

Item No: 9

Meeting Date: Wednesday 27th March 2019

Glasgow City Integration Joint Board

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

Contact: Sharon Wearing

Tel: 0141 287 8838

INTEGRATION JOINT BOARD FINANCIAL ALLOCATIONS AND BUDGETS FOR 2019-20

Purpose of Report:	To provide the IJB with a full update on the proposed financial allocations to, and implications for, the IJB Budget in 2019-20.
---------------------------	--

Background/Engagement:	In line with the Integration Scheme, the Chief Officer has fully engaged in Glasgow City Council's budget setting process for 2019-20, which determined the funding allocations delegated to the IJB for 2019-20. The Chief Finance Officer has had initial informal discussions with the Assistant Director of Finance in relation to the budget offer from NHS Greater Glasgow and Clyde.
-------------------------------	---

Recommendations:	<p>The Integration Joint Board is asked to:</p> <ul style="list-style-type: none"> a) note the contents of this report; b) note and accept the funding offer from Glasgow City Council, subject to the joint development of a financially sustainable solution for both Homecare and Housing First by September 2019 with update reports to the IJB on 27 June 2019 and 18 September 2019; c) note and conditionally accept the indicative funding offer from NHS Greater Glasgow and Clyde for 2019-20, subject to confirmation in April 2019; d) note that the budget for set aside is still notional and further updates will be provided once final arrangements are put in place for 2019-20; e) agree to the funding pressures outlined at section 5.3; f) agree to the savings programme outlined at section 5.7;
-------------------------	--

	<p>g) delegate a budget to NHS Greater Glasgow and Clyde of £805,007,000 and direct that this budget is spent in line with the strategic plan of the IJB and the proposals included within this paper at section 5.3 and 5.7; and</p> <p>h) delegate a budget to Glasgow City Council of £433,074,600 and direct that this budget is spent in line with the strategic plan of the IJB and the proposals included within this paper at section 5.3 and 5.7.</p>
--	--

Relevance to Integration Joint Board Strategic Plan:

This report describes the financial allocation and budgets made available to the Integration Joint Board for 2019/20 by Glasgow City Council and NHS Greater Glasgow and Clyde; outlines the financial pressures on health and social care services; and the measures we will take to address the financial challenges and priorities facing the partnership and throughout the Strategic Plan.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	The financial framework for the Partnership contributes to the delivery of the 9 national health and wellbeing outcomes that health and social care partners are attempting to achieve through integration.
Personnel:	Staffing implications are highlighted where appropriate in the report.
Carers:	The current shape of service provision across the system must move to one that includes an increased use of technology enabled care and other support networks being deployed in care support not just for the service user but also for their unpaid carer. The transformation programmes approved by the IJB for Older People and Adult Services involve the development of this changed system of service provision.
Provider Organisations:	An update on Scottish Living Wage commitment for 2019-20 will be the subject of a separate report to the IJB.
Equalities:	No EQIA carried out as this report does not represent a new or revised plan, policy, service or strategy. A preliminary assessment of the impact of the proposed savings proposals on groups with protected characteristics has been undertaken and can be made available to IJB members on request.
Fairer Scotland Compliance:	The expenditure on services within this budget supports the delivery of a Fairer Scotland.
Financial:	Financial implications are detailed throughout this report.

Legal:	<p>The Chief Finance Officer's duties in Scotland require a balanced budget to be set. This is established in s108(2) of the Local Government (Scotland) Act 1973 and s93(3) of the Local Government Finance Act 1992.</p> <p>Directions are being issued in line with the legislation.</p>	
Economic Impact:	Not applicable at this time.	
Sustainability:	Not applicable at this time.	
Sustainable Procurement and Article 19:	Not applicable at this time.	
Risk Implications:	<p>Delays in setting the budget may impact on the IJBs ability to achieve financial balance in 2019-20. The volatility of the drugs supply market and demand for services continues to represent a significant financial risk to the IJB.</p>	
Implications for Glasgow City Council:	The budget is required to be spent in line with the Strategic Plan and the approved directions.	
Implications for NHS Greater Glasgow & Clyde:	The budget is required to be spent in line with the Strategic Plan and the approved directions.	
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 This report will outline the revenue budget for Glasgow City Integration Joint Board for 2019/20 and the budget available for services commissioned from Glasgow City Council and NHS Greater Glasgow & Clyde.

2. Background

- 2.1 The Health Board and Local Authority will delegate function and make payments to the Integration Joint Board (IJB) in respect of those functions as set out in the Integration Scheme. Additionally, the Health Board will also "set aside" an amount in respect of large hospital functions covered by the integration scheme.
- 2.2 The IJB will make decisions on integrated services based on the strategic plan and the budget delegated to it. The IJB will publish an Annual Financial Statement setting out the total resources included in the Strategic Plan. The IJB will also give directions and

make payment where relevant to the Health Board and Local Authority for delivery of the services in line with the Strategic Plan. This should be completed by 1st April each year.

3. Financial Allocation from Glasgow City Council

- 3.1 The financial forecast for Glasgow City Council has been updated and identified a spending gap of £40.9m for 2019-20. The gap has reduced from the original planning assumption of £50.9m and reflects an updated local government settlement offer from the Scottish Government. In delivering a balanced budget Glasgow City Council identified the need for savings of £22.6m.
- 3.2 The Local Government Finance (Scotland) order 2019 was approved by Scottish Parliament on 6 February 2019. A copy of the letters issued to local authorities on 12 December 2018, 31 January 2019 and 14 February 2019 are attached at Appendix 1. This confirms an additional £40 million in support of the expansion of Free Personal and Nursing Care for under 65s, as set out in the Programme for Government, and the implementation of the Carers Act. Glasgow City IJB's share of this is £4.920m.
- 3.3 In addition to this is £120 million for investment in integration, including delivery of the Living Wage and uprating free personal care, and includes £12 million for school counselling services. Glasgow City IJB's share of the monies for integration is £12.577m. The funding for school counselling services has still to be distributed.
- 3.4 The total additional funding of £160 million allocated to Health and Social Care and Mental Health is to be additional to each Council's 2018-19 recurrent spending on social care and not substitutional. Although it allows the flexibility for local authorities to offset their adult social care allocations to Integration Authorities in 2019-20 by 2.2% compared to 2018-19.
- 3.5 On 21 February 2019, the Council agreed its budget for 2019-20. The Council offer letter is attached in Appendix 2. This budget confirms funding of £433.075m. £13m of funding has been provided for pay and pension pressures relating to 2018-19 and 2019-20 which is off-set with a £13m reduction in funding to the IJB.

