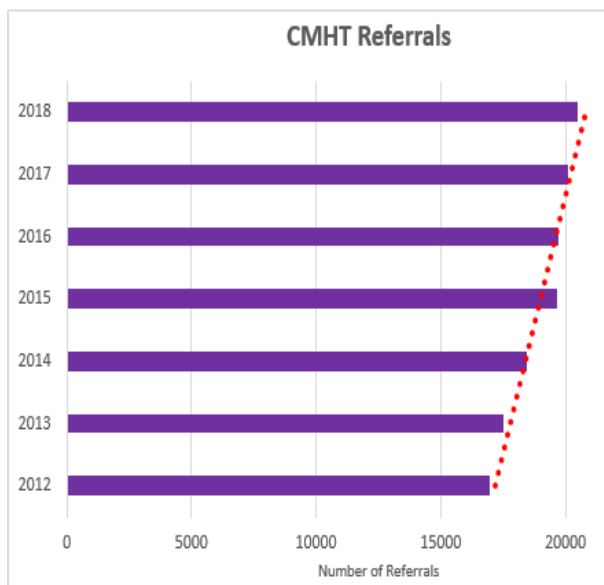


MENTAL HEALTH

The Adult Mental Health Strategy aims to deliver the following changes:

- providing inpatient services with fewer beds or less intensive forms of inpatient care
- maintaining spend on community and specialist services with increased capacity by way of improved productivity and performance for any given caseload
- promoting good mental health, strengthening resilience and preventing crisis by earlier intervention is more cost effective and
- minimising spend on other services including prescribing costs, management, facilities and procurement.

Demand for services continues to grow with referrals exceeding 20,000 in 2018 as illustrated in the graphs below. This level of demand impacts on our ability to meet targets across our services.



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Progress has been made in the delivery of mental health provision to better suit the needs of our patients and some highlights include

- The provision of a Board Wide single adult mental health liaison service to acute hospitals with designated teams working into each acute hospital during working hours and co-ordination of an out of hours response via a single point of access
- Introduction of Alternative Response to Distress initiatives
- We have developed a peer support model which will allow people with lived experience of mental health to provide additional support within communities
- Bipolar Hub is an innovative partnership with a third sector organization to ensure the provision of evidence based holistic care and treatment for individuals with Bipolar disorder in GG&C.
- Development of a new Borderline Personality Disorder Service
- Development of Rapid Access Pathway

LEARNING DISABILITIES

We are currently reviewing the service models in place for overnight support to adults eligible for social care with a view to recommending future provision that aspires to meet the objectives of supporting people to live safely and independently as possible at home or a homely setting, in a cost effective and risk enabling way.

Progress has been made in relation to this transformational change with the introduction of an innovative approach to community collaboration developed in Glasgow city. This is a locality based, technology enabled care and support partnership (Connecting Neighbourhoods) and two tests of change projects are progressing to develop a clustered response among local care providers. This will allow a sharing of responsibilities to respond quickly to someone at home when a need arises as an alternative to a sleepover services.

1,851 Learning Disabilities
Clients Supported

32 providers delivering
overnight support to 1,038
service users

26 providers delivering 295
sleepovers

23 providers delivering
waking night service

ALCOHOL & DRUG SERVICES

A number of services have 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. This model is being rolled out across Glasgow to ensure that all HSCP staff and partners are delivering services in a recovery focussed manner. Alcohol Drugs & Recovery Service (ADRS) continue to focus on an asset based model of recovery, alongside

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Recovery Hubs and Recovery Communities, to ensure that people are exposed to recovery supports from the earliest point in treatment and care, in order to achieve recovery from problematic alcohol and drug use. This includes participation from those with lived experience in all aspects in redesign of services, including purchased services, and recruitment processes that actively encourage those with lived experience to work within the service.

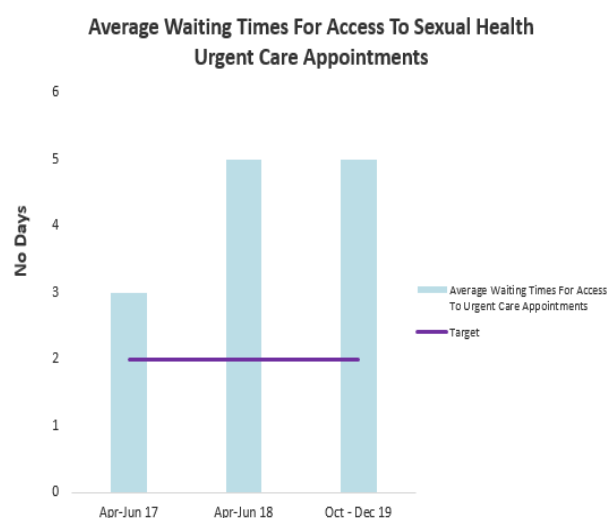
SEXUAL HEALTH

The Sexual Health Strategic Plan (2017-20) vision is that

The population enjoys good and positive sexual health and wellbeing. Where people need support, care or treatment they can easily access specialist sexual health services. Our focus will be on prevention of poor sexual health, early intervention and supported self-management.

Demand for these services outstrips supply and the objectives of the Sexual Health Services Review are to

- Improve the use of existing resources and release efficiencies through service redesign, with consideration of team structures, skill mix, localities and patient pathways
- Encourage those who could be self-managing to be supported differently
- Ensure that Sandyford services are accessible and targeting the most vulnerable groups



This change programme will take 3 years from February 2020 and will involve move to new locations and the potential new build premises being scoped during this period.

