

REPORT TO: East Lothian Council

MEETING DATE: 26 April 2016

BY: Depute Chief Executive (Resources & People Services)

SUBJECT: Financial Assurance Update - Health & Social Care Integration

1 PURPOSE

- 1.1 The purpose of this report is to provide a further update to Council on the work undertaken in relation to financial assurance in respect of the delegation of resources to the East Lothian Integration Joint Board (IJB) from 1 April 2016.

2 RECOMMENDATIONS

- 2.1 Council is recommended to:
- note the update on the ongoing financial assurance process in relation to the delegation of financial resources to East Lothian Integration Joint Board from 1 April 2016.
 - consider and discuss the next steps which are set out within paragraphs 3.22 to 3.24 within the report.

3 BACKGROUND

- 3.1 The Council received an initial report on 27 October 2015 which set out the process for undertaking a due diligence and financial assurance process in respect of the delegation of resources to the IJB, and some of the initial findings relating to previous financial performance across the East Lothian Health and Social Care Partnership, including: Adult Wellbeing budget, East Lothian CHP and wider NHS Lothian.
- 3.2 Since the initial report, the Council has approved a 3-year budget covering the period up to 2018/19, in which the amount of grant which the Council receives from the Scottish Government was reduced by £4.4m in 2016/17, and which also includes a share (£4.370M) of the national £250m 'social care fund' which has been included within the NHS financial settlement but is to be directed through the IJBs to enhance social care. Based upon this, and taking into account other strategic finance constraints facing the Council, a formal offer of financial

resources consistent with the Council's approved budget has been made to the IJB as set out in Appendix 1 of this report.

- 3.3 Following on from this, the IJB have now issued a series of Directions to the Council in order to deliver the functions set out within the Strategic Plan from 1 April 2016, with more detail about this set out within Section 6 of this report.

East Lothian Council – 2016/17 Delegated Budget

- 3.4 The formal offer sets out the total level of resources which will be delegated from the Council to the IJB from 1 April 2016 in line with the delegated functions set out within the Council's approved Scheme of Integration.
- 3.5 In total a budget of £48.158m has been delegated in 2016/17, and includes the majority of the approved Adult Wellbeing budget (£47.068m), alongside some delegated functions within the Community Housing (non-HRA) and HRA budgets. This allocation to the IJB includes provision for contractual pay awards and also includes the full allocation of additional investment from the Social Care Fund, alongside a requirement to deliver recurring efficiencies of £2.375m in 2016/17.
- 3.6 The proposed use of the Social Care Fund investment has been the subject to on-going discussion with the IJB's Chief Officer and Chief Financial Officer, with overall policy commitments and associated costs subject to continual refinement. It is proposed that half of the £4.370m will be used to deliver and expand capacity within the social care sector as a result of increasing demand on services as a consequence of demographic change.
- 3.7 The balance of the £4.370m will be used in part to fund the implementation of the Living Wage of £8.25 per hour for all social care workers, with a target implementation date of 1 October 2016. It will also be used to fund other social care cost and pay pressures that the Council is facing. This will include any recurring cost pressures arising from the 2015/16 financial outturn for Adult Wellbeing service. The Quarter 3 Financial Review presented to Cabinet on 8 March categorised Adult Wellbeing as 'High Risk' with the likelihood that the service will overspend in 2015/16, and a budget recovery plan was developed in order to apply additional financial control. At this stage we are still in the process of finalising the year end position, and a detailed report on the financial performance during the year will be reported to Council in August. Nevertheless, despite some relative improvement, it remains likely that the service will continue to overspend primarily due to increased costs associated with care packages for older people and individuals with Learning Disabilities.
- 3.8 As mentioned earlier, the resources which have been delegated to the IJB includes a requirement to deliver recurring efficiencies of £2.375m in 2016/17, with further planned efficiencies of £1.645m and £1.325m to be delivered in 2017/18 and 2018/19 respectively. We are working actively with Adult Wellbeing Management to agree a plan for the delivery of

these efficiencies both within 2016/17 and beyond, and Cabinet will be kept informed of the progress in delivering these efficiencies as part of the quarterly in year financial updates.