18/19 Additional Payroll Inflation	+£ 2.000m
18/19 Terms and Condition Changes – Full Year Impact Services	
Transferred from Cordia LLP	+£ 2.000m
Sub Total	+£ 4.000m
19/20 Payroll Inflation	+£ 6.700m
19/20 Auto Enrolment	+£ 2.300m
Total Funding for Pressures	+£ 13.000m
Reduction in IJB Funding Contribution	-£ 13.000m
Net Movement in Funding	+£ 0.000m

- 3.6 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 Council would consider funding this as part of their 2019-20 budget exercise. The 2019-20 Council budget made no funding provision for this deficit.

- 3.7 During 2018/19 the IJB agreed to implement a Housing First approach as part of Glasgow City's approach to responding more effectively to homelessness in the City. The funding of this approach has been the subject of discussion with the Scottish Government and Glasgow City Council.
- 3.8 As part of the budget offer letter the Council has confirmed that it will continue to engage with the HSCP on the scale of the budgetary pressure associated with Homecare and Housing First 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. This report recommends the acceptance of this funding offer, subject to the joint development of a financially sustainable solution for both Homecare and Housing First by September 2019 with update reports to the IJB on 27 June 2019 and 18 September 2019.
- 3.9 Separate reports will be presented to the IJB on commitments to Scottish Living Wage and the conclusion of the National Care Home Contract negotiations.

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

- 4.1 The Scottish Government wrote to Health Boards on 12 December 2018 in relation to the Draft Budget for 2019-20 as set out by the Cabinet Secretary for Finance and the Constitution in Parliament that day. The letter is attached in Appendix 3. The letter covers the Scottish Government's expectations of the Health Board in relation to the budget and any financial implications for Integration Authorities. This letter confirms that NHS payments to Integration Authorities for delegated health functions must deliver a real terms uplift in baseline funding, before provision of funding for pay awards, over 2018-19 cash levels.
- 4.2 The system reform assumptions in the Health and Social Care Medium Term Financial Framework include material savings to be achieved from reducing variation in hospital utilisation across partnerships. Planning across the whole unplanned care pathway will be key to delivering this objective and Partnerships must ensure that by the start of 2019-20, the set aside arrangements are fit for purpose and enable this approach. The Scottish Government will work with Integration Authorities, Health Boards and Local Authorities to ensure the legislation and statutory guidance on hospital specialties delegated to Integration Authorities, particularly in relation to set aside budgets is put into practice. The Ministerial Steering Group is clear that each Health Board, in partnership with the Local Authority and IJB, must fully implement the delegated hospital budget and set aside budget requirements of the legislation, in line with the statutory guidance published in June 2015. These arrangements must be in place in time for Integration Authorities to plan their use of their budgets in 2019/20.
- 4.3 It is therefore expected that the final budget offer from NHS Greater Glasgow and Clyde includes the budget for set aside for 19/20 based on agreed commissioning intentions. This does not change the balance of risk and opportunity for this objective, which remains shared between Integration Authorities and Health Boards and can only be delivered in partnership, but recognises the lead role of the Integration Authority in planning for unscheduled care pathway set out in the legislation. The set aside budget included within the 2019-20 indicative offer letter continues to be notional uplifted for 2019-20. Further updates will be provided to the IJB once final arrangements are put in place for 2019-20.

- 4.4 This letter also confirms an allocation of £392 million for investing in reforming services including Primary Care, Waiting Time Improvements, Mental Health and CAMHS, Trauma Network and Cancer, some of which will be delegated to the IJB.
- 4.5 NHS Greater Glasgow and Clyde Health Board have provided the IJB with an indicative offer for 2019-20 which is subject to Health Board approval. The formal offer from the Health Board will not be received until April 2019. The interim budget position is attached in Appendix 4 and represents a 2.54% uplift reflecting the board uplift from the Scottish Government.

5. Proposed Budget for 2019-20

- 5.1 The funding outlined in section 4 is summarised below:-

Movement in Funding	£millions
NHS Greater and Glasgow and Clyde - Funding Uplift	12.039
Glasgow City Council - Funding of Pressures from 2018/19	4.000
Glasgow City Council - Funding of Pressures from 2019/20	9.000
Glasgow City Council - Reduction in IJB Funding Contribution	-13.000
Scottish Government Funding - Investment in Integration, Living Wage, Uprating Free Personal Care	12.577
Scottish Government Funding - Carers Act	1.223
Scottish Government Funding - Implementation of FPC < 65's	3.696
Total Additional Funding	29.535

- 5.2 The IJB has a number of pressures which require to be funded in 2019-20. The Medium Term Financial Outlook identifies pressures of £71m for 2019-20, £20m of which is linked to pressures as a result of the demographic, health and deprivation profile of the City. These pressures are being experienced in 2018-19 especially within Older People and Adult Services and will grow further in 2019-20. The funding identified at 5.1 is insufficient to enable the pressures linked to demographics, health and deprivation to be fully funded. Work will continue on the Transformation Programmes established within these service areas to secure delivery of services within the budget which has been set and this will continue to be managed through the chief Officer led Transformation Programme Board. This will represent a significant challenge for 2019-20 which will require to be closely monitored.
- 5.3 Taking into consideration both the pressures which are faced and the funding which has been offered, the following pressures are recommended for funding:-

Pressures to be Funded	£millions
Pay Inflation and Auto Enrolment	15.929
Terms and Condition Changes - Full Year Effect Services Transferred from Cordia LLP	2.000
Scottish Living Wage - Providers	3.700
Contractual Inflation	2.722
Prescribing and Drugs	8.344

Free Personal Care Uplift	0.158
Introduction of FPC < 65's	3.696
Carers Act Implementation	1.223
Demographic Pressures - Limited to Funds Available	8.446
Demographic Pressures - Older People - Care Homes	2.900
AWI Pressures	0.850
Junior Doctors	0.250
Investment - Children and Families to Support Transformation	1.000
Revenue Consequences of Capital - Children's Homes	0.820
Assisted Garden Maintenance - 6 month funding	0.520