HOMELESSNESS

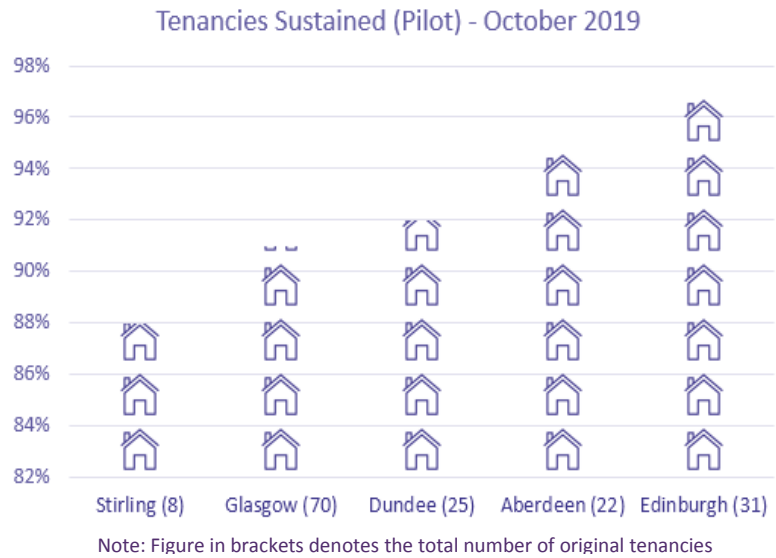
In 2018/19 Glasgow received 9,688 approaches for Housing Options advice with 5,679 (59%) progressing to a homeless application. This figure equates to 16% of Scotland's total homelessness applications (36,465.)

Rapid Rehousing Transition Planning (RRTP) is underway working with social housing partners to develop 10 Local Letting Plans aimed at ensuring all homeless households in Glasgow access settled housing quickly and effectively targeting annually 42% of allocations to homeless households and reduce length of stay in temporary accommodation by 50% over 5 years. Funding available for RRTP is less than bid for and will impact on deliver.

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The introduction of an Alliance commissioned approach with service provider organisations is a whole system approach aimed at reducing time spent in homelessness services and increase access to tenancies with support where needed, reducing dependencies on accommodation based service responses in the medium to long term.

The revised service delivery model pilot has been positive in terms of service user experience and core service objectives. At October 2019 the tenancy sustainment figures % for Glasgow was 91%. A large scale transformational programme, the contract should be operational by April 2020.



Significant progress has been made in delivering on the Adults Services agenda as evidenced in the points above. The tolerance of the adult care system to continue to reform to absorb the twin challenges of increasing demand and reducing resources is itself reducing. Adult Services have a number of improvement plans in place and will continue to transform services to identify and effect any efficiency opportunities that exist under the status quo to manage demand. However, as with Older People under current trends it is prudent to forecast that this will lead over time to a steady erosion of performance across key measures as the system as currently configured reaches the limits of its capacity.

PRIMARY CARE SERVICES

Primary Care services include services provided by, among others, GPs, Dentists, Optometrists, District Nurses, Health Visitors and Physios. Within Primary Care our strategy is to enable these professionals to fulfil the role that they are uniquely qualified for and to maximise access for local people to ensure they get the right person at the right time and in the right place.

Agreed in autumn 2018 the Glasgow City Primary Care Improvement Plan (PCIP) presents a major opportunity to transform primary care by supporting GPs to operate effectively as expert medical generalists. The strategy includes enabling more support to be delivered in home and community settings and promoting greater self-management and choice to allow people to be cared for appropriately and safely in the community for longer.

The key priorities for the PCIP are as follows:

- A vaccination transformation programme (VTP) to transfer work from GPs to the HSCP for children, adults and travel
- Pharmacotherapy services with the transfer of acute, repeat prescribing and medication management to HSCP employed pharmacy support staff
- Expanding Community Treatment and Care services (CTAC) delivered by the HSCP, including phlebotomy; ear syringing; suture removal and management of minor injuries and dressings
- Delivery of urgent care with the employment of advanced practitioners providing first response for home visits and for urgent call outs.
- Additional professional roles as part of the Multi-Disciplinary Team including physiotherapists and community clinical mental health professionals to see patients as a first point of contact
- Community Links Workers to help patients navigate and engage with wider services
- Supporting the expansion and development of Multi-Disciplinary Team working and collaborative leadership in Primary Care

Recruitment is progressing to develop multi-disciplinary teams of pharmacists, nursing practitioners, nurses, mental health workers and community links workers. Developments and upgrades relating to premises is currently being scoped to provide sufficient accommodation for the expansion of multi-disciplinary teams across the city to provide integrated responses for patients strengthening links to local community services and networks and enabling clearer identification to specialist services when required.

Glasgow City will receive £13.2m in 2020/21 rising to £18.8m by 2021/22 to deliver the PCIP agenda. However, the IJB has highlighted to the Scottish Government that this will not be sufficient to meet the terms of the new GMS contract (and memorandum of understanding.) In addition the funding challenge for primary care in Glasgow is exacerbated by the high levels of poor health outcomes and health inequalities faced by our patients and that these factors are not sufficiently taken into account by the methodology used to allocate resources to primary care. This will require the IJB to make choices and decisions on how best to allocate this money. For the purposes of the medium term financial outlook it is assumed that this

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programme of change will be managed within the funding provided by the Scottish Government.

The IJB is currently leading a review of Primary Care Out of Hours services, in recognition of the challenges being experienced delivering services across Greater Glasgow and Clyde.

