



Item No: 10

Meeting Date: Wednesday 26th June 2019

Glasgow City Integration Joint Board

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

Contact: Sharon Wearing

Tel: 0141 287 8838

UPDATE ON FINANCIAL ALLOCATIONS AND BUDGETS FOR 2019-20

Purpose of Report:	This report will provide an update on the budget approved by the IJB for 2019-20 including an update on Homecare and Housing First and the funding offer from NHS Greater Glasgow and Clyde.
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Background/Engagement:	On 27 March 2019, the IJB agreed to accept Glasgow City Council's funding offer, subject to the joint development of a financially sustainable solution for both Homecare and Housing First by September 2019. The IJB also agreed to conditionally accept the indicative funding offer from NHS Greater Glasgow and Clyde for 2019-20, subject to confirmation in April 2019.
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Recommendations:	The Integration Joint Board is asked to: a) note the update provided in relation to Homecare Services; b) note the update provided in relation to Housing First; and c) note and accept and the final budget offer from NHS Greater Glasgow and Clyde.
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Relevance to Integration Joint Board Strategic Plan:

This report provides an update the funding allocations which are made available to the Integration Joint Board for 2019/20 by Glasgow City Council and NHS Greater Glasgow and Clyde, in support of the delivery of the Strategic Plan.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	The financial framework for the IJB contributes to the delivery of the 9 national health and wellbeing outcomes that health and social care partners are attempting to achieve through integration.
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Personnel:	Staffing implications are highlighted where appropriate in the report.	
Carers:	None.	
Provider Organisations:	None.	
Equalities:	No EQIA carried out as this report does not represent a new or revised plan, policy, service or strategy.	
Fairer Scotland Compliance:	The expenditure on services within this budget supports the delivery of a Fairer Scotland.	
Financial:	Financial implications are detailed throughout this report.	
Legal:	The Chief Finance Officer's duties in Scotland require a balanced budget to be set. This is established in s108(2) of the Local Government (Scotland) Act 1973 and s93(3) of the Local Government Finance Act 1992. Directions are being issued in line with the legislation.	
Economic Impact:	Not applicable at this time.	
Sustainability:	Not applicable at this time.	
Sustainable Procurement and Article 19:	Not applicable at this time.	
Risk Implications:	Delays in developing a financially sustainable solution for both Homecare and Housing First by September 2019 and receiving a final funding offer from Health may impact on the IJB's ability to achieve financial balance in 2019-20.	
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 provide an update on the budget approved by the IJB for 2019-20 including an update on Homecare and Housing First and the funding offer from NHS Greater Glasgow and Clyde.

2. Background

- 2.1. On 27 March 2019, the IJB agreed to accept Glasgow City Council's funding offer, subject to the joint development of a financially sustainable solution for both Homecare and Housing First by September 2019. The IJB also agreed to conditionally accept the indicative funding offer from NHS Greater Glasgow and Clyde for 2019-20, subject to confirmation in April 2019. This report provides an update on these three areas.

3. Homecare Services

- 3.1. 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 an estimated budgeted deficit of £6.5m. Non-recurring funding was put in place by the IJB and the Council to fund this in 2018-19. The 2019-20 Council budget made no direct funding provision for this deficit.
- 3.2. In 2018-19 Homecare Services closed the financial year with an overall deficit of £4.9m. This takes account of financial performance under both Cordia LLP and under the HSCP. This is an improvement from the £6.5m originally forecast and is mainly as a result of assumptions in relation to pressures linked to demand and pay being less than originally anticipated.
- 3.3. Building on the experiences of 2018-19, a revised forecasted deficit of £4.7m is forecast for 2019-20. 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 to work towards finding a financially sustainable solution for 2019-20 and future years. An initial meeting has taken place with the Council who have shown a commitment to work in partnership with the IJB to resolve the current funding issue. The Council is currently considering the funding options available moving forward. This will be the subject of a further update in September.
- 3.4. In addition to the recurring deficit Homecare Services are currently making contingency arrangements to manage the potential implications to staffing levels following the settlement of the Council's equal pay dispute. This represents a financial risk for the IJB and is currently estimated at £1.1m. This cost is linked to the costs associated with this additional level of recruitment and the need to have additional staff in place to support service delivery in the event of staffing levels

reducing. This will continue to be monitored and is also the subject of discussions with the Council in relation to funding.

4. Housing First

- 4.1. 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. Funding was secured in 2018/19 to meet the costs associated with this non-recurringly. Indications are that moving forward this will be funded recurringly through Scottish Government funding allocated to Corra for distribution to Housing First projects and we await formal confirmation.

5. Funding Offer – NHS Greater Glasgow and Clyde

- 5.1. On 27 March 2019, the IJB agreed to conditionally accept the indicative funding offer from NHS Greater Glasgow and Clyde for 2019-20, subject to confirmation in April 2019.
- 5.2. A letter has now been received confirming the final budget offer which was approved by the Board of NHS Greater Glasgow and Clyde on 16 April and reflects the indicative offer made to the IJB in March. This letter is contained in Appendix one.

6. Recommendations

- 6.1 The Integration Joint Board is asked to:
- a) note the update provided in relation to Homecare Services;
 - b) note the update provided in relation to Housing First; and
 - c) note and accept and the final budget offer from NHS Greater Glasgow and Clyde.

DIRECTION FROM THE GLASGOW CITY INTEGRATION JOINT BOARD

1	Reference number	260619-10-a
2	Date direction issued by Integration Joint Board	26 June 2019
3	Date from which direction takes effect	26 June 2019
4	Direction to:	NHS Greater Glasgow and Clyde only
5	Does this direction supersede, amend or cancel a previous direction – if yes, include the reference number(s)	Yes (supersedes 270319-9-a in part)
6	Functions covered by direction	Budget 2019-20
7	Full text of direction	NHS Greater Glasgow and Clyde is directed to spend the delegated net budget of £805,007,000 in line with the Strategic Plan.
8	Budget allocated by Integration Joint Board to carry out direction	The budget delegated to NHS Greater Glasgow and Clyde is £805,007,000 as per March report to IJB.
9	Performance monitoring arrangements	In line with the agreed Performance Management Framework of the Glasgow City Integration Joint Board and the Glasgow City Health and Social Care Partnership.
10	Date direction will be reviewed	April 2020

Greater Glasgow and Clyde NHS Board

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Date: 28 May 2019
Our Ref: MW/JH

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Dear Susanne

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

Further to Mark White's letter issued to the HSCP by email on 25 March the Board subsequently approved the Financial Plan for 2019/20 on 16 April 2019. I can therefore now confirm that the allocation indicated to you in the appendix to that letter has been approved.

I will issue an updated and final schedule when the Board receives confirmation of the additional funding due from Scottish Government to meet the increased employer's superannuation cost from 1 April 2019. At this stage we do not know the actual amount the Board will receive and therefore it is not yet possible to calculate the final recurring allocation.

Yours sincerely

James Hobson
Assistant Director of Finance
NHS Greater Glasgow and Clyde