Total Pressures to be Funded	52.558
-------------------------------------	---------------

Funding Gap	22.975
--------------------	---------------

- 5.4 In 2018-19 following a review of role and responsibilities for Band 6 Health Visitors, this workforce was regraded to Band 7 nationally across Scotland, effective from 3 December 2018. The full cost of this for Glasgow City is £1.9m. If no additional funding is secured at a national level then costs will be required to be managed within current funding levels, which will result in a reduced number of Health Visitors across the City. This would be phased between 2019-20 and 2022-23.
- 5.5 The budget provision for contractual inflation includes the National Care Home contract which is currently the subject of national negotiations which have not yet concluded. The estimate provided above may require to be revised once negotiations are concluded. As a result the allocation for demographic pressures is also a provisional figure and will not be allocated until negotiations for the National Care Home contract are concluded and budget availability for demographic pressures can be finalised. This will be the subject of a future report to the IJB.
- 5.6 This leaves a funding gap of £22.975m which will require to be met from savings and/or the use of reserves where it is prudent to do so within the IJB's existing reserves policy.
- 5.7 The table below identifies the options for funding which are available to the IJB.

Funding Proposals	£millions
Savings - Prescribing Contingency Budget	-3.500
Savings - Prescribing - Efficiency Programme	-2.045
Savings - South Locality HQ Lease Costs	-0.036
Savings - Former 'Integrated Care Fund' funded provision	-0.124
Savings - Additional Income from other Health Boards Based on Activity	-0.850
Savings – Children's and Families Transformation Programme	-5.000
Savings - Homeless Services	-2.600
Savings - A Review of Older People Daycare Services	-0.200
Savings - A Review of Support Services	-0.060
Savings - Assisted Garden Maintenance Service	-1.040

Savings - Addictions - Purchased Review of Move on Services	-0.100
Savings - Shifting the Balance of Care	-4.000
Reserves - Care Homes and Assisted Garden Maintenance - Non Recurring	-3.420

Total Funding Identified	-22.975
---------------------------------	----------------

- 5.8 £3.420m of the funding identified above will come from IJB Reserves and will be used on a temporary basis to meet the IJB's commitment to provide 6 months funding to the Assisted Garden Maintenance Scheme in 2019/20. It will also provide temporary funding to support demand within Care Homes whilst work continues on the Older People Transformation Programme.
- 5.9 Savings of £2.6m has been identified within Homeless Services for 2019/20. There has been an ongoing service review programme that has identified a number of projects where service should be decommissioned. Going forward the Homeless Alliance would develop proposals for service redesign.
- 5.10 It is anticipated that people currently residing in services affected by the savings agenda will have appropriate move-on plans created for them, which will primarily consist of Housing First tenancies with intensive support, mainstream tenancies with support if required, or will have appropriate supports secured via alternative care group resources.
- 5.11 A report will be submitted to the next IJB in relation to the services impacted. The proposed implementation date would be from 1st October 2019 and the any impact on savings delivery will be managed within the overall budget set for the IJB.

6. Criminal Justice Funding

- 6.1 Since 2017-18 the funding for Community Justice Authorities has come to IJB's from Central Government. This budget continues to be ring-fenced solely for the provision of criminal justice social work services.
- 6.2 A new funding formula is being phased in over a 5 year period with the maximum reduction being no more than 5% per annum. This approach will also see any increases in funding phased in as funds are released.
- 6.3 The 2019-20 allocation letter received on 13 December 2018 confirmed an allocation of £17,557,393 for Glasgow City HSCP, a decrease of £128,260 or 0.7% from 2018-19. Work is underway to manage the services within this reduced allocation.

7. Revenue Budget for 2020/21 and 2021/22

- 7.1 The Medium Term Financial Outlook identifies an estimated funding gap of £32m and £33m in 2020-21 and 2021-22. There has been significant progress already in transforming services. As well as delivering financial savings this has enabled services to increase their effectiveness and efficiency, enabling services to manage the increasing demand and complexity of the patients and service users supported. The IJB is committed to transforming services, and this programme of work will continue moving forward, however future gains will be smaller and this alone will be unable to bridge the funding gap which has been identified above.

- 7.2 A clear strategy is required to ensure the IJB remains financially sustainable over the medium term. 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 finite resources on offering services which are sustainable over the longer term and are targeted to those with the greatest need. This work will require to commence during 2019-20, and £4m has been targeted for delivery to deliver a balanced budget in 2019-20 and in support of financial planning for 2020-21 and 2021-22 and will be the subject of update reports to the IJB during 2019-20.

8. Recommendations

- 8.1 The Integration Joint Board is asked to:

- a) note the contents of this report;
- b) note and accept the funding offer from Glasgow City Council, subject to the joint development of a financially sustainable solution for both Homecare and Housing First by September 2019 with update reports to the IJB on 27 June 2019 and 18 September 2019;
- c) note and conditionally accept the interim funding offer from NHS Greater Glasgow and Clyde for 2019-20, subject to confirmation in April 2019;
- d) note that the budget for set aside is still notional and further updates will be provided once final arrangements are put in place for 2019-20;
- e) agree to the funding pressures outlined at section 5.3;
- f) agree to the savings programme outlined at section 5.7;
- g) delegate a budget to NHS Greater Glasgow and Clyde of £805,007,000 and direct that this budget is spent in line with the strategic plan of the IJB and the proposals included within this paper at section 5.3 and 5.7; and
- h) delegate a budget to Glasgow City Council of £433,074,600 and direct that this budget is spent in line with the strategic plan of the IJB and the proposals included within this paper at section 5.3 and 5.7.

DIRECTION FROM THE GLASGOW CITY INTEGRATION JOINT BOARD

1	Reference number	270319-9-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	Budget 2019-20
7	Full text of direction	<p>Glasgow City Council is directed to spend the delegated net budget of £433,074,600 in line with the Strategic Plan and the budget outlined within this report. Glasgow City Council is also directed to jointly develop a financially sustainable solution for both Homecare and Housing First by September 2019 with update reports to the IJB on 27 June 2019 and 18 September 2019.</p> <p>NHS Greater Glasgow and Clyde is directed to spend the delegated net budget of £805,007,000 in line with the Strategic Plan and the budget outlined within this report.</p>
8	Budget allocated by Integration Joint Board to carry out direction	The budget delegated to NHS Greater Glasgow and Clyde is £805,007,000 and Glasgow City Council is £433,074,600 as per this report.
9	Performance monitoring arrangements	The budget will be monitored through standard budget monitoring arrangements.
10	Date direction will be reviewed	April 2020.