IMPACT OF INTEGRATION SO FAR – GLASGOW CITY HSCP

Children's Services

2018-19



2,590 referrals made to the Healthier, Wealthier Children Service during 2018/19 exceeding the annual target of 1,533



Number of placements outwith the Authority has reduced from 67 to 51

2019-20 (to Quarter 3)



837 referrals being made to the Healthier, Wealthier Children Service in Q3 of 2019/20 exceeding the quarterly target of 383. Year to date 2,515 referrals have been made



Number of high costs placements reduced from 51 to 47

Adult Services

2018-19



77% of Service Users with an initiated recovery plan following assessment against a target of 70%



Number of households reassessed as homeless or potentially homeless within 12 months fell from 444 to 400 against an annual target of less than 480 per annum



Percentage of clients commencing drug or alcohol treatment within 3 weeks of referral increased by 6 percentage points to 98% - 8% above annual target



Percentage of Service Users with an initiated recovery plan following assessment increased from 73% to 77%

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2019-20



80% of Service Users with an initiated recovery plan following assessment against a target of 70%



Number of households reassessed as homeless or potentially homeless within 12 months was 223 to end Q3 below the target of 360



Percentage of clients commencing drug or alcohol treatment within 3 weeks of referral is 98% above the annual target of 90%



% of Alcohol and Drug Service Users with an initiated recovery plan following assessment increased from 77% to 80%

Older People

2018-19



Percentage of service users who receive a reablement service following referral for a home care service from hospital discharge increased from 72.8% to 75.8%



Number of people in supported living services increased from 734 to 842

2019-20



Percentage of service users who receive a reablement service following referral for a home care service from hospital discharge increased from 75.8% to 82.1%



% of intermediate care users transferred home has increased from 25% in April 2019 to 35% in September 2019

4. NATIONAL CONTEXT

IJB's continue to operate in a complex and changing environment, nationally and globally, an understanding of which is vital when reviewing the Medium Term Outlook.

ECONOMY

The UK left the EU on 31st January 2020. However leaving the EU only marks the beginning of the process, as trade negotiations get underway. Current economic uncertainty around Brexit and the implications on future population trends is yet to be understood. The Fraser of Allander Institute¹ recognises that Brexit may make Scotland less attractive or more difficult to work in and if realised this would impact on Glasgow City Population and economic growth.

A recent report from the Fraser of Allander Institute² recognises that the economy will remain in a period of uncertainty for the foreseeable future and therefore impacts on the ability to forecast. The Scottish economy contracted by 0.2% in Quarter 2 of 2019, and is likely to be the unwinding of stockpiling as a contingency measure ahead of Brexit. Overall growth of 1.3% in 2020, 1.4% in 2021 and 1.4% in 2022 is forecast at present.

The Global, UK and Scottish economy impacts on the funding available to Councils and Health Boards to deliver services.

The [Scottish Government](#) identify 3 key factors which will determine the Scottish Budget

- **UK Government overall fiscal stance** – the block grant from the UK Government is the biggest single determinant of funding for the Scottish Budget. Determined through the Barnett formula it remains out with the control of the Scottish Government
- **UK Government tax performance** – changes in UK Government tax policy can result in UK Government tax receipts growing at a different rates from devolved tax receipts. The Scottish Budget is adjusted for the amount of tax raised per capita in Scotland compared to the UK, if tax income in England increases faster than Scotland the Block Grant Adjustment would increase and reduce the size of the Scottish Budget
- **Scottish fiscal performance** – if Scottish tax revenue per head for devolved taxes grows faster than in the rest of the UK, through better economic performance, the Scottish budget will increase. If the Scottish Government makes tax policy decisions that increase or decrease tax revenue, these will also have a direct impact on the Scottish Budget.

¹ Fraser of Allander Institute – June 2019

² Fraser of Allander Institute (Volume 43, No 4 – December 2019)

LEGISLATIVE & POLICY CHANGES

IJB's operate in a complex and changing environment with legislation and policy decisions, by both UK and Scottish Government, impacting on the services delivered, and the resources available to support this.

(i) Withdrawal from the European Union

The UK has left the EU on the 31st of January 2020 under the agreed Withdrawal Agreement. During the 12 month transitional period to 31st January 2021 the UK will continue talks to negotiate exit from the EU with a trade deal or in a No Deal scenario.

(ii) Local Governance Review

The Scottish Government and COSLA launched a [review](#) in December 2017 to consider how decisions are made about Scotland's public services considering how powers, responsibilities and resources are shared across national and local government and with communities. The report on the first phase of engagement with both local communities, and public sector leaders was published in May 2019, and will be used to inform the next phase of work in preparation of a Local Democracy Bill which will be introduced by 2021. The outcome of this work is likely to impact on the services provided by the IJB and the relationship with our communities in the future.

(iii) Free Personal Care

From 1 April 2019 adults of any age, no matter their condition, capital or income, who are assessed by their local authority as needing Free Personal Care, are entitled to receive this without charge. This has been implemented by the IJB and monitoring continues to be undertaken to understand if the removal of charges is impacting on demand.

(iv) Carers (Scotland) Act 2016

Coming into effect in April 2018 it placed a range of duties on IJB to support unpaid carers, including a Carers Strategy and having clear eligibility criteria in place. Glasgow City HSCP had put in a place both an Adults and Young Carers strategy in support of the implementation of these new duties.

