



Item No: 10

Meeting Date: Friday 9 December 2016

Glasgow City Integration Joint Board

Report By: Sharon Wearing, Chief Officer Finance and Resources

Contact: Sharon Wearing

Tel: 0141 287 8838

GLASGOW CITY INTEGRATION JOINT BOARD INDICATIVE FINANCIAL ALLOCATIONS AND PLAN FOR 2017-18

Purpose of Report:	To agree the IJB's indicative Financial Allocation and Plan for 2017-18.
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Recommendations:	The Integration Joint Board is asked to: a) Note the contents of the report. b) Note the updated positions on the Financial Planning of both the Council and the NHS Board for 2017-18. c) Approve the areas for consideration that have been identified to date at paragraph 2.5 and 3.4 for 2017/18 should be progressed to further detail.
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Implications for Integration Joint Board:

Financial:	The scale of the financial challenge is becoming clearer and work is continuing to identify savings options for the Integration Joint Board to consider.
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Personnel:	Not applicable at this time.
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Legal:	Not applicable at this time.
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Economic Impact:	Not applicable at this time.
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Sustainability:	Not applicable at this time.	
Sustainable Procurement and Article 19:	Not applicable at this time.	
Equalities:	Not applicable at this time.	
Risk Implications:		
Implications for Glasgow City Council:	None at this time.	
Implications for NHS Greater Glasgow & Clyde:	None at this time.	
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. Introduction

- 1.1 The Health Board and Local Authority will delegate functions and make payments to the Integration Joint Board 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.
- 1.2 This indicative Financial Allocation and Plan is based upon the current assessments of the Council and the Health Board of their respective financial landscapes noting that these are in advance of the outcome of the Scottish Government's budget to the Scottish Parliament in mid-December 2016.

2. Financial Allocation from Glasgow City Council

- 2.1 The financial forecast for Glasgow City Council has identified a spending gap of £130 million, of which £83 million relates to 2016-17 and £47 million relates to 2017-18. This is the net financial position after inflation has been taken into account for pay and non-pay. In August 2016 the Council updated its financial forecast for 2017-18 and identified a revised spending gap of £52.5m. After further changes were updated, the net financial gap reduced to £34.9m.
- 2.2 The table 1 below details the 2017-18 savings previously approved by the Council at its meeting on the 10th March 2016 along with the budget that was delegated to the Integration Joint Board and accepted by the IJB on 21st March.

Table1 - Integration Joint Board Budget Summary 2017-18

Description	Amount Submitted 17/18
<p>LEAN - Home Care Review</p> <p>Range of opportunities to reconfigure service delivery arrangements through increased assessment and reablement support. The review will consider new starts, restarts on the same plan, overnight service, two home carer arrangements, food preparation only provision and assessment of users with less than 2 hours care provision a week</p>	£ 252,000
<p>Mobile - Home Care Review</p> <p>Range of opportunities to reconfigure service delivery arrangements through increased assessment and reablement support. The review will consider new starts, restarts on the same plan, overnight service, two home carer arrangements, food preparation only provision and assessment of users with less than 2 hours care provision a week</p>	£3,507,000
<p>Expansion of Operations Centre - Home Care Review</p> <p>Range of opportunities to reconfigure service delivery arrangements through increased assessment and reablement support. The review will consider new starts, restarts on the same plan, overnight service, two home carer arrangements, food preparation only provision and assessment of users with less than 2 hours care provision a week</p>	£ 491,000
<p>Procurement - Older People</p> <p>Purchased Care Homes - Shifting the Balance of Care. This will reduce the number of purchased care home placements, the resultant demand to be absorbed by other more cost efficient services. This will enable significantly more older people to live at home as independently as possible for as long as possible.</p>	£3,705,100
<p>Procurement - Adult Services</p> <p>Homelessness - Service Redesign Activity. Co-production approach to Joint Commissioning with homelessness and B&B providers. This was the subject of a report to the Executive Committee on 4 February 2016.</p>	£ 475,000

<p>Funding – Resources</p> <p>Increased income through securing additional external funding. Income enabled by creating a focused group, supported by a single process of application (an on-line tool) and a co-ordinated clearing-house approval process.</p>	<p>£ 19,000</p>
<p>Procurement - Older People</p> <p>Redesign of Sheltered Housing to more supported living accommodation complexes, providing a more personalised response to individuals.</p>	<p>£1,000,000</p>
<p>Procurement - Adult Services</p> <p>Addictions - Service Redesign Activity. Realignment of purchased services to reflect operational priorities identified as outcomes of the Community Addictions Team and Clinical Services reviews.</p>	<p>£ 600,000</p>
<p>Procurement - Adult Services</p> <p>Mental Health - Service Redesign Activity. Extension of personalisation of adult services to address accommodation based services.</p>	<p>£ 500,000</p>
<p>FLO/LEAN/LEO - Children's Services</p> <p>Implementation of the Council's Corporate Transformation Programme in relation to Children and Family's Workforce: Management and staffing structure and profile of social work is revised; all posts audited in terms of the sustainability and reference to a range of agreed criteria; Develop skill mix within social work teams; realign core service activity in light of a reviewed and clearly defined frontline Social Work service.</p>	<p>£1,279,000</p>
<p>Procurement - Children's Services</p> <p>Includes the further development and modernization of continuing care arrangements for young adults to release capacity within formal care arrangements resulting in a reduction in the number of purchased foster care placements.</p>	<p>£ 250,000</p>
<p>FLO/LEAN/LEO - Older People</p> <p>An associated reform around the removal of financial assessment from front line Social Workers to the finance income team is designed to assist in enabling staff reductions in this area, together with business process reviews to ensure needs of Service are met whilst staff numbers reduce.</p>	<p>£ 486,000</p>