Cabinet Secretary for Finance, Economy and Fair
Work

Derek Mackay MSP



Scottish Government
Riaghaltas na h-Alba
gov.scot

T: 0300 244 4000

E: scottish.ministers@gov.scot

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

Copy to: The Leaders of all Scottish local
authorities

12 December 2018

Dear Alison,

Today I set out the Scottish Government's draft spending and tax plans for 2019-20. Further to my announcement I write now to confirm the details of the local government finance settlement for 2019-20.

As agreed with COSLA, details of the indicative allocations to individual local authorities for 2019-20 will be formally published on 17 December in a Local Government Finance Circular.

This settlement takes into account the fact that the finances I have at my disposal are constrained by continuing UK Government policies that do not meet Scotland's needs. Even after the additional Health consequential and other non-Barnett allocations in 2019-20 announced as part of the 2018 UK Budget, Scotland's fiscal resource block grant is still almost £2.0 billion (6.9%) lower in real terms than it was in 2010-11.

If the consequential for investment in the NHS are excluded, this year's block grant would be £340 million or 1.3% less in real terms than it was last year.

Nobody should understate the real financial challenges that has posed and the tough and difficult decisions that means for us, both collectively and individually. Despite that, I am absolutely clear that the Budget plans I have announced are ambitious for Scotland and continue to be targeted at providing value for tax payers and support our vital public services.

The total revenue funding to be provided through the settlement for 2019-20 will be £9,987 million, which includes distributable non-domestic rates incomes of £2,853 million.

The core Capital funding is set at £759 million but with the inclusion of the continuing expansion of Early Years provision, the addition of an extra £50 million Town Centre Fund and the repayment of the reprofiled capital this increases the Capital funding within the settlement to £1,084 million.

The total funding which the Scottish Government will provide to local government in 2019-20 through the settlement is therefore £11,071 million. This includes;

- Baseline from 2019-20 of the full £170 million additional revenue investment announced earlier this year at Stage 1 of the Budget Bill for 2018-19;
- An additional £210 million revenue and £25 million capital to support the expansion in funded Early Learning and Childcare (ELC) entitlement to 1,140 hours by 2020;
- In addition to the £66 million baselined provision from 2018-19, a further £40 million is included to support expansion of Free Personal and Nursing Care for under 65s, as set out in the Programme for Government, and implementation of the Carers Act;
- £120 million to be transferred from the health portfolio to the Local Authorities in-year for investment in integration, including delivery of the Living Wage and uprating free personal care, and includes £12 million for school counselling services;
- The ongoing additional £88 million to maintain the pupil teacher ratio nationally and secure places for all probationers who require one under the teacher induction scheme;
- An indicative allocation of £3.3 million for Barclay implementation costs;
- Repayment in full of the reprofiled £150 million capital funding; and
- A new £50 million Town Centre Fund to enable local authorities to stimulate and support place-based economic improvements and inclusive growth through a wide range of investments which contribute to the regeneration and sustainability of town centres.

Individual local authorities will, in return for this settlement, be expected to deliver certain specific commitments.

For 2019-20, local authorities will continue to have the flexibility to increase Council Tax by up to a maximum of 3%. This local discretion will preserve the financial accountability of local government, whilst also potentially generating around £80 million to support services.

The revenue allocation, including the additional resources to meet our commitments on the expansion of Early Years and support for social care and mental health, delivers a real terms increase for local government for 2019-20 compared to 2018-19. Taken together with the additional spending power that comes with the flexibility to increase Council Tax (worth around £80 million next year) the total funding (revenue and capital) delivers a real-terms increase in the overall resources to support local government services of £289 million or 2.7%.

The total additional funding of £160 million allocated to Health and Social Care and Mental Health is to be additional to each Council's 2018-19 recurrent spending on social care and not substitutional. It means that, when taken together, Local Authority social care budgets for allocation to Integration Authorities (plus those retained for non-delegated social care functions) and funding for school counselling services must be £160 million greater than 2018-19 recurrent budgets.


In addition to this, the Scottish Government will work with Integration Authorities, Health Boards and Local Authorities to ensure the legislation and statutory guidance on hospital specialties delegated to Integration Authorities, particularly in relation to set aside budgets, is put into practice.

We will also continue to take forward our ambitious programme of educational reform that will deliver an education system led by communities, schools and teachers. The Scottish Government, in partnership with local authorities, will empower schools to make key decisions over areas such as the curriculum, budgets and staffing. In recognising that teachers are central to achieving our ambition of delivering excellence and equity in Scottish education we will continue to commit an overall funding package of £88 million in the local government finance settlement to support both maintaining the pupil teacher ratio at a national level and ensuring that places are provided for all probationers who require one under the teacher induction scheme. We recognise that discussions on teachers' pay are on-going through the tri-partite Scottish Negotiating Committee for Teachers and any additional allocation to fund a negotiated agreement will require to be agreed.

Each local authority area will continue to benefit from Pupil Equity Funding (PEF) which forms part of the overall commitment from the Scottish Government to allocate £750 million through the Attainment Scotland Fund, over the term of the Parliament to tackle the attainment gap. £120 million in Pupil Equity Funding is going directly to headteachers to provide additional support to help close the attainment gap and overcome barriers to learning linked to poverty. PEF is additional to the £62 million Attainment Scotland funding, which is outwith the local government finance settlement. Money from the Attainment Scotland Fund will continue to provide authorities and schools with additional means to provide targeted literacy, numeracy and health and wellbeing support for children and young people in greatest need.

The Scottish Government remains committed to a competitive non-domestic rates regime, underlined by the proposals outlined in this Scottish Budget. The poundage in Scotland has been capped below inflation at 49 pence, a 2.1 per cent increase, ensuring over 90 per cent of properties in Scotland pay a lower poundage than they would in other parts of the United Kingdom.