(v) Safe and Effective Staffing

The Health and Care (Staffing) (Scotland) Bill received Royal Assent in June 2019. The Act requires Health Boards and all care providers registered with Social Care and Social Work Improvement Scotland (SCSWIS) to follow a "rigorous evidence based approach to decision making relating to staffing requirements to ensure appropriate staffing for the delivery of safe and effective care which takes account of service user health and care needs and promotes a safe environment for both service users and staff." The IJB will continue to monitor the implications of implementing the recommendations to evaluate the potential financial and operational impact going forward.

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(vi) Primary Care

The Scottish Government has forecast that demand for primary care services is predicted to continue to grow, and if the system does not adapt or change, there will be a net increase in costs of £1.8bn by 2023/24, driven by growth in the population, public demand and price pressures. The Primary Care Improvement Process continues to develop to address this and the introduction of the new GP Contract.

(vii) Pension Legislation – Implications for Workforce Planning

Changes to public sector pension legislation which has placed a taper on higher earners has reduced the current standard annual allowance to £10,000, and anyone who exceeds the limits can be hit with a tax bill. Awareness of the issue has grown as people can be hit with charges covering several years in arrears, this has resulted in doctors reducing sessions or retiring early. This will have implications for workforce planning and recruitment and retention and will have to be monitored by the IJB as the situation develops to ensure service resilience.

(viii) Mental Health Strategy

As part of the Mental Health Strategy 2017-2027, Scottish Government Ministers have 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 is flowing 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.

(ix) Scottish Living Wage

The Scottish Living Wage is currently £9.30 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 impacts on our costs as an employer and also in relation to the costs of services which we commission directly from service providers.

(x) 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.

(xi) 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 Limitation (Childhood Abuse) (Scotland) Act 2017 give victims of alleged child abuse after September 1964, which includes sexual abuse, physical 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.

NATIONAL ISSUES

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 2013/14 and 2019/20, revenue funding of Councils has fallen by just under 6% in real terms. Scottish Government revenue funding of Health Boards has increased by 6% 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.

In May 2018, the Institute for Fiscal Studies and the Health Foundation reported that UK spending on healthcare would require to increase in real terms by an average of 3.3% per year over the next 15 years in order to maintain NHS provision at current levels, and that social care funding would require to increase by 3.9% per year to meet the needs of a population living longer and an increasing number of younger adults living with disabilities.

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.

The Scottish Budget 20/21 went through the Scottish Parliament on the 5th of March in advance of the UK Budget announcement on the 11th of March 2020.

5. MEDIUM TERM FINANCIAL OUTLOOK

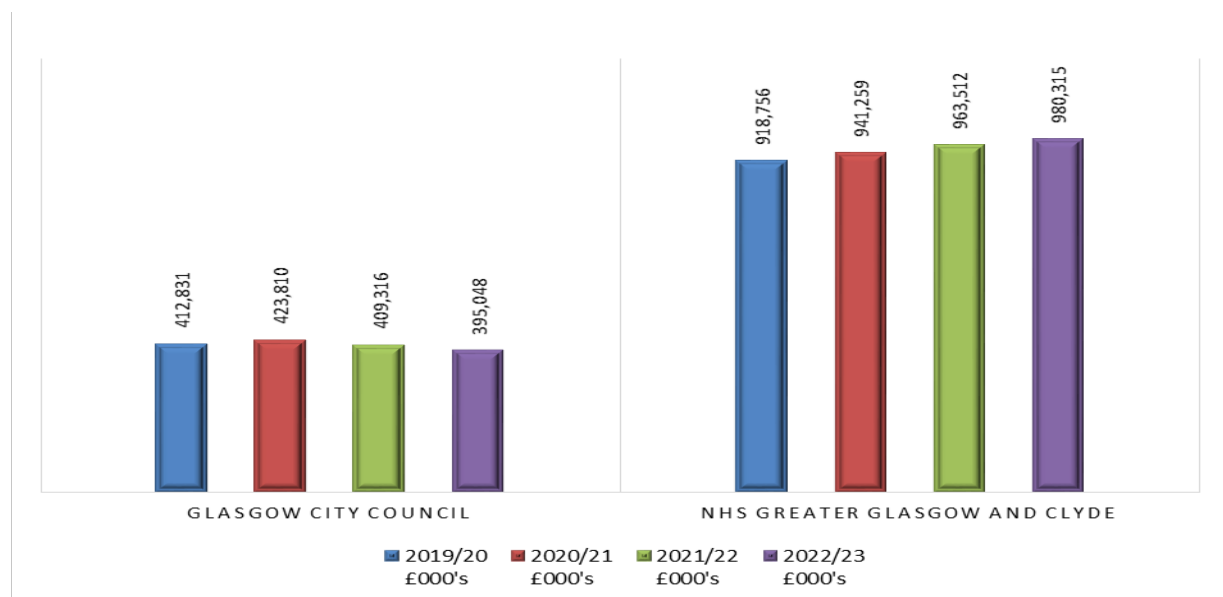
The financial position for public services continues to be challenging, a clear strategy is imperative to ensure that the IJB remains financially sustainable over the medium term. Audit Scotland in their November 2018 Review of Integration Schemes highlighted that across Scotland “Financial Planning is not integrated, long term or focused on providing the best outcomes for people who need support” whilst recognising that “financial pressures across health and care services make it difficult for IJBs to achieve meaningful change.”

Recognising the Local and National Context highlighted in this document, we need to translate this for the IJB into the financial context that we will operate in over the Medium Term, and how this should be considered throughout the decision making process.

