

East Lothian  
Integration Joint Board



**REPORT TO:** East Lothian Integration Joint Board

**MEETING DATE:** 24 February 2022

**BY:** Interim Chief Finance Officer

**SUBJECT:** Financial Update – Projected 21/22 out-turn and outline 22/23 position

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## **1 PURPOSE**

- 1.1 This report updates the East Lothian Integration Joint Board as to the updated projected out-turn position for 2021/22 and provides an initial outline of the financial position for 2022/23.

## **2 RECOMMENDATIONS**

- 2.1 The IJB is asked to
- i. Note the projected out-turn position for 2021/22;
  - ii. Note the projected impact on the IJB's reserves;
  - iii. Note the Scottish Government's 22/23 financial settlement; and
  - iv. Note the projected financial forecast for 2022/21.

## **3 BACKGROUND**

### **3.1 Projected Out-turn 2021/22**

NHS Lothian have provided the IJB with an updated Month 10 position and included a projected out-turn position for 21/22 (the out-turn position being based on month 9).

This shows –

NHSiL Project Out-turn (actuals at month 10, forecast based on month 9)

	Annual Budget £000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	21/22 Forecast Variance £000's
Core	89,748	64,417	64,338	79	347
Hosted	17,822	13,175	13,000	176	193
Acute	22,449	18,361	18,406	(45)	(332)
<b>Total</b>	<b>130,019</b>	<b>95,954</b>	<b>95,744</b>	<b>210</b>	<b>208</b>

The projected out-turn underspend (£208,000 above) continues to be revised as the final monthly financial positions are known and it is likely that this position will improve. In principle, NHS Lothian have agreed that any underspend can be taken to the IJB's reserves.

East Lothian Council are forecasting an overspend in the delegated social care services. However, this does not take account of the additional funds received as part of the Winter Support (the IJB's share of the national £300m for Winter as described in the December finance paper) and having taken those resources into account there should be an underspend. Management action on this position is continuing and a further update on the projected out-tun in social care will be provided in the 22/23 budget setting paper presented to the IJB at its March meeting.

### 3.2 Impact on the IJB's Reserves

As was described above, underspends will be taken to the IJB's general reserve and any unused 'Winter' funding will be taken to earmarked reserves as appropriate. It seems likely, excluding the Covid reserve, that the IJB's reserves will be greater at the end of March '22 compared to March '21. Work is going on to clearly understand the use of the IJB's earmarked reserves in 21/22 and this along with the projected impact of the 21/22 out-turn position on the reserves will be reported to the IJB at its March meeting.

### 3.3 Scottish Government's 2022/23 Budget Settlement

The Scottish Government published its 2022/23 budget on 9<sup>th</sup> December 2021. Broadly, the settlement was as follows –

- The NHS will receive an uplift of 2% along with additional resources to cover the projected costs on the increase in the employers national insurance costs which will occur from April 2022.
- The Local Authorities will have a flat cash settlement. That is, no uplift.
- A further amount (nationally) of £554m has been made available to invest in Social Care. There are two parts to that allocation.
  - Firstly, funding for the recurrent elements of those funds made available to the IJB's for the Winter Funding (as discussed above).

- Secondly, some additional investments in Carers and a general resource to support further social care provision.

The impact of this settlement on the IJB will be that the NHS uplift (including the cover for the NI cost increase) will be passed on in full on top of the agreed NHS recurrent baseline. The Council will pass their full share of the £554m to the IJB on top of the agreed recurrent baseline. Further allocations to the IJB will be made through the NHS, most notably additional resources to continue the development of MDTs (Multi-disciplinary Teams) and some further uplifts to support the PCIG (Primary Care Investment Funds).

In addition to the above a further £22m has been made available on a national basis to support further investments in Adult Social Care – this will also be passed on, in full, to the IJB. A letter detailing this is attached as appendix 3.

These allocations, and the East Lothian shares, are detailed in appendix 1 and these funds will become part of the IJB's budget for 22/23.

That said, it should also be noted that a significant element of these additional funds is either ring-fenced (that is to be used for a specific purpose for example the additional Carers funding) or the recurrent tail of funding already committed to. In the second case, the funding for Free Personal Nursing Care (FPNC) is simply a 'pass-through' and the funding for the real living wage is to support the cost of payments recurrently that were made to providers in 21/22. The IJB's share of the £200m for investments in social care is further constrained by having to fund a further payment to providers to move the base hourly rate to £10.50.