I believe that the outcome of the financial settlement for local government, presented in the measures set out in this letter, is the best that could be achieved in the circumstances and continues to provide a fair settlement to enable local authorities to meet our priorities of inclusive economic growth and investment in our vital health and social care and education services.



DEREK MACKAY



T: 0300 244 4000
E: scottish.ministers@gov.scot

Councillor Alison Evison,
COSLA President
Verity House
19 Haymarket Yards
Edinburgh
EH12 5BH

Copy to: Leaders of all Scottish local authorities

31 January 2019

Dear Alison,

I have listened carefully to the points you and other Leaders have raised with me following our consultation, and most recently in our meeting on 30 January, on the terms of the local government settlement and the issues you have sought to resolve as being important to you. The Scottish Greens have also raised many similar points in my discussions with them to secure support for the Budget.

In the Budget Bill Stage 1 debate in Parliament today I announced a package of further measures covering local taxation and local government finance which I consider will be the biggest empowerment of local authorities since devolution. I write now to confirm the details.

The Scottish Government has committed to make a number of changes to local government taxation between now and the end of this Parliament and clearly COSLA will have a key role as that works unfolds. These potential changes include:

- To consult, in 2019, on the principles of a locally determined tourist tax, prior to introducing legislation to permit local authorities to introduce a **transient visitor levy**, if it is appropriate for local circumstances;
- To support an agreed amendment from the Scottish Greens to the Transport (Scotland) Bill that would enable those local authorities who wish to use such a power, to introduce a **workplace parking levy**. Scottish Government support will be contingent on the exclusion of hospitals and NHS properties; and
- To devolve Non-Domestic Rates **Empty Property Relief** to local authorities in time for the next revaluation.

Both the Scottish Government and the Greens also supported the recommendation of the Commission on Local Tax Reform, which was co-chaired by the then COSLA President, that the present council tax system must end.



In order to make progress the Scottish Government will convene cross-party talks on its replacement with a view to publishing legislation, should cross-party agreement on a replacement be reached, by the end of this Parliament, with that legislation taken forward in the following Parliament.

While the Scottish Government maintains the position that money for education, social care and early learning and child care are core functions of local government, we have listened to the arguments that local government requires increased funding and flexibility for the 'core' local government settlement.

I have, therefore, agreed to make the following changes:

- An increase in the core resource local government settlement of £90 million;
- Continue to provide an earmarked £160 million from the Scottish Government for health and social care investment to support social care and mental health services – including those under the direction of Integration Authorities– whilst, as part of this package, allowing local authorities the flexibility to offset their adult social care allocations to Integration Authorities in 2019-20 by 2.2% compared to 2018-19, i.e. by up to £50 million across all local authorities to help them manage their own budgets
- Provide, as you have requested, local authorities with the flexibility to increase the Council tax by 3% in real terms, which equates to 4.79% next year.
- Bringing forward a three year funding settlement for local government from 2020-21 budget onwards; and to develop a rules based framework for local government funding in partnership with COSLA that would be introduced for the next Parliament.

Taken together, this enhanced package offers up to £187 million of increased funding and flexibility to local authorities.

In addition to this, and subject to the successful outcome of negotiations with teachers, the Scottish Government will fully fund its contribution to the cost of the Teachers' Pay deal, providing local authorities with the additional funding required to meet our share of the pay offer.

At our meeting on 30 January I also undertook to follow up and confirm the position on two further points.

Firstly, Local authorities, along with other public bodies, will face increased costs as a result of changes made by the UK Government to employer contributions for public sector pensions, including for Teacher pensions. The UK Government has committed to part fund these costs.


Local authorities were assuming a shortfall of 33% in the funding for these costs. Scottish Government analysis is that this shortfall is likely to be closer to 21%. This difference amounts to around £15 million for local authorities which they should no longer have to budget for.

We will not have formal confirmation of the impact of these changes to the Scottish Budget until the UK Spring Statement on 13 March 2019. However, we are committed to continue to press the UK Government to meet the full cost of these changes to avoid damaging impacts on the delivery of public services across Scotland. The Scottish Government will, however, commit to pass on to local government the consequential that we receive towards the employers' cost increase for local government Teachers' Pension schemes.

Secondly, I can confirm that I intend to bring forward as early as I can (early in the new financial year) changes to legislation which will allow Councils to vary loans fund repayments for advances made before 1 April 2016. Changes to repayments must be based on prudent principles and we will work with COSLA and Audit Scotland to reach a solution.

Throughout the Budget negotiations, I have endeavoured to engage constructively and openly with COSLA. As a result of the continuing UK austerity cuts forced upon us I know local authorities, along with the rest of the public sector, are still facing some difficult financial challenges, but I hope that you can recognise and welcome the significant package of additional measures I have confirmed today, which I truly do consider will be the biggest empowerment of local authorities since devolution.

Set out in the Appendix to this letter are details of the additional allocations to individual local authorities, through the normal formula distribution for the additional £90 million, to be spent at the discretion of individual councils. Subject to Parliamentary approval in the final stages of the Budget Bill, these sums will be added to the Local Government Finance (Scotland) Order 2019 to be presented to Parliament later in February.


DEREK MACKAY

Local Authority	Additional Stage 1 Allocation: Core Grant
	£m
Aberdeen City	3.161
Aberdeenshire	4.352
Angus	1.967
Argyll & Bute	1.626
Clackmannanshire	0.834
Dumfries & Galloway	2.678
Dundee City	2.503
East Ayrshire	2.051
East Dunbartonshire	1.874
East Lothian	1.719
East Renfrewshire	1.787
Edinburgh, City of	7.038
Eilean Siar	0.691
Falkirk	2.600
Fife	6.165
Glasgow City	9.969
Highland	4.228
Inverclyde	1.355
Midlothian	1.493
Moray	1.543
North Ayrshire	2.398
North Lanarkshire	5.702
Orkney	0.637
Perth & Kinross	2.477
Renfrewshire	2.941
Scottish Borders	1.990
Shetland	0.719
South Ayrshire	1.890
South Lanarkshire	5.388
Stirling	1.585
West Dunbartonshire	1.576
West Lothian	3.063
Scotland	90.000

Health Finance, Corporate Governance & Value
Directorate

Richard McCallum, Deputy Director Health Finance
T: 0131-244 2357
E: Richard.McCallum@gov.scot