FUNDING ESTIMATES

The two main sources of funding for the IJB is NHS Greater Glasgow and Clyde, and Glasgow City Council. This funding will be impacted by their respective financial planning and budget setting processes, and the funding settlements that they receive from the Scottish Government.

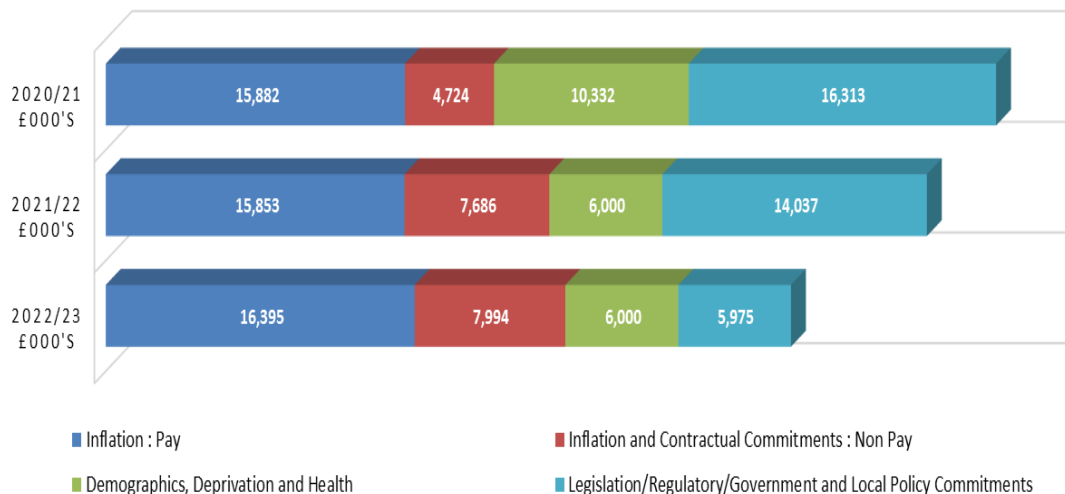
The Medium Term Financial Outlook makes assumptions about future funding contributions from Partners based on information which is currently available. Using this information it is forecast that Health Board funding is likely to increase by £62m between 2020-21 and 2023-24, with Council funding expected to reduce by £18m 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.



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Expenditure Requirements

As already mentioned the IJB will face cost pressures arising as a result of demand, inflation and changes in legislation. Evaluating the key factors likely to impact over the medium term it is estimated that the IJB will face cost and demand pressures of £127m.



The key areas are:

(i) Inflation – Pay

Employee costs represent 40% of the IJBs gross budget. Inflationary pressure in this area is a significant pressure for the IJB. The assumed increase is based on the inflationary assumptions of both partner bodies. Glasgow City Council have made payment in respect of the first tranche of Equal Pay Negotiations. Work continues on the Equality Act compliant Job Evaluation scheme and pay structure. It is assumed any financial consequences arising from the settlement of the job evaluation scheme and pay structure will be fully met by Glasgow City Council. The Health Board assumptions include the additional costs linked to the Agenda for Change which will see pays uplifted by on average 3.81% in 2020/21.

(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 including the cost of prescriptions within primary care services. Current planning assumptions that non pay inflation and contractual commitments equates to an average £7m per annum over the life of the outlook.

(iii) Demographics, Deprivation & 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

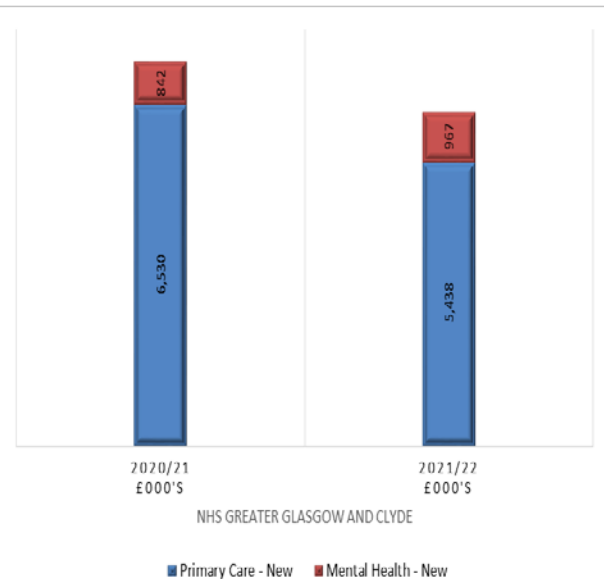
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plan has looked at demand experienced during 2019/20 and has also assumed that there is a need for a 4% increase in some budgets on an annual basis to reflect the likely increase in demand reflective of the need of the citizens of Glasgow.