Thus, of the (indicative) £10.6m available to the IJB for social care investments perhaps £5.8m is committed (or ring-fenced). This is discussed further below.

### **3.4 Covid-19 Funding**

Appendix 2 lays out the estimated costs in 22/23 of maintaining all of the current projects that have supported the Covid-19 pandemic across the functions delegated to the IJB. Indications are that, for planning purposes, these costs will be covered by allocations from the Scottish Government in 22/23. This approach has been adopted by the NHS Lothian and the IJB will adopt a similar position.

### **3.5 Indicative 22/23 Position.**

#### **3.5.1 Health Services**

NHS Lothian have provided the IJB with its first projection of the 22/23 financial position as follows :-

	Variance	Covid Element	Net
	£000's	£000's	£000's
Core	(7,523)	6,867	(656)
Hosted	(386)	111	(275)
Set Aside	(1,582)	599	(983)
<b>Total</b>	<b>(9,491)</b>	<b>7,577</b>	<b>(1,914)</b>

The first column showing the gross pressure (before any application of funding for Covid projects) and the last column showing the net pressure in the functions delegated by health. There are two main keys to this position –

- Prescribing (the major driver in the Core position) – work continues to finalise an efficiency programme for prescribing and the management team will also consider the use of the IJB Uplift to support this position.
- Set Aside – dialogue is on-going between Acute colleagues and the IJB officers to understand the drivers behind this position and the management actions being developed to manage it.

### **3.5.2 Social Care Services**

There are a range of pressures facing the social care budgets, these being the costs of pay awards, the NI increased cost, the potential increase in the National Care Home Contract, further pressure from providers above the pay settlements outlined above and unmet savings programmes from previous years. These pressures will have to be offset against the additional resources identified however it is hoped that resources will be available to manage the demographic challenge and to invest in further development of social care services. Work is underway with the management team to analyse the pressures within the system and for proposals to use the additional resources available in 22/23.

### **3.6 Next steps**

NHS Lothian and East Lothian Council will set their 22/23 budgets and make budgetary offers to the IJB. These offers must be in line with the Scottish Governments guidelines as discussed above.

The IJB will be presented with the budget offers along with a budget forecast for 22/23 and can then decide to accept or reject the offers from the partners and to set a balanced budget for 22/23.

This work is part of the longer term development of the IJB's financial plan and further analysis of the 23/24 position will be brought to the IJB in the summer as part of that long term plan.

## **4 ENGAGEMENT**

**4.1** The IJB makes its papers and reports available on the internet.

**4.2** The issues in this report have been discussed with the IJB's partners but do not require wider engagement

## **5 POLICY IMPLICATIONS**

5.1 There are no new policies arising from this paper.

5.2 The recommendations in this report implement national legislation and regulations on the establishment of IJBs.

## 6 INTEGRATED IMPACT ASSESSMENT

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

6.2 The issues in this report do not require an integrated impact assessment.

## 7 DIRECTIONS

7.1 There are no Directions implications arising from this paper

## 8 RESOURCE IMPLICATIONS

8.1 There are no immediate resource implications from this report. Any resource implications from the outcome of the process will be highlighted in a future report if required.

## 9 RISK

9.1 None

## 10 BACKGROUND PAPERS

10.1 IJB December Finance Paper

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<b>DATE</b>	16 February 2022

### Appendices

1. Additional Investments – SG budget 22/23
2. Projected Covid Costs – 22/23
3. Further Social Care Allocations 22/23

## Appendix 1 – Additional Investments 22/23 SG Budget

Item	Value Nationally £m	East Share £000's	Committed	Available	
Carers	20.4	390	390	0	Ring fenced, but available for investment
FPNC	15.0	290	290	0	Pass through
20/21 RLW	30.5	590	590	0	Funding for payment already made
21/22 RLW	144.0	2,765	2,253	512	Funding for payment made - estimate
Care at Home	124.0	2,376		2,376	
Interim Care	20.0	384		384	Non recurrent
Social Care Investment	200.0	3,840	2,253	1,587	Estimate of cost of £10.02 to £10.50
<b>Sub total</b>	<b>553.9</b>	<b>10,634</b>	<b>5,776</b>	<b>4,858</b>	
<b>Share of add'n £22m</b>	<b>22.0</b>				
MDT		766		766	
1,000 add'n 3/4		tbc			
MH Allocs		tbc			
IJB Uplift ?		tbc			
		<b>11,400</b>	<b>5,776</b>	<b>5,624</b>	

