



REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
28 FEBRUARY 2017

REPORT ON: FINANCE SETTLEMENT 2017/18 OVERVIEW

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB5-2017

1.0 PURPOSE OF REPORT

The purpose of this paper is to provide the Integration Joint Board (IJB) with an overview of the implications of the Scottish Government's Draft Budget to Dundee Integration Joint Board.

2.0 RECOMMENDATIONS

It is recommended that the IJB:

- 2.1 Notes the content of the Scottish Government's Draft Budget as it relates to health and social care partnerships;
- 2.2 Notes the further transfer of resources from NHS Boards to Integration Authorities to invest in social care of £107m taking the total transfer of resources to support health and social care integration to £357m over 2016/17 and 2017/18;
- 2.3 Notes the potential implications of this to Dundee Integration Joint Board's delegated budget;
- 2.4 Remits to the Chief Finance Officer to bring forward a proposed budget for 2017/18 in relation to delegated services for consideration by the IJB.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The full financial implications of the finance settlement and outcome of subsequent negotiations with Dundee City Council and NHS Tayside will be presented to the IJB at a special Budget meeting in March 2017 as part of the IJB's financial planning and budget setting process. This will include an overview of anticipated financial pressures over 2017/18 and associated Transformation Programme to mitigate these.

4.0 MAIN TEXT

- 4.1 The Cabinet Secretary for Finance and the Constitution announced the Scottish Draft Budget in December 2016. Since then, the Scottish Government has sought to provide clarity to Health and Social Care Partnerships, Local Authorities and NHS Boards on the detail behind the announcements in the settlement as they relate to health and social care. This report provides an overview of these announcements and outlines the impact they are likely to have on Dundee IJB's delegated budget for 2017/18.

4.2 Additional Investment in Health and Social Care

- 4.2.1 In 2017/18 an additional £107m will be transferred from NHS Boards to Integration Authorities to invest in social care. Of this, £100m is to support the continued delivery of the Living Wage, sleepovers and sustainability in the care sector and £7m to disregarding the value of war pensions from financial assessments for social care charging and pre-implementation work in respect of new carer's legislation. This is additional to the £250m added in to the 2016/17 budget in support of health and social care integration. Dundee's share of the additional £100m is £3.04m and this is required to fund the full year effect of ensuring all adult social care workers receive the living wage, a further increase in the living wage from £8.25 per hour to £8.45 per hour, ensuring sleepover payments meet statutory minimum payments and to support the financial sustainability of the social care sector. Dundee's share of the additional £7m is £0.21m, consisting of £150k in relation to loss of income through disregarding war pensions and £60k as part of Carers Act pre-implementation. Detailed work is currently being undertaken to estimate the projected cost of these commitments to services provided by Dundee Health and Social Care Partnership and this will be presented to Dundee IJB as part of the 2017/18 detailed Budget proposals.
- 4.2.2 The Draft Scottish Budget also sets out an investment programme to be allocated to NHS Boards as part of investment in reform with some of this relating to delegated services to Integration Authorities and will be channelled through Health and Social Care Partnerships. This includes additional investment in Primary Care nationally of £27m (taking the total reform investment to £60m) and Mental Health Services of £11m (taking total Mental Health Reform investment to £30m). Discussions are currently taking place with NHS Tayside to determine the scale of this resource locally and how it will be allocated.
- 4.2.3 For Primary Care it is identified that particular focus should be given to developing and expanding multi-disciplinary teams; sustainability of provision; development of GP clusters; and responsiveness to a new GP contract. For mental health, particular focus should be given to developing new models of care and support for mental health in primary care settings, improving the physical health of people with mental health problems, and improving mental health outcomes for people with physical health conditions, reducing unwarranted variation in access and assuring timely access; and developing services that focus on the mental health and wellbeing of children, young people and families, including improved access to perinatal mental health services. This investment will facilitate the commitment to shift the balance of care, so that by 2021/22 more than half of the NHS frontline spending will be in Community Health Services.

4.3 Impact of Local Authority Finance Settlement

- 4.3.1 As part of the finance settlement, Local Authorities will be able to adjust their allocations to Integration Authorities in 2017/18 by up to their share of £80 million below the level of budget agreed with their Integration Authority for 2016/17. In relation to Dundee City Council, this "share" based on a composite indicator of Grant Aided Expenditure (GAE) and NHS Scotland Resource Allocation Committee (NRAC), totals £2.44m. Dundee City Council has indicated its intention to apply the full reduction to the delegated budget as set out above although this position will be confirmed at the Council's budget setting meeting on the 23 February 2017.
- 4.3.2 As part of the budget negotiations with Dundee City Council, the 2017/18 delegated budget to Dundee IJB will include an uplift to cover the anticipated pay award for the year in addition to an uplift in relation to the National Care Home Contract. These uplifts are currently being negotiated nationally and therefore at this stage the outcome of these are unknown.