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

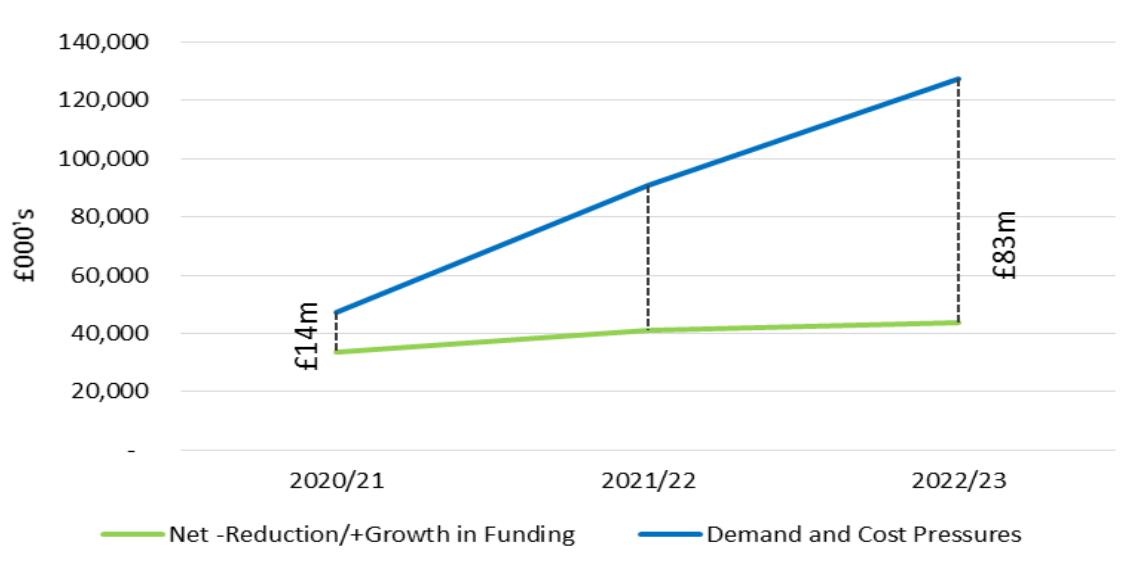
The IJB is subject to legislation, regulation, government and local policy changes which can have cost implications. This includes the cost of implementing Scottish Living Wage, which in the past the Scottish Government has made a contribution to part cover the costs of implementing.

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 NHS Greater Glasgow and Clyde Health Board.



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 £83m.



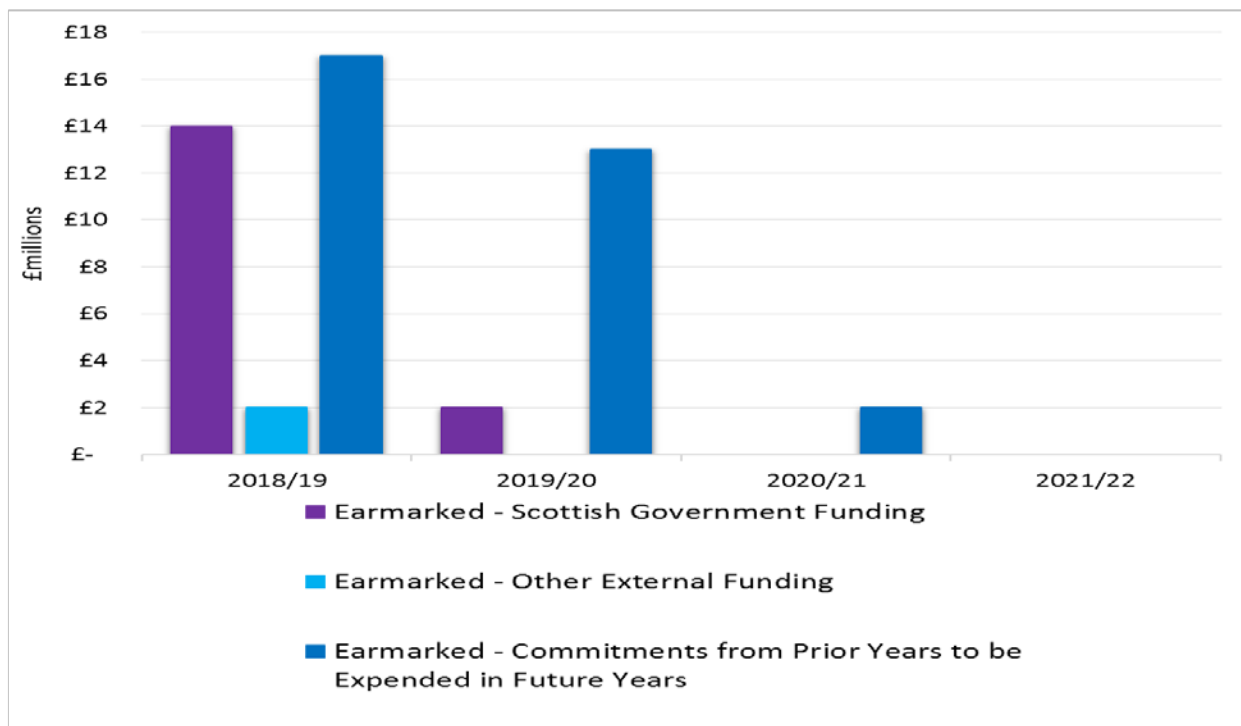
RESERVES

The IJB held £46.9m in reserves at the 31st March 2019 of which £32.6m is earmarked to support the future delivery of projects which span financial years and are required to enable the IJB to deliver on national outcomes. Reserves are a key component of the IJB's funding strategy. The remaining balance is general reserves which are not held to any specific liability and offer the IJB some flexibility to deal with unforeseen events or emergencies.

The IJB currently holds £14.3m in general reserves which represents 1.2% 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 we set a target for moving to 1.5% which would represent 75% of the Reserve Policy of 2% of expenditure. This will require an additional £5.2m 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 earmarked reserves are anticipated to be used over the medium term.