Scottish Government
Riaghaltas na h-Alba
gov.scot

Health and Social Care Integration

Alison Taylor, Head of Integration
E: Alison.taylor@gov.scot

Chief Executives, Local Authorities
Chief Officers, Integration Authorities

Copied to:

Chief Executives, NHS Boards
Directors of Finance, Local Authorities
Chief Finance Officers, Integration Authorities
NHS Directors of Finance

14 February 2019

Dear Colleagues

Budget 2019-20

In the December 2018 Budget announcement the Scottish Government confirmed it was making available additional funding of £160 million in 2019-20 from the health portfolio budget. This includes £12 million to support school counselling services, with the remaining £148 million for Integration Authorities to continue to meet various commitments to social care and integration. Therefore Local Authority social care budgets for allocation to Integration Authorities and funding for school counselling services must be £160 million greater than 2018-19 recurrent budgets. Shares of the additional £160m by Local Authority are included in Annex A.

On 31 January 2019 the Cabinet Secretary for Finance, Economy and Fair Work announced a package of further measures on local taxation and local government finance. As part of this further package, flexibility will be available for Local Authorities to offset their adult social care allocations to Integration Authorities by up to £50 million in 2019-20 compared to 2018-19 based on local needs (up to 2.2% of Local Government adult social care allocations). To support transparency on the allocation and use of the total £160 million funding, and to provide assurance that these conditions are met, in quarter one of 2019-20 we will require further information from partnerships. The Scottish Government and COSLA will continue to work with local partnerships to ensure the successful implementation of integration locally.

Yours sincerely

Richard McCallum
Deputy Director Health Finance

Alison Taylor
Deputy Director Integration



Annex A

Allocation of the £160m from the Health and Social Care Budget	
	Total*(£m)
Aberdeen City	5.815
Aberdeenshire	6.235
Angus	3.401
Argyll and Bute	2.609
Clackmannanshire	1.360
Dumfries and Galloway	4.633
Dundee City	4.402
East Ayrshire	3.468
East Dunbartonshire	2.861
East Lothian	2.779
East Renfrewshire	2.464
Edinburgh, City of	13.037
Eilean Siar	0.900
Falkirk	4.256
Fife	10.114
Glasgow City	17.497
Highland	6.400
Inverclyde	2.460
Midlothian	2.236
Moray	2.632
North Ayrshire	4.037
North Lanarkshire	9.001
Orkney	0.634
Perth and Kinross	4.336
Renfrewshire	4.932
Scottish Borders	3.315
Shetland	0.583
South Ayrshire	3.459
South Lanarkshire	8.778
Stirling	2.423
West Dunbartonshire	2.578
West Lothian	4.367
SCOTLAND	148.000
School Counselling (to Education)	12.000
Total	160.000

*The distribution formula for Free Personal Care for people aged under 65 (£29.5 million) included in the total of £148 million is awaiting political approval by COSLA Leaders (22nd February)



Executive Director of Finance
Martin Booth
BA FCPFA MBA

Financial Services
Glasgow City Council
City Chambers
George Square
Glasgow G2 1DU

Appendix 2

Telephone: 0141 287 3837
Fax No: 0141 287 0264

11 March 2019

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

Dear David

As a result of the budget approved by the Council on 21 February 2019 I can confirm that the Council's 2019-20 contribution to the Glasgow Health and Social Care Partnership amounts to £433,074,600.

I can also confirm that the council will continue to engage with the HSCP on the scale of the budgetary pressure associated with homecare and Housing First and to work towards finding a financially sustainable solution for 2019-20 and future years. This is not included in the sum above but may result in an increase to funding in 2019-20.

Yours sincerely

Martin Booth
Executive Director of Finance

GCC contribution to IJB 2019/20

£

Social Work	
Direct Exp	606,198,500
Direct Inc	<u>185,447,900</u>
Net direct (per SBW)	420,750,600
Balance due for Auto enrolment/Harmonisation	4,300,000
Additional funding from Scottish Government for Free Personal Care for under 65s	3,696,000
Additional funding from Scottish Government for changes to Carers Act Extension	58,000
DRS (Aids & Adaptations)	2,000,000
LES (Assisted House Garden Maintenance)	1,290,000
Apprenticeship Levy (all allocated to CBS)	980,000
Total IJB Budget	433,074,600

Note:

The net direct of £420,750,600 includes:	£m
IJB Health & Social Care included in Settlement	12.577
IJB Carers Act to match Settlement	1.165
Criminal Justice to match Settlement	<u>1.470</u>
	15.212
GCC savings	-13.000
18/19 inflation	2.000
19/20 inflation	<u>6.700</u>
GCC funding in £420,750,600	8.700
Balance of GCC funding for Auto enrolment and Harmonisation not in £420,750,600	<u>4.300</u>
Total GCC funding included total IJB budget	13.000

Directorate for Health Finance,
Corporate Governance & Value
Christine McLaughlin, Director



Scottish Government
Riaghaltas na h-Alba
gov.scot

T: 0131-244 3464
E: christine.mclaughlin@gov.scot

Chief Executives, NHS Scotland

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

Issued via email

Our Ref: A22950623

12 December 2018

Dear Chief Executives

Budget 2019-20 – Indicative Allocation

Following the announcement of the Scottish Government's Budget for 2019-20 by the Cabinet Secretary for Finance, Economy and Fair Work in Parliament today, I am writing to provide details of the funding settlement for Health Boards. A breakdown of the total is provided in the annex to this letter.

A central component of the Portfolio settlement and approach taken is that the Budget will support the delivery of the core priorities set out in the Programme for Government, which focus on; waiting times improvement, investment in mental health and delivering greater progress and pace in the integration of health and social care, as well as evidencing a further shift in the balance of spend to mental health and to primary, community and social care.

Baseline Funding

Territorial Boards will receive a minimum baseline uplift of 2.5%, which includes funding for the 2019-20 pay award. In addition to this, those Boards furthest from NRAC parity will receive a share of £23 million, which will continue to mean that no Board is further than 0.8% from NRAC parity in 2019-20.