NHS Lothian – 2016/17 Delegated Budget

- 3.9 NHS Lothian have yet to submit a balanced financial plan for 2016/17 to the Scottish Government and this is not expected until the end of May 2016, and as such has not been in a position where it is able to make a formal offer of the final budget to be delegated to the IJB from 1 April 2016.
- 3.10 NHS Lothian has submitted to the IJB a set of underlying principles which will inform their overall budget setting for 2016/17. This proposal includes the proposed approach (but not yet the detailed figures) for allocating budgets to each of the main elements of the current CHP budget areas, details of which are set out further below:
- Core Services – to be allocated to the IJB on the basis of historic core budgets held by East Lothian CHP.
 - GP Prescribing Budgets – to be allocated using the Prescribing Budget setting model. It will be for IJBs across Lothian to consider whether or not to continue existing risk sharing arrangements and in this respect officers will continue to monitor developments and the implications for the Council.
 - It is proposed to allocate budgets for services that represent functions currently managed on a pan-Lothian basis, across the individual IJBs. A model based on the national model for health budget allocation (NRAC) is being proposed by NHS Lothian.
 - In addition, discussions remain on-going around how to allocate any financial uplifts which were reflected within the financial settlement for pay and prices and NRAC formula uplift, and how efficiencies will be delivered across NHS Lothian.
- 3.11 Given no formal or detailed offer of resource to the IJB has been made by NHS Lothian, it is currently impossible to comment upon the adequacy or underlying risks associated with resource allocation and delivery of the strategic plan. It is anticipated that any budget offer from NHS Lothian will also include the requirement to deliver a wide range of efficiencies in order to deliver a balanced budget, and the deliverability of these efficiencies during 2016/17 will remain a key focus during the year.
- 3.12 Similarly, the 2015/16 outturn for NHS Lothian is still in the process of being finalised; however, based on in-year performance, it remains likely that the East Lothian CHP will deliver an operational overspend during 2015/16 primarily as a result of increased prescribing costs which have continued to remain a pressure throughout the financial year. We will continue to monitor both the 2015/16 financial outturn and formal 2016/17 delegated budget and ensure that the Council is kept informed of any potential implications arising from the delegated resources.

IJB Directions

- 3.13 As stated in paragraph 3.5 of this report, the Council has now formally delegated £48.158m of its overall resources to the IJB. In turn and in accordance with the statutory guidance, the IJB has now issued formal Directions to both East Lothian Council and NHS Lothian to deliver the functions which have been delegated to the IJB as set out within the Strategic Plan from 1 April 2016. The Directions that have been issued to NHS Lothian have been based on indicative 2016/17 budgets.
- 3.14 Two specific directions have been issued to East Lothian Council from the IJB that require the Council to continue to provide social care services and deliver a number of specific outcomes designed to deliver the objectives set out within the strategic plan. Details of both of these directions are set out within Appendices 2 and 3 of this report. The first of these Directions covers the main delegated functions, with a budgeted level of resources delegated to the Council of £43.788m. The second of these directions has been issued jointly to NHS Lothian and the Council, to ensure that the £4.370m social care fund is delegated to the Council, and invested in line with those areas set out within the Council's proposed offer letter set out in Appendix 1.

Financial Risks

- 3.15 From 1 April 2016, as set out in the Scheme of Integration, the IJB has now been delegated responsibility to deliver a range of functions, supported by a level of financial resources provided by each partner organisation, all of which would have traditionally been delivered by East Lothian Council and NHS Lothian. It is now the responsibility of the IJB to delegate delivery of these functions (alongside the financial resources) to meet the outcomes which are set out within the approved Strategic Plan, through issuing directions to these partner bodies. This means that the Council is passing over responsibility for the authority over the delivery of the delegated functions and associated budgets to the IJB. The Council has already provided the IJB with indicative budgets for 2017/18 and 2018/19 in line with the current approved 3-year budget, however going forward, there will be a need to review the financial planning process within all partners bodies (IJB, Council and NHS) to ensure that there is a clear understanding of future resource implications.
- 3.16 To date, the Council and NHS Lothian continue to manage risk according to their own established policies and arrangements, and it is likely that this will continue during 2016/17. Going forward, it is likely that the process for managing any under / over spend within the IJB budgets will be subject to further discussion, and any potential implications for the Council will be kept under close review.
- 3.17 Embedded within the Council's formal delegated budget for the Adult Wellbeing service for 2016/17 is the requirement to deliver a robust and recurring efficiency plan within 2016/17 with further efficiencies required to be delivered in 2017/18 and 2018/19. The identification and deliverability of these efficiencies are essential components of balancing

future budgets and delivering the outcomes set out within the Strategic Plan, and will be an area which we will continue to work closely with Adult Wellbeing Management and will be closely monitored.