FLO/LEAN/LEO - Adult Services An associated reform around the removal of financial assessment from front line Social Workers to the finance income team is designed to assist in enabling staff reductions in this area, together with business process reviews to ensure needs of service are met whilst staff numbers reduce.	£ 544,800
Procurement - Adult Services Personalisation Review of high cost packages within personalised services for adults, in line with Personalisation Resource Allocation scoring. Individuals in receipt of more appropriate packages of care in line with their assessed level of need.	£ 200,000
FLO/LEAN/LEO - Centre Based Functions Natural turnover of staff in centre based functions.	£ 488,100
TOTAL	£13,797,000

2.3 Total savings in the table above are £13.8m. In light of the investment in the LEAN programme the projected savings have been stretched by £12 million in 2017-18 and allocated across the Council. The allocation to Social Work Services was £4.872m and when added to the existing target gives a total of £18.669m.

2.4 In relation to inflation, the following uplifts have been provided for in the financial forecast:

- An uplift of 1% for the pay award.
- Funding for auto-enrolment of staff to the pension scheme from October 2017.

For Social Work Services this equates to £1.4m for pay inflation and £1.6m for auto-enrolment part year. In relation to the Cordia Services within the scope of the IJB, pay inflation equates to £0.6m and auto-enrolment is £1.38m part year. This would take the net change to the IJB's budget at this stage to £13.689m.

2.5 Work is underway to identify proposals to address the stretched target of £4.872m in relation to the LEAN programme for further savings options which will include the following areas for consideration:-

- Older People - Reshaping the balance of care with further expansion of our collaborative approach towards Supported Living with a range of registered social landlords, leading to reductions in purchased care home placements.
- Older People - Carers Information Strategy.
- Older People, proposals to extend Personalisation New Demand review.
- Adult Services: Non Residential - reduction in spend through personalisation and application of reconfigured RAS.
- Adult Services: Residential - reduction in spend through further recommissioning and deregistration.

- Children's Services - Further development and modernisation of continuing care arrangements for young adults to release capacity within formal care arrangements.

2.6 The Council still has a gap in its latest financial forecast of £7.2m and there will be a further update to the financial forecast once the local government finance settlement is available. Any further saving allocations to the Integration Joint Board by the Council will be notified to the Integration Joint Board as soon as it is known.

3. Financial Allocation from NHS Greater Glasgow & Clyde

3.1 IJB members will recall that the budget allocation from the Health Board in July 2016 included £4.8m of unallocated savings. The IJB agreed on the 21st September 2016 further saving proposals which would generate £4.8m in a full year with £1.3m being generated in 2016-17. The Health Board agreed non-recurring funding to bridge the £3.5m gap in 2016-17. Further updates on the progress of these proposals will be brought forward to the Integration Joint Board in 2017.

3.2 At this stage, there has been no confirmation of the savings target from the Health Board. Officers had been working on the basis of a planning assumption of 5% savings per year over the next three years on the budget delegated to the IJB net of payment to independent contractors (i.e. Family Health Services, including General Medical Services, General Dental Services etc.). This generates a target of £10.8m but excludes any savings made on GP Prescribing costs. A reasonable level of savings to assume for GP Prescribing, based upon experience in recent years, would be £3m. The Health Board are planning to remove the risk sharing agreement for the Prescribing budget for all the Integration Joint Boards. In 2015-16, this budget overspent by £3.6m. If the risk sharing agreement is removed in 2017-18, this will be a significant financial risk for the Integration Joint Board.

3.3 Whilst the Integration Joint Board has currently only received a draft set-aside budget for 2016-17, we are currently exploring options around this budget to make savings in 2017-18.

3.4 Work is underway to identify proposals for further savings options which will include the following areas for consideration:-

- Review of areas covered by the set-aside budget
- Development of Integrated Older People Teams
- Review of Treatment Rooms
- Review of Nursing
- Review of Learning Disability Clinical Resource
- Review of Sexual Health
- Alcohol and Drug Day Service
- Mental Health Unscheduled Care
- Review of Primary Care Mental Health Teams
- Benchmarking of Older People Mental Health Beds
- Further review of Mental Health Inpatient Beds
- Staff Turnover
- Review of Integrated Care Fund (ICF)
- Review of Management and Leadership Arrangements
- Review of Business Administration

3.5 At this stage, no further allowance has been made for any new burdens that the IJB may be required to fund. A further update on the budget for 2017-18 will be brought back once the outcome of the financial settlement is known.

4. Further Updates

4.1 Further updates on the areas for consideration will be brought back to future meetings of the Integration Joint Board in January and February 2017 prior to the budget paper in March 2017.

5. Recommendations

5.1 The Integration Joint Board is asked to:

- a) Note the contents of the report.
- b) Note the updated positions on the Financial Planning of both the Council and the NHS Board for 2017-18.
- c) Approve the areas for consideration that have been identified to date at paragraph 2.5 and 3.4 for 2017/18 should be progressed to further detail.



DIRECTION FROM THE GLASGOW CITY INTEGRATION JOINT BOARD

1	Reference number	091216-10-a
2	Date direction issued by Integration Joint Board	9 th December 2016
3	Date from which direction takes effect	9 th December 2016
4	Direction to:	Glasgow City Council and NHS Greater Glasgow and Clyde jointly
5	Does this direction supersede, amend or cancel a previous direction – if yes, include the reference number(s)	No
6	Functions covered by direction	All functions of the Integration Joint Board
7	Full text of direction	Glasgow City Council and NHS Greater Glasgow and Clyde jointly are directed to continue to work as outlined in paragraphs 2.5 and 3.4 to secure efficiency savings as agreed with partner organisations.
8	Budget allocated by Integration Joint Board to carry out direction	Yet to be finalised.
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	18 th January 2017.