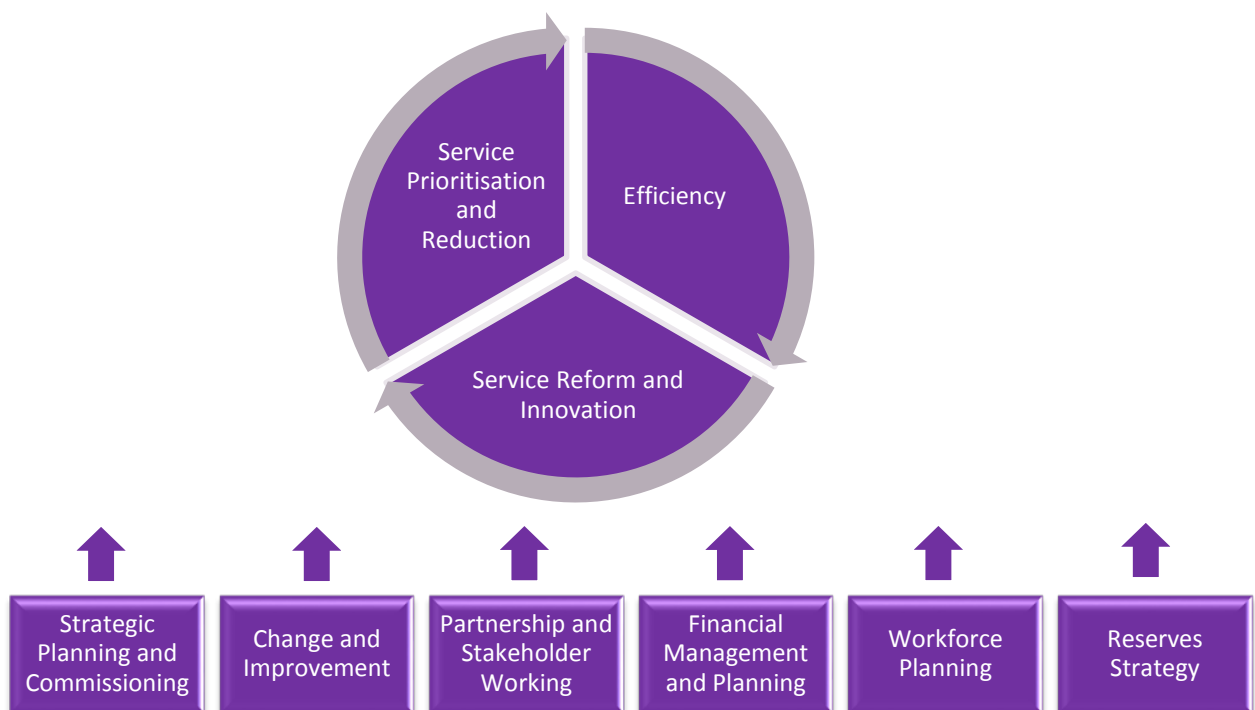
6. OUR RESPONSE

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 £83m 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.

Our Medium-Term Financial Strategy has 3 core components which collectively support the transformational change required to deliver financial balance whilst delivering safe and sustainable services. This strategy is set out in the diagram below and cannot be delivered without working closely with all our partners and stakeholders to secure a future which sustainable and meets the needs of our communities. This is underpinned by strategic planning and commissioning, robust financial management, a prudent reserves policy and work force planning to ensure our resources are used in the most effective way to deliver services and deliver the vision for the IJB.



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 2020/21 this will secure £5.8m of savings for the IJB, with a target of £4m and £4m set for 2021/22 and 2022/23 respectively.

SERVICE REFORM & INNOVATION

The IJB has approved transformation programmes for Adults, Older People, Children and Families Services and Primary Care and details of some of these are contained in pages 10 to 19.

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.

However it is also clear that pressures within the health and social care system are increasing which will require us to think differently about how we deliver services to the population of Glasgow. In 2020/21 this will secure £7.7m of savings for the IJB, with a target of £26.8m and £24.8m set for 2021/22 and 2022/23 respectively.

This represents a challenging target and would be beyond a level which Chief Officers could support in light of the demographic and demand pressures and our ability to continue to deliver services which are safe. As a result over the medium term the IJB will continue to engage with Partner Bodies in relation to future funding levels.

The Maximising Independence Programme will form part of our response under service reform and innovation and some detail of this is included below.

MAXIMISING INDEPENDENCE

On 26 June 2019 the IJB approved the development of a Maximising Independence Programme for Glasgow City which will seek to deliver a sustainable health and social care service for the City which will focus on prevention and early intervention approaches and will encourage individuals and communities to support each other. This recognises that the best health and care outcomes are associated with the highest possible levels of self-management and independence. We need to change the way we work with people to reflect the way they live now, balancing the need for care and support.

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On 20 November 2019 the IJB approved £8.5m of funding to support the implementation of this programme over the next two years. This includes investment in a community investment fund to build community capacity in our localities, expansion of the rehabilitation and enablement resource and development of family support models which will build on the successful use of this within Children and Families. This programme will be delivered through working in partnership with local communities, third sector, independent sector, housing sector, community planning partners, service users and patients.

This programme will build on the learning from practice within Glasgow and elsewhere to support individuals, carers, families, communities and organisations to come together to share opportunities and decision making . This approach has been introduced in other public sector organisations and has evidenced to show that not only does it improve outcomes for the individual, it also results a more effective use of resources, with less reliance on health and social care services, which will deliver savings over the longer term.

A saving target has been applied to this work over the medium term as a result of the funding constraints on the IJB. It is recognised that this may take time to deliver and is reliant on the investment which has been identified above. This may require the IJB to use general reserves to smooth delivery and to manage the financial risk.

SERVICE PRIORITISATION & 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 2020/21 this will secure £0.3m of savings for the IJB, with a target of £5m set for 2021/22 and 2022/23.