- 3.18 There remains uncertainty around the level of financial resources that will be delegated to the IJB from NHS Lothian for 2016/17, and it remains unlikely that this position will be finalised until at least end of May 2016. In addition, any adverse impact on NHS funding streams may in practical terms result in additional cost implications for other parts of the social care system, and ultimately additional pressures may fall to the Council. As delivery partners, both the Council and NHS will need to manage financial pressures within the overall resources made available. This will include any demographic pressures and corresponding increases in demand for services, as well as additional pressures such as the impact of the living wage on service providers.
- 3.19 The IJB will undertake a final financial assurance process once a formal budget proposal has been received by NHS Lothian, and assess this against both the 2015/16 financial outturns and any efficiency plans. This process will identify any further financial risks which are inherent within the new arrangements and ensure that processes are put in place in order to mitigate these risks.
- 3.20 The future financial settlement for both the Council and NHS will continue to present a risk in medium term financial planning. Whilst the Council has approved a 3-year financial budget covering the period up to 2018/19, we have yet to receive confirmation of any financial settlement beyond 2016/17, and as such the Council has determined only indicative budgets for 2017/18 and 2018/19. Any change to future grant settlements may impact on the future level of resources which are delegated to the IJB.
- 3.21 There continues to be a wide range of corporate support services provided directly to the IJB from both the Council and NHS, the financial costs of which continue to be met from respective bodies. These include services and related costs such as: Joint Director; Heads of Adults and Children, and Older People; Chief Financial Officer to the IJB; Committee Support; Internal Audit; External Audit; Strategic Planning; support services including – Legal, Finance, HR, etc. The approved Integration Scheme lays out a mechanism for providing support to the IJB, and includes a requirement for on-going review of the support arrangements in place to ensure the level remains appropriate, and the cost implications of providing this support from both parties is also taken into consideration. It will be necessary to reach early agreement on the proposed way forward. This will also include the need to ensure that any changes in the management structure are appropriately reflected both in terms of representation on the IJB, and appropriate financial costs associated with delivering the services.

Next Steps

- 3.22 Further assurance work will be required once NHS Lothian's delegated budget for 2016/17 has been approved, including the identification and deliverability of efficiencies during 2016/17, with any associated implications reported to Council.
- 3.23 The 2015/16 financial performance of Adult Wellbeing service and associated delegated functions will continue to be monitored with any implications highlighted within the 2015/16 year end review to Council in August.
- 3.24 The 2016/17 financial performance of Adult Wellbeing service and associated delegated functions including the delivery of planned efficiencies will be closely monitored and reported to Cabinet during the year as part of the quarterly financial review reports.

4 POLICY IMPLICATIONS

- 4.1 None

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – The due diligence and financial assurance work has highlighted areas of financial risk for the Council and the IJB, and these will require close monitoring during 2016/17 and beyond.
- 6.2 Personnel - none
- 6.3 Other – none

7 BACKGROUND PAPERS

- 7.1 Council 27 October 2015 – Item 8 – Financial Assurance – Health and Social Care Integration.

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DATE	14/4/16

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Councillor Donald Grant
Chair of East Lothian Integrated Joint Board
John Muir House
Haddington
EH41 3HA

Dear Councillor Grant

Financial resource proposal from East Lothian Council to East Lothian Integration Joint Board – 2016/17, 2017/18 and 2018/19.

As you will be aware, from 1 April 2016, the responsibility for delivering the functions as laid out in the Integration Scheme agreed by East Lothian Council and NHS Lothian commences. As such, the formal proposition from East Lothian Council to the IJB laying out the financial resources that will be 'paid' by the Council to the IJB in relation to these functions is set out within this letter.

This proposal has been derived from the Council's budget for 2016/17 which was approved on 9 February 2016, and includes East Lothian's share of the national £250m 'social care fund' of £4.37m.

The proposed use of the Social Care fund investment in 2016/17 has been discussed in detail with the IJB's Chief Officer and Chief Finance Officer, details of which are set out within **Appendix 1** of this letter, and it is my view that these proposals meet the commitments which were set out in the Deputy First Minister's (DFM) letter to Council Leaders of 27 January 2016. We are continuing to refine the costs associated with delivering these commitments, and I will ensure that the IJB is kept informed of any changes in the use of the fund driven by increased costs that are not quantifiable at this time. As set out in the DFM letter, I would be grateful to receive confirmation of the use of the social care fund from East Lothian's Chief Finance Officer on behalf of the IJB.