4.4 Impact of NHS Finance Settlement

- 4.4.1 The finance settlement in relation to NHS Boards stipulates that NHS contributions to Integration Authorities for delegated health functions will be maintained at least at 2016/17 cash levels. This has been clarified by the Scottish Government in that budgets to Integration Authorities for 2017/18 must be at least equal to the current recurring budget allocations in 2016/17. The net uplift to NHS Tayside's baseline budget following the transfer to Integration Authorities for delivery of improved outcomes in social care and support the delivery of the living wage to adult social care workers equates to 0.4%. Discussions are ongoing between the Chief Officer and Chief Finance Officer and NHS Tayside with regards to the implications of the settlement including consideration of the various cost pressures identified through the Due Diligence process.

- 4.4.2 As part of the NHS finance settlement, funding for Alcohol and Drugs Partnerships (ADP) to support delivery of agreed service levels will transfer to NHS Board baselines for delegation to Integration Authorities. The national value of this is £53.8 million with an NHS Tayside allocation of £4.159m. In 2016/17, ADP funding provided nationally was supplemented from the NHS Tayside revenue uplift to the extent of £1.2m in order to maintain the overall spending in addressing alcohol and substance misuse and maintaining alcohol and drugs treatment performance at existing levels across ADP areas. At this stage, it is unclear whether Tayside Health Board will commit this further level of discretionary funding in 2017/18.
- 4.4.3 The Scottish Government has also outlined its intention to review the effectiveness of the current arrangements with respect to hospital budget delegation to Integration Authorities, including “set aside” budgets. The three Tayside health and social care partnerships are currently piloting an approach with support from the Scottish Government to develop the commissioning model in relation to the large hospital set aside and gain a better understanding of the set aside value and implications of health and social care partnership’s varying the scale of occupied bed days for their local population.

4.5 Health and Social Care Partnership Priorities

- 4.5.1 In setting out its ambitions for Integration Authorities within the finance settlement, the Scottish Government has reiterated the priorities health and social care partnerships are expected to achieve over the short to medium term. These are noted as follows:

Integration Authorities are responsible for planning and provision of social care, primary care and community healthcare and unscheduled hospital care for adults. Integration priorities are to:

1. Reduce occupied hospital bed days associated with avoidable admissions and delayed discharges, focussing investment in care alternatives that can help people to continue living independently in their own homes and communities for as long as possible.
2. Increase provision of good quality, appropriate palliative and end of life care, particularly in people’s own homes and communities and also, where appropriate, in hospices, so that people who would benefit from such care access it.
3. Enhance primary care provision, with particular focus on developing and expanding multi-disciplinary teams; sustainability of provision; development of GP clusters; and responsiveness to a new GP contract.
4. Reflect delivery of the new Mental Health Strategy, with particular focus on developing new models of care and support for mental health in primary care settings; improving the physical health of people with mental health problems, and improving mental health outcomes for people with physical health conditions; reducing unwarranted variation in access and assuring timely access; and developing services that focus on the mental health and wellbeing of children, young people and families, including improved access to perinatal mental health services.
5. Where children’s services are integrated, continue to invest in prevention and early intervention, particularly in the early years, with the expectation that work will continue to deliver 500 more health visitors by 2018.
6. Support delivery of agreed service levels for Alcohol and Drugs Partnerships’ work, in support of which £53.8m is transferring to NHS Board baselines for delegation to Integration Authorities.
7. Ensure provision of the living wage to adult care workers and plan for sustainability of social care provision.
8. Continue implementation of Self Directed Support.
9. Prepare for commencement of the Carers (Scotland) Act 2016 on 1 April 2018.

4.5.2 In relation to measuring performance against these priorities under integration, the Ministerial Strategic Group for Health and Community Care (MSG) has agreed to track the following indicators:

- (1) unplanned admissions;
- (2) occupied bed days for unscheduled care;
- (3) A&E performance;
- (4) delayed discharges;
- (5) end of life care; and
- (6) the balance of spend across institutional and community services.

Integration Authorities have been invited to set out their local objectives and ambitions in relation to these by the end of February 2017.

4.6 Dundee IJB Budget

4.6.1 The full implications and outcomes of the finance settlement and subsequent negotiations with Dundee City Council and NHS Tayside will be presented to Dundee IJB at a special budget meeting in March 2017 where the proposed budget for delegated services will be presented. This will include consideration of the anticipated financial pressures and corresponding actions as expressed as the IJB's Transformation Programme.

5.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Equality Impact Assessment and Risk Management. There are no major issues.

6.0 CONSULTATION

The Chief Officer, the Director of Finance, NHS Tayside, Executive Director, Corporate Services, Dundee City Council and the Clerk have been consulted on the content of this paper.

7.0 BACKGROUND PAPERS

None.

Dave Berry
Chief Finance Officer

DATE: 6 February 2017