7. RISK & 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 reduces 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 show what would happen if the main assumptions increase by 1%

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

For example if pay inflation was 1% higher than the assumption which have been made, this would represent an additional cost of £4.5m in 2020/21.

Sensitivity Analysis	Change in Assumption	2020/21 £000's	2021/22 £000's	2022/23 £000's
Funding from Health Board	Increase of 1%	- 5,043	- 5,283	5,601
Funding from the Council	Increase of 1%	- 4,128	4,238	4,093
Inflation : Pay	Increase of 1%	4,496	4,667	4,826
Inflation and Contractual Commitments : Non Pay	Increase of 1%	1,575	1,922	1,998
Demographics, Deprivation and Health	Increase of 1%	4,327	3,444	3,492

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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.

The impact of each of these scenarios is shown on the graph opposite.

Scenario 1 forecasts based on all our major assumptions improving with the IJB receiving more money with cost and demand pressures being less than currently forecast within the outlook. This would significantly reduce the funding gap from £83m to £41m over the next three years. The probability of this occurring is low.

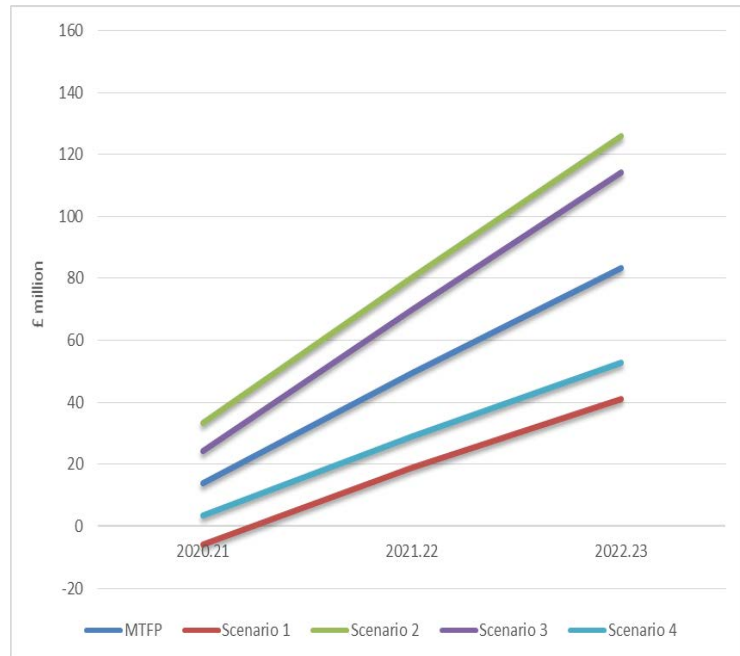
Scenario 2 forecasts based on all major assumptions declining with the IJB receiving less income than assumed within the core

assumptions and cost and demand increases being higher than assumed within the outlook.

This would see the funding gap increase from £33m to £126m over the 3 years. This scenario is used to consider the impact if all core assumptions are worse than originally estimated.

Scenarios 3 & 4 have been used to demonstrate the impact of a mix of outcomes and shows under scenario 3 that the funding gap would increase to £114m and under scenario 4 would decrease to £53m

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.



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APPENDIX ONE

	2019/20 £000's2	2020/21 £000's	2021/22 £000's	2022/23 £000's
Children and Families	151,258	157,099	161,590	165,760
Adult Services	231,176	241,301	252,882	261,285
Older People Services	250,560	265,641	276,840	287,492
Resources	143,012	149,489	153,644	157,924
Criminal Justice	- 397	86	497	920
Prescribing	128,692	133,146	140,832	148,825
Family Health Services	196,439	196,439	196,439	196,439
Other Services	8,934	13,724	17,777	18,218
Set-aside	221,914	221,914	221,914	221,914
Total	1,331,587	1,378,838	1,422,414	1,458,778
Funding				
Glasgow City Council	412,831	423,810	409,316	395,048
NHS Greater Glasgow and Clyde	918,756	941,259	963,512	980,315
Total	1,331,587	1,365,068	1,372,827	1,375,363
Funding Gap	-	13,770	49,587	83,415

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APPENDIX TWO

	2019/20 Proposed Saving £000's	2020/21 Target £000's	2021/22 Target £000's
Efficiency			
Prescribing Contingency Budget	5,279	-	-
Support Services - Review of Supplies & Services	164	-	-
Hospital Based Prescribing (HSP) Drugs	25	-	-
Income Maximisation	150	-	-
Resources - Reviews of Teams	165	-	-
Efficiency : Total	5,783	4,000	4,000
Service Reform and Innovation			
Glasgow Alcohol & Drugs Recovery Service (GADRS) - Day Service Redesign	420	-	-
Glasgow Alcohol & Drugs Recovery Service (GADRS) - Business Support	28	-	-
Maximising Independence - Adults/Older People Services	2,950	-	-
Maximising Independence - Children	3,360	-	-
Adult Services - Service Reviews	130	-	-
Specialist Children's Services	300	-	-
Linguistics - Review of Translation & Interpreting Services	90	-	-
Transport - Review of HSCP Transport Model	429	-	-
Service Reform and Innovation : Total	7,707	26,817	24,828
Service Prioritisation and Reduction			
Public Health Researcher - Discontinue	60	-	-
School Counselling Service - Lifelink Youth	220	-	-
Service Prioritisation and Reduction : Total	280	5,000	5,000
Total Savings	13,770	35,817	33,828