The funds to be allocated to the IJB is set out within the table below, and include elements of expenditure from within the Housing Revenue Account, as well as an adjustment made to the Adult Wellbeing budget to take account of Supporting People expenditure which is not part of the wider delegated functions which have been approved within the scheme of integration.

	£m
Adult Wellbeing 2016/17 approved Budget	47.868
Less Non delegated Functions	(0.800)
Add	
Non HRA – Private Sector Housing Grant	0.256
HRA – Disabled Adaptions (Capital)	0.600
HRA – Garden Aid	0.234
Total IJB budget allocation	48.158

I confirm that these budgets represent the resources available to the Council to support the functions that have been delegated by the Council to the IJB.

You will be aware that this budget has been presented on a NET basis, and assumes that £2.375m of efficiencies will be delivered by Adult Wellbeing service during 2016/17. The Director of Health and Social Care will provide you with his plans to achieve these efficiencies in 2016/17.

The Council has approved a 3 year budget covering the period up to 2018/19, and whilst these we have only received confirmation of a one year financial settlement from the Scottish Government, the IJB should be planning on delivering services and planned efficiencies across the next 3 years within the indicatives budgets which have been approved, albeit recognising that these will be updated each year to reflect Scottish Government grant settlement and contractual commitments. Details of the 2017/18 and 2018/19 budgets which will be delegated to the IJB are set out in **Appendix 2** of this letter.

Clearly, the timescales are now very tight and I would be grateful for a response to this letter (including your response to our proposed use of the Social Care funds) at your earliest convenience.

Yours sincerely



Jim Lamond
Head of Council Resources (CFO)
East Lothian Council

East Lothian Council**Utilisation of the Integration Fund - 2016/17**

	Per Budget £000's	Per Budget £000's
Opening Adult Wellbeing Budget Efficiency Schemes	45,873 <u>(2,375)</u> 43,498	45,873 <u>(2,185)</u> 43,688
Utilisation of Integration Fund		
Direct Pay and Pension costs	464	
Service Pressures (including living Wage)	1,741	
Additionality - Day Centre Investment	50	2,185
Additionality - not yet agreed	<u>2,115</u>	<u>2,185</u>
Closing Budget	47,868	
Supporting Pressures		
Living Wage		500
Pay awards etc		464
Other Pressures		1,221
Additionality		2,185
To be discussed		735
Demography		1,400
Day Centres		50
Total Investments		4,370
Further Efficiencies		(190)
Opening budget 2016/17		47,868
Half of £4,370		2,185

East Lothian Council**Indicative Budgets to IJB 2017/18 and 2018/19**

	<u>2017/18</u>	<u>2018/19</u>
Adult Wellbeing Budget	46.399	45.306
<u>Less:</u> Non Delegated Functions	-0.800	-0.800
<u>ADD:</u>		
Non HRA - Private Sector Housing Grant	0.256	0.256
HRA - Disabled Adaptations (Capital)	0.600	0.600
HRA - Garden Aid	0.236	0.239
TOTAL IJB BUDGET ALLOCATION	<u>46.691</u>	<u>45.601</u>

East Lothian Health & Social Care Partnership



East Lothian Integration Joint Board

DIRECTIONS

The Public Bodies (Joint Working) (Scotland) Act 2014 places a duty on Integration Authorities to develop a Strategic Plan for integrated functions and budgets under their control. East Lothian Integration Joint Board (IJB) requires a mechanism to action the Strategic Plan; this mechanism takes the form of binding directions from the Chief Officer as outlined below from the Integration Joint Board to one or both of NHS Lothian and East Lothian Council. All directions issued are pursuant to Sections 26 to 28 of the Public Bodies (Joint Working) Act 2014 and the appropriate element of East Lothian IJB's Integration Scheme.

The financial resource allocated to each delegated function in a direction is a matter for the Integration Joint Board to determine. As outlined in Section 11 of this Direction, East Lothian IJB is constituted under Local Government regulations and as such, under the Local Government in Scotland Act 2003, has a duty to make arrangement to secure best value. It is expected that NHS Lothian and East Lothian Council will deliver the functions as directed in the spirit of this obligation.

The financial values ('budgets') attached to this direction are based on the offers made to East Lothian IJB by NHS Lothian and East Lothian Council in March 2016. It is understood that the finalisation of the 2016/17 financial plans in both partners continues and that the totality of these budgets included efficiency schemes which are being developed. At this time it is recognised that financial plans for 2017/18 and 2018/19 are not yet available. Notwithstanding the indicative nature of these budgets East Lothian IJB will not sanction expenditure in excess of these amounts without further discussion and agreement.