## Appendix 2 – Projected Covid-19 Costs 22/23

### Covid 22/23 Projection £000's

#### Health Element

Additional AHP Staffing (Ots)	205
Additional D2A Posts	123
Additional Hospital to Home Runs	671
Additional Rehab posts	129
Covid Flu 21/22 Pressure	365
Expansion of Care Home Team	467
FHS - 21/22 Covid Prescribing Pressures	937
Opening Ward 5 ELCH	2,059
Opening Ward 6 ELCH	1,909
Set Aside	599
Hosted	111

#### SC Element

Sustainability Payments	1,053
PPE	60
Loss of respite	75
Loss of beds @ Eskgreen	150
Loss of Income Adult Social care centres	319
Scottish Nursing Guild	92
Internal Home Care Staff	22
Shared lives leave compensation	14
Loss of lunch club income	29
Resource Co-Ordinators	150
Add'n transport in LD	76
Digital Equipment	54
Agency Staff	52
Other	11

**Total** **9,732**





## By email

Chief Executives, Scottish Local Authorities  
Chief Social Work Officers, Scottish Local Authorities  
Directors of Finance, Scottish Local Authorities

**9 February 2022**

Dear Chief Executives, Chief Social Work Officers and Directors of Finance

### **FUNDING FOR ADDITIONAL SOCIAL WORK CAPACITY IN ADULT SERVICES**

I am writing to advise you of additional funding of £22m for local authorities next financial year 2022/23, and recurring thereafter, to provide additional social work capacity within local authorities. This funding was included in the Scottish Government's recently announced 2022/23 Budget within Health and Social Care

The Scottish Government wishes to provide additional funding to relieve pressure on the adult social care sector to ensure care can be delivered safely to those who need it. Expansion of the social work workforce is now required to support the increasing adult social care workload in recognition of current workforce pressures across health and social care.

Funding will be used to employ additional social workers or associated social work assistants or support staff – with the clear purpose of adding to the capacity of the social work workforce to respond to the current pressures across adult social care. It will be for Chief Social Work Officers and their teams to decide how best to use this funding to meet local pressures, this might include:

- additional frontline capacity to support Adults With Incapacity/Adult Support and Protection, including Large Scale Investigations,
- wider statutory duties undertaken by Mental Health Officers and Social Workers,
- frontline work in relation to carrying out holistic person-centred assessments and reviewing of individual care support plans,
- enhancing additional first line management capacity to increase levels of assurance and supervision for frontline staff.

Funding can also be used to continue the support for CSWOs enhanced oversight role for Care Homes and Care at Home services as a consequence of the pandemic. Funding for the Care Home Oversight role was previously paid in both 2019/20 and 2020/21 via a grant direct to CSWOs.

The £22m will be distributed based on GAE for Adult Social Work for 2022-23 as agreed by COSLA Leaders – as per the annex to this letter. Funding will be paid via the General Revenue Grant. We will use the SSSC Workforce Data Report to measure the impact of this investment over the course of this budgetary period.

Finally can I take this opportunity to thank your frontline workforce for their continued efforts and dedication over recent months.

Yours sincerely,

Iona Colvin  
Chief Social Work Adviser

**FUNDING ALLOCATIONS BY LOCAL AUTHORITY**

Local Authority	Allocation
Aberdeen City	£827,000
Aberdeenshire	£935,000
Angus	£528,000
Argyll and Bute	£402,000
City of Edinburgh	£1,954,000
Clackmannanshire	£198,000
Dumfries and Galloway	£723,000
Dundee City	£628,000
East Ayrshire	£511,000
East Dunbartonshire	£448,000
East Lothian	£424,000
East Renfrewshire	£386,000
Falkirk	£622,000
Fife	£1,535,000
Glasgow City	£2,434,000
Highland	£978,000
Inverclyde	£360,000
Midlothian	£335,000
Moray	£409,000
Na h-Eileanan Siar	£135,000
North Ayrshire	£606,000
North Lanarkshire	£1,278,000
Orkney Islands	£99,000
Perth and Kinross	£701,000
Renfrewshire	£730,000
Scottish Borders	£520,000
Shetland Islands	£85,000
South Ayrshire	£550,000
South Lanarkshire	£1,292,000
Stirling	£370,000
West Dunbartonshire	£364,000
West Lothian	£630,000
<b>Scotland</b>	<b>£22,000,000</b>