The four patient facing National Boards, (Scottish Ambulance Service, NHS 24, Golden Jubilee Foundation and The State Hospital) will each receive a minimum uplift of 1.7%, including funding for the 2019-20 pay award. In addition, the Scottish Ambulance Service will receive a further £6 million to support the implementation of their strategy. NHS National Services Scotland, Healthcare Improvement Scotland, NHS Education for Scotland and NHS Health Scotland will receive funding for the 2019-20 pay award.

The National Board savings requirement of £15 million is reflected in opening budgets, with final amendments to be agreed before the start of the financial year.

Investment in Improving Patient Outcomes

In addition to the baseline funding uplift, a total of £392 million will be invested in reforming service delivery in 2019-20, as set out below:

Improving patient outcomes	2018-19 (£m)	2019-20 (£m)	Increase for 2019-20 (£m)
Primary Care	120	155	35
Waiting Times Improvement	56	146	90
Mental Health and CAMHS	47	61	14
Trauma Networks	10	18	8
Cancer	10	12	2
TOTAL	243	392	149

When combining the £149 million increase in investment in reform with an increase of £281 million in baseline funding for frontline NHS Boards, the total additional funding for frontline NHS Boards will amount to £430 million (4.2 per cent) in 2019-20. Further detail is set out in the annex to this letter.

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

Core Areas of Investment

Primary Care

Investment in the Primary Care Fund will increase to £155 million in 2019-20. This will support the transformation of primary care by enabling the expansion of multidisciplinary teams for improved patient care, and a strengthened and clarified role for GPs as expert medical generalists and clinical leaders in the community.

Waiting Times Improvement Plan

Investment of £146 million will be provided to support delivery of the trajectories set out in the Waiting Times Improvement Plan. Up to £40 million will be accelerated into 2018-19 to allow Boards to support immediate priorities.

Mental Health and CAMHS

To support the mental health strategy, in 2019-20 a further £14 million will be invested which will go towards the commitment to increase the workforce by an extra 800 workers; for transformation of CAMHS; and to support the recent Programme for Government commitments on adult and children's mental health services. In order to maximise the contribution from this direct investment, this funding is provided on the basis that it is in addition to a real terms increase in existing 2018-19 spending levels by NHS Boards and Integration Authorities. This means that funding for 2019-20 must be at least 1.8% greater than the recurrent budgeted allocations in 2018-19 plus £14 million. Directions regarding the use of £14 million will be issued in year.

Trauma Networks

This funding will increase by £8 million to £18 million, taking forward the implementation of the major trauma networks.

Cancer

This reflects continued investment in the £100 million cancer strategy.

Health and Social Care Integration

In 2019-20, NHS payments to Integration Authorities for delegated health functions must deliver a real terms uplift in baseline funding, before provision of funding for pay awards, over 2018-19 cash levels.

In addition to this, and separate from the Board Funding uplift, will be two elements of funding for Social Care:

- £120 million will be transferred from the Health Portfolio to the Local Authorities in-year for investment in integration, including delivery of the Living Wage and uprating free personal care, and school counselling services; and
- £40 million has been included directly in the Local Government settlement to support the continued implementation of the Carers (Scotland) Act 2016 and extending free personal care to under 65s, as set out in the Programme for Government.

This funding is to be additional to each Council's 2018-19 recurrent spending on social care and not substitutional. This means that, when taken together, Local Authority social care budgets for allocation to Integration Authorities (plus those retained for non-delegated social care functions) and funding for school counselling services must be £160 million greater than 2018-19 recurrent budgets.

The system reform assumptions in the Health and Social Care Medium Term Financial Framework include material savings to be achieved from reducing variation in hospital utilisation across partnerships. Planning across the whole unplanned care pathway will be key to delivering this objective and partnerships must ensure that by the start of 2019-20, the set aside arrangements are fit for purpose and enable this approach. The Scottish Government will work with Integration Authorities, Health Boards and Local Authorities to ensure the legislation and statutory guidance on hospital specialties delegated to Integration Authorities, particularly in relation to set aside budgets, is put into practice. This does not change the balance of risk and opportunity for this objective, which remains shared between Integration Authorities and Health Boards and can only be delivered in partnership, but it recognises the lead role of the Integration Authority in planning for the unscheduled care pathway set out in the legislation.

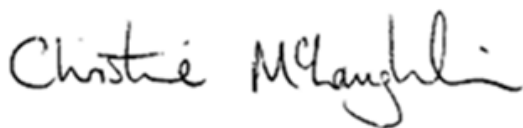
Capital Funding

We will continue to prioritise funding for existing commitments and Boards should assume an unchanged initial capital formula allocation.

3 Year Financial Plan

We will shortly set out the requirements for the three year planning and performance cycle. This will set out a number of principles to be delivered in relation to finance and wider performance.