This direction will remain in place until it is varied, revoked or superseded by a later direction in respect of the same function.

East Lothian Integration Joint Board

1	Implementation date	1 st April 2016
2	Reference number	EL IJB/ELC/D02-2016 (East Lothian Council delegated functions)
3	Integration Joint Board Authorisation date	31st March 2016
4	Direction to	East Lothian Council
5	Purpose and strategic intent	<p>In accordance with the IJB's Strategic Plan, to provide effective services to all service users and carers within the geographical boundaries of East Lothian, promoting the highest standards of practice in accordance with statutory obligations, policies and procedures.</p> <p>To provide services to all service users and carers within the geographical boundaries of East Lothian which promote the health, wellbeing and quality of life of an individual.</p> <p>To provide services to all service users and carers within the geographical boundaries of East Lothian which:</p> <ul style="list-style-type: none"> • Maximise independent living • Provide specific interventions according to the needs of the service user • Provide an ongoing service that is regularly reviewed and modified according to need • Provide a clear care pathway which connects services • Contribute to preventing unnecessary hospital admission • Support timely hospital discharge • Prevent unnecessary admission to residential or institutional care • Are personalised and self-directed, putting control in the hands of the service user and their carers

6	Does this direction supersede or amend or cancel a previous Direction?	N/A
7	Type of function	Integrated function
8	Function(s) concerned	<p>All services planned and delivered by East Lothian Integration Joint Board which are only delivered within the geographical boundaries of the East Lothian Health and Social Care Partnership as they relate to adult social care services and defined as required by the Public Bodies (Joint Working) (Scotland) Act 2014. This includes additional functions East Lothian Council has chosen to delegate to the Integration Joint Board as defined in East Lothian Integration Joint Board's Final Integration Scheme (February 2015)</p> <p>Social work services for adults and older people</p> <p>Services and support for adults with physical disabilities and learning disabilities</p> <p>Mental health services</p> <p>Drug and alcohol services</p> <p>Adult protection and domestic abuse</p> <p>Carers support services</p> <p>Community care assessment teams</p> <p>Support services</p>

		<p>Care home services</p> <p>Adult placement services</p> <p>Health improvement services</p> <p>Aspects of housing support, including aids and adaptations</p> <p>Day services</p> <p>Local area co-ordination</p> <p>Respite provision</p> <p>Occupational therapy services</p> <p>Re-ablement services, equipment and telecare</p> <p>Criminal Justice Social Work services including youth justice</p> <p>The Chief Officer in East Lothian will be the lead operational director for these services</p>
9.	Required Actions / Directions	<p>East Lothian Integration Joint Board direct East Lothian Council to continue to provide social care services as delivered at time of issue of this direction in pursuance of the functions outlined in Section 5 and Section 9, with ancillary support as required for effective functioning of those services within the associated budget noted below, for the population of East Lothian.</p>

		<p>Specifically over the course of the financial year 2016-2017, East Lothian Integration Joint Board direct East Lothian Council to work with the Chief Officer and officers of the IJB to ensure delivery of the following outcomes or outputs to be brought to the IJB for consideration and approval</p> <p>D02.a Develop and implement a new commissioning and tendering process for care at home services which drives comprehensive service redesign, more innovative, integrated solutions, significantly greater resource efficiency and service user satisfaction by April 2017.</p> <p>D02 b (Aligned to D02 a), Increase capacity for care in the community to meet local demand and to address and meet national Delayed Discharge targets.</p> <p>D02.c Progress a dedicated programme of analysis and work to review care provision in Abbey and Eskgreen Residential Care Homes and bring forward a range of option appraisals and proposals to the IJB December 2016 which consider alternative models of care and reprovision and which recycle the aligned financial and human resources within East Lothian. The options appraisal should recognise the need for enhanced intermediate care, respite care and end of life care provision.</p> <p>D02.d Develop and implement a new Carers Strategy for East Lothian and an aligned commissioning strategy by December 2016 which fully address the requirements of the Carers (Scotland) Bill and the principles of Best Value.</p> <p>D02.e Develop and implement a modernisation strategy for day services for older people by December 2016 which recognises need, geography, resources and capacity.</p> <p>D02.f Establish a housing and health and social care planning interface group to deliver the key actions and priorities from the Strategic Plan's Housing Contribution Statement and needs assessment, including a clear understanding and recognition of delegated functions and budgets as they pertain to the IJB.</p>
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		<p>D02.g Complete a scoping exercise and bring forward operational and funding proposals to the IJB for a redesigned model of reablement by September 2016</p> <p>D02.h Complete a review of all current Section 10 grants against an agreed prioritisation framework to ensure strategic fit and best value and bring forward proposals for investment and disinvestment to the IJB by December 2016.</p>																																										
10.	Budget 2016/2017	<table> <thead> <tr> <th>Indicative Budget 2016/17</th> <th>£000's</th> </tr> </thead> <tbody> <tr> <td colspan="2">Commissioning Budgets</td> </tr> <tr> <td>Older Persons</td> <td>14,252</td> </tr> <tr> <td>Vulnerable Adults</td> <td>175</td> </tr> <tr> <td>Learning Disability</td> <td>12,486</td> </tr> <tr> <td>Mental Health</td> <td>1,247</td> </tr> <tr> <td>Physical Disability</td> <td>2,755</td> </tr> <tr> <td colspan="2">Care Management</td> </tr> <tr> <td>SW Disability</td> <td>965</td> </tr> <tr> <td>SW Older People</td> <td>996</td> </tr> <tr> <td>SW Mental Health</td> <td>308</td> </tr> <tr> <td>OT/DRRT/Rehab</td> <td>1,424</td> </tr> <tr> <td>Welfare Rights</td> <td>171</td> </tr> <tr> <td>Equipment & Adaptations</td> <td>536</td> </tr> <tr> <td>Meals on Wheels</td> <td>153</td> </tr> <tr> <td colspan="2">Direct Provision</td> </tr> <tr> <td>ECS</td> <td>236</td> </tr> <tr> <td>Dom Care</td> <td>2,247</td> </tr> <tr> <td>Adult Placement</td> <td>204</td> </tr> <tr> <td>Resource Centres</td> <td>2,167</td> </tr> <tr> <td>Older Persons Homes</td> <td>3,560</td> </tr> </tbody> </table>	Indicative Budget 2016/17	£000's	Commissioning Budgets		Older Persons	14,252	Vulnerable Adults	175	Learning Disability	12,486	Mental Health	1,247	Physical Disability	2,755	Care Management		SW Disability	965	SW Older People	996	SW Mental Health	308	OT/DRRT/Rehab	1,424	Welfare Rights	171	Equipment & Adaptations	536	Meals on Wheels	153	Direct Provision		ECS	236	Dom Care	2,247	Adult Placement	204	Resource Centres	2,167	Older Persons Homes	3,560
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11.	Principles	<p>The 2016/17 financial year will be the first full year of operation as a 'stand alone' legal body and the IJB is required both to deliver financial balance in each and every year and to financially plan to deliver recurrent balance. Achieving a firm financial footing is critical to the success of the IJB and its Strategic Plan and to its ability to drive system-wide reforms such that it can deliver against its financial duties whilst improving outcomes for the East Lothian population. Central to this is the need to ensure that the IJB creates financial headroom to ensure it can remain financially resilient going forward. NHS Lothian and East Lothian Council are therefore required to share information on financial performance of delegated services to allow the IJB to gain assurance that said services are currently being delivered sustainably within approved resources and that the anticipated initial payments will be sufficient for the IJB to carry out its integration functions.</p> <p>The IJB has examined a number of factors to estimate anticipated growth including population and non-demographic growth, estimated looking at historical trends and extrapolated. Our plans acknowledge rising year-on-year activity and growth demand.</p> <p>In monitoring directions, the IJB will continue to undertake further analysis of the assumptions applied as they develop including:</p>												

		<p>1. Whether the total budget and activity aligned to each programme is realistic and achievable</p> <p>2. Whether the split of budget and activity assumed for individual programmes is sensible</p> <p>3. Further examination of thresholds and any assumed increases or reductions</p> <p>As a fundamental principle there should be neither disinvestment nor further investment in delegated services without being subject to full discussion and agreement with East Lothian IJB.</p> <p>East Lothian IJB expects that the principles of Best Value - to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost, maintaining regard to economy, efficiency, effectiveness – are adhered to in carrying out this direction.</p>
12.	Aligned National Health and Wellbeing Outcomes	1,2,3,4,5,6,7,8,9 (Appendix A)
13.	Aligned Integration Planning Principles	1,2,3,4,5,6,7,8,9,10,11,12 (Appendix A)
14.	Aligned priorities, strategies, outcomes, from the Strategic Plan	<p>This direction relates to, and will be monitored against:</p> <p>East Lothian IJB's Strategic Plan objectives A, B, D, E, G, H, I (Appendix A)</p> <p>East Lothian IJB's Strategic Plan three Strategic Change Programmes and aligned performance indicators (Appendix A)</p>
15.	Compliance and performance monitoring.	In order to ensure East Lothian IJB fulfils its key strategic planning and scrutiny functions, and further develops and coordinates the implementation of its Strategic