Yours sincerely



CHRISTINE MCLAUGHLIN

Director of Health Finance, Corporate Governance and Value
Scottish Government

Annex – Board Funding Uplifts

	Total 2018-19 Allocation £m	Baseline uplift £m	Uplift (exc 18-19 pay) £m	Uplift (exc 18-19 pay) %	NRAC & National Board adjs £m	2019-20 Total allocation £m	Total uplift (exc 18-19 pay) %
NHS Territorial Boards							
Ayrshire and Arran	695.3	24.1	17.8	2.6%	0.6	720.0	2.6%
Borders	200.7	7.0	5.1	2.6%	0.0	207.7	2.6%
Dumfries and Galloway	289.3	9.8	7.3	2.5%	0.0	299.1	2.5%
Fife	637.0	22.2	16.4	2.6%	2.2	661.4	2.9%
Forth Valley	507.1	17.7	13.1	2.6%	2.2	527.0	3.0%
Grampian	921.1	32.6	23.9	2.6%	4.2	957.9	3.1%
Greater Glasgow and Clyde	2,155.7	75.4	55.6	2.6%	0.0	2,231.2	2.6%
Highland	604.7	21.0	15.5	2.6%	1.8	627.5	2.9%
Lanarkshire	1,156.8	40.4	29.8	2.6%	2.2	1,199.3	2.8%
Lothian	1,385.1	48.7	35.8	2.6%	7.7	1,441.5	3.1%
Orkney	48.0	1.6	1.2	2.5%	0.0	49.6	2.5%
Shetland	49.0	1.6	1.2	2.5%	0.0	50.6	2.5%
Tayside	735.2	25.6	18.9	2.6%	2.1	762.9	2.8%
Western Isles	73.4	2.4	1.8	2.5%	0.0	75.7	2.5%
	9,458.4	330.2	243.4	2.6%	22.9	9,811.4	2.8%
NHS National Boards							
National Waiting Times Centre	54.0	2.3	1.3	2.5%	-2.1	54.2	-1.4%
Scottish Ambulance Service	241.0	9.2	4.4	1.8%	9.6	259.9	5.8%
The State Hospital	34.8	0.9	0.6	1.7%	-0.3	35.3	0.7%
NHS 24	66.4	2.4	1.5	2.2%	-0.2	68.6	1.8%
NHS Education for Scotland	423.4	6.5	0.5	0.1%	-4.0	425.9	-0.8%
NHS Health Scotland	18.3	0.4	0.2	1.1%	-0.4	18.3	-1.1%
NHS National Services Scotland	332.3	12.8	10.3	3.1%	-6.7	338.5	1.1%
Healthcare Improvement Scotland	24.7	0.4	0.2	0.8%	-0.3	24.9	-0.3%
	1,194.9	35.1	19.1	1.6%	-4.5	1,225.6	1.2%
Total NHS Boards	10,653.3	365.3	262.5	2.5%	18.4	11,037.0	2.6%
Improving Patient Outcomes	243.0	149.0	149.0	-	-	392.0	-
Total Frontline NHS Boards*	10,097.5	494.0	400.2	3.9%	29.9	10,621.4	4.2%

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

Greater Glasgow and Clyde NHS Board

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

Date:
 Our Ref: MW/JH

Enquiries to: Mark White
 Direct Line: 0141-201-4470
 E-mail: Mark.White@ggc.scot.nhs.uk

Dear David

2019/20 Indicative Financial Allocation to Glasgow Health and Social Care Partnership

Further to my and James Hobson's initial informal discussions with Chief Officers and Chief Finance Officers, I am writing to you with an indicative budget proposal for 2019/20. An update to this letter formally confirming your allocation for 2019/20 will be issued on behalf of the Board after the Board's financial plan has been approved at the 16 April board meeting.

Annual uplift to NHSGGC

The annual general uplift is provided by the Scottish Government to support Boards in meeting expected additional costs related to pay, supplies (which includes prescribing growth and utilities charges) and capital charges. The Board's uplift for 2019/20 is 2.54% totalling £55.6m.

As outlined in the Budget announced on 12 December 2018, there are two components to the general uplift;

- A baseline uplift of 1.8% to deliver a real-terms uplift in baseline funding (£39.3m); and
- An additional amount to help meet the costs of the 2019/20 public sector pay policy (£16.3m).

The HSCP Settlement

The Scottish Government's funding allocation letter issued on 12 December 2018 states that *"In 2019-20, NHS payments to Integration Authorities for delegated health functions must deliver a real terms uplift in baseline funding, before provision of funding for pay awards, over 2018-19 cash levels"*.

As such, this instruction translates as;

- The real terms uplift is 1.8% on each HSCPs base recurring budgets. This is £14.6m.
- The HSCPs share of the Boards £16.3m allocation for the pay award. This share would be calculated on each HSCPs actual FTE cost. This is £3.3m.

Hence the total allocation uplift to all six HSCPs should be £17.9m.

However, following initial discussions with HSCPs, their expectation is the Board pass through the full proportionate share of the Board's uplift of 2.54%. This equates to £20.6m

The Boards Initial 2019/20 Finance Outlook and Performance Improvements

The Boards initial financial outlook for 2019/20 indicates a savings requirement of £71m, with significant pressures around Acute prescribing and improving performance. At the current planning stage, the Acute Division are facing savings of 6-7%, with HSCPs facing savings of 1-2%.

As such, to achieve improvements in patient care and ensure the overall financial balance of the organisation, reducing demand and improving patient flow within the Acute Division remains a priority.

One of the fundamental objectives of HSCPs, and as committed in their strategic Plans was to improve delayed discharges within acute care. Progress within NHSGGC has been good, with performance amongst the best in Scotland.

However, 2018/19 performance has slipped in some areas and delayed discharges continue to represent a significant additional cost to the Board.

The Board is proposing to allocate the full 2.54% uplift to the HSCPs (£20.6m This funding will support HSCPs to deliver the commitments outlined in their Strategic Plans, including improving delayed discharge performance.

The uplift will be applied to the recurring rollover budgets on 1 April 2019 and adjusted for agreed realignments including the transfer of continuing care budgets from the Acute Division. Non recurring allocations that are specifically intended for HSCPs will be passed across when these are confirmed in the monthly allocation letters from Scottish Government.

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

Set Aside Budget

The 2019/20 Set Aside Budget for unscheduled care services consumed by your HSCP in Acute hospitals will initially remain at the same value as for 2018/19 but will be uplifted by 2.54% based on the notional arrangements that have applied in recent years. Scottish Government has indicated that it is expected that the Set Aside arrangements will be fully implemented during 2019/20 and the Board is currently awaiting guidance on the mechanism for implementation. The actual budgets and costs of unscheduled care services have been identified and when these have been validated and finalised an updated Set Aside allocation will be formally issued to HSCPs.

Recharges to HSCPs

The following items will continue to be charged to the HSCP during 2019/20:

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

I hope this now enables the HSCP to finalise its financial plans for 2019/20.

Yours sincerely

Mark White

Director of Finance

NHS Greater Glasgow and Clyde

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

Spend Categories		Glasgow HSCP
		£000s
Family Health Services *		188,834
Fhs Income*		(8,624)
Family Health Services Budget (Net)		180,209
Prescribing & Drugs		136,564
Non Pay Supplies		32,676
Pay		180,565
Other Non Pay & Savings		147,315
Other Income		(16,987)
Budget - HCH incl Prescribing		480,132
Total Rollover budget - NET		660,341
Adjustments:		
Non Recurring budget allocated to base		(4,256)
Budget Eligible for HCH & Prescribing uplift		475,876
<u>Uplifts</u>		
Scottish Government allocation	2.54%	12,087
Revised Budget		672,429
Set Aside Budget for 2018/19		129,294
Uplift @ 2.54%		3,284
Set Aside Budget 2019/20		132,578