		<p>Plan, monitoring our own and our partners' performance is imperative. The primary responsibility for performance management in respect of delivery of the delegated functions will rest with the IJB and East Lothian Council will provide performance information so that the IJB can develop a comprehensive performance management system.</p> <p>In addition to the specific commitments set out in East Lothian IJB's Integration Scheme and the obligations regarding provision of information under the Act, East Lothian Council will provide the Integration Joint Board with any information which the Integration Joint Board may require from time to time to support its responsibilities regarding strategic planning, performance management, and public accountability.</p> <p>.</p> <p>The IJB directs East Lothian Council, through its officers, to provide an annual report on delivery of directions D01 a-g in the final quarter of financial year 2016-17.</p> <p>The IJB directs East Lothian Council, through its officers, to provide an annual report in the final quarter of financial year 2016-17.on how it:</p> <ul style="list-style-type: none">- assesses the quality of services it provides on behalf of the IJB- ensures the regular evaluation of those services as part of an integrated cycle of service improvement <p>The IJB directs East Lothian Council to provide performance monitoring data as outlined in the Lothian Integration Dataset</p> <p>The IJB directs East Lothian Council, through its officers, to provide financial analysis, budgetary control and monitoring reports as and when requested by the IJB. The reports will set out the financial position and outturn forecast against the payments by the Integration Joint Board to East Lothian Council in respect of the carrying out of integration functions. These reports will present the actual and forecast positions of expenditure compared to Operational Budgets for delegated functions and highlight any financial risks and areas where further action is required to manage budget pressures.</p>
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16.	Relevance to or impact on other Lothian IJBs and/or other adjoining IJBs	East Lothian IJB's Strategic Plan and aligned financial plan acknowledge the need to plan collaboratively on a prudent and realistic basis; this recognises the importance of maintaining current joint planning and risk sharing strategies across Lothian.

East Lothian Health & Social Care Partnership



East Lothian Integration Joint Board

DIRECTIONS

The Public Bodies (Joint Working) (Scotland) Act 2014 places a duty on Integration Authorities to develop a Strategic Plan for integrated functions and budgets under their control. East Lothian Integration Joint Board (IJB) requires a mechanism to action the Strategic Plan; this mechanism takes the form of binding directions from the Chief Officer as outlined below from the Integration Joint Board to one or both of NHS Lothian and East Lothian Council. All directions issued are pursuant to Sections 26 to 28 of the Public Bodies (Joint Working) Act 2014 and the appropriate element of East Lothian IJB's Integration Scheme.

The financial resource allocated to each delegated function in a direction is a matter for the Integration Joint Board to determine. As outlined in Section 11 of this Direction, East Lothian IJB is constituted under Local Government regulations and as such, under the Local Government in Scotland Act 2003, has a duty to make arrangements to secure best value. It is expected that NHS Lothian and East Lothian Council will deliver the functions as directed in the spirit of this obligation.

The financial values ('budgets') attached to this direction are based on the offers made to East Lothian IJB by NHS Lothian and East Lothian Council in March 2016. It is understood that the finalisation of the 2016/17 financial plans in both partners continues and that the totality of these budgets included efficiency schemes which are being developed. At this time it is recognised that financial plans for 2017/18 and 2018/19 are not yet available. Notwithstanding the indicative nature of these budgets East Lothian IJB will not sanction expenditure in excess of these amounts without further discussion and agreement.

This direction will remain in place until it is varied, revoked or superseded by a later direction in respect of the same function.

East Lothian Integration Joint Board

1	Implementation date	1 st April 2016
2	Reference number	EL IJB/NHSL/D08-2016 (Integration Fund)
3	Integration Joint Board Authorisation date	31st March 2016
4	Direction to	NHS Lothian and East Lothian Council
5	Purpose and strategic intent	<p>In accordance with the IJB's Strategic Plan, to provide effective services to all service users and carers within the geographical boundaries of East Lothian, promoting the highest standards of practice in accordance with statutory obligations, policies and procedures.</p> <p>To provide services to all service users and carers within the geographical boundaries of East Lothian which promote the health, wellbeing and quality of life of an individual.</p> <p>To provide services to all service users and carers within the geographical boundaries of East Lothian which:</p> <ul style="list-style-type: none"> • Maximise independent living • Provide specific interventions according to the needs of the service user • Provide an ongoing service that is regularly reviewed and modified according to need • Provide a clear care pathway which connects services • Contribute to preventing unnecessary hospital admission • Support timely hospital discharge • Prevent unnecessary admission to residential or institutional care • Are personalised and self-directed, putting control in the hands of the service user and their carers

6	Does this direction supersede or amend or cancel a previous Direction?	N/A				
7	Type of function	Integrated function				
8	Function(s) concerned	All delegated functions as they pertain to the East Lothian Integration Fund Plan				
9.	Required Actions / Directions	<p>D08 a East Lothian Integration Joint Board direct NHS Lothian to delegate the agreed budget for the Integration (Social Care) Fund to the IJB in line with the proposal from East Lothian Council detailed in Appendix B (attached).</p> <p>The IJB will assume governance and scrutiny for delivery and monitoring of the Fund in line with the principles and guidance issued by Scottish Government and supporting delivery of both the IJBs Strategic Plan and national targets</p>				
10.	Budget 2016/2017	<table> <tr> <td>Agreed Budget 2016/17</td> <td>£000's</td> </tr> <tr> <td>Integration (Social Care) Fund</td> <td>4,370</td> </tr> </table>	Agreed Budget 2016/17	£000's	Integration (Social Care) Fund	4,370
Agreed Budget 2016/17	£000's					
Integration (Social Care) Fund	4,370					

11.	Principles	<p>The 2016/17 financial year will be the first full year of operation as a 'stand alone' legal body and the IJB is required both to deliver financial balance in each and every year and to financially plan to deliver recurrent balance. Achieving a firm financial footing is critical to the success of the IJB and its Strategic Plan and to its ability to drive system-wide reforms such that it can deliver against its financial duties whilst improving outcomes for the East Lothian population. Central to this is the need to ensure that the IJB creates financial headroom to ensure it can remain financially resilient going forward. NHS Lothian and East Lothian Council are therefore required to share information on financial performance of delegated services to allow the IJB to gain assurance that said services are currently being delivered sustainably within approved resources and that the anticipated initial payments will be sufficient for the IJB to carry out its integration functions.</p> <p>As a fundamental principle there should be neither disinvestment nor further investment in delegated services without being subject to full discussion and agreement with East Lothian IJB.</p> <p>East Lothian IJB expects that the principles of Best Value - to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost, maintaining regard to economy, efficiency, effectiveness – are adhered to in carrying out this direction.</p>
12.	Aligned National Health and Wellbeing Outcomes	1,2,3,4,5,6,7,8,9 (Appendix A)
13.	Aligned Integration Planning Principles	1,2,3,4,5,6,7,8,9,10,11,12 (Appendix A)
14.	Aligned priorities, strategies, outcomes, from the Strategic Plan	<p>This direction relates to, and will be monitored against:</p> <p>East Lothian IJB's Strategic Plan objectives A, B, D, E, G, H, I (Appendix A)</p> <p>East Lothian IJB's Strategic Plan three Strategic Change Programmes and aligned</p>

		performance indicators (Appendix A)
15.	Compliance and performance monitoring.	<p>In order to ensure East Lothian IJB fulfils its key strategic planning and scrutiny functions, and further develops and coordinates the implementation of its Strategic Plan, monitoring our own and our partners' performance is imperative. The primary responsibility for performance management in respect of the Integration Fund will rest with the IJB, and NHS Lothian and East Lothian Council will provide supporting performance information as required.</p> <p>In addition to the specific commitments set out in East Lothian IJB's Integration Scheme and the obligations regarding provision of information under the Act, NHS Lothian and East Lothian Council will provide the Integration Joint Board with any information which the Integration Joint Board may require from time to time to support its responsibilities regarding strategic planning, performance management, and public accountability.</p>
16.	Relevance to or impact on other Lothian IJBs and/or other adjoining IJBs	East Lothian IJB's Strategic Plan and aligned financial plan acknowledge the need to plan collaboratively on a prudent and realistic basis; this recognises the importance of maintaining current joint planning and risk sharing strategies across Lothian.