



## MINUTES OF THE MEETING OF THE EAST LOTHIAN INTEGRATION JOINT BOARD

THURSDAY 14 DECEMBER 2023  
VIA DIGITAL MEETINGS SYSTEM

1

---

### **Voting Members Present:**

Councillor S Akhtar (Chair)  
Mr A Cogan  
Councillor J Findlay  
Ms E Gordon  
Ms F Ireland  
Councillor C McFarlane  
Mr P Murray

### **Non-voting Members Present:**

Ms M Allan	Mr D Binnie
Dr P Conaglen	Ms S Gossner
Dr J Hardman	Mr D Hood
Mr D King	Dr C Mackintosh
Mr T Miller	Ms F Wilson

### **Present from NHS Lothian/East Lothian Council:**

Ms L Berry	Mr P Currie
Ms L Kerr	Ms W McGuire
Mr N Munro	

### **Other Attendees:**

Ms R Browne, Audit Scotland

### **Clerk:**

Ms F Currie

### **Apologies:**

Councillor L Jardine

### **Declarations of Interest:**

None

**1. MINUTES OF THE MEETING OF THE EAST LOTHIAN IJB ON 26 OCTOBER 2023 (FOR APPROVAL)**

The minutes of the IJB meeting on 26<sup>th</sup> October were approved.

**2. MATTERS ARISING FROM THE MINUTES OF 26 OCTOBER**

The Chair advised that the 'workshop' referred to on page 3 of the minutes would be a development session on finance matters taking place on 30<sup>th</sup> January 2024.

**3. CHAIR'S REPORT**

The Chair informed members that it had recently been announced that there would be a delay of 3 years in the introduction of the National Care Service. Likely, this was to make budget savings but she expected further information on this decision to be made available in due course.

The Chair also reported on the following:

A conference at Queen Margaret University on cognitive development and intergenerational work, and the benefits for older people. She said she would be happy to circulate further information to members, if requested.

ELCAP AGM – this was a well-attended event highlighting a huge amount of work and recognising the important role of carers.

The Cabinet Secretary for Health had recently visited East Lothian, including the Community Hospital, and it had been an opportunity to raise issues such as population growth and funding challenges and to highlight the positive work being done at the hospital.

Peter Murray highlighted a financial memorandum which included reference to the continuation of IJBs for at least 3 years, albeit possibly in a modified form. He hoped that there would be opportunities ahead for members to help shape the future of IJBs.

**4. MEMBERSHIP CHANGES FOR THE IJB AND THE AUDIT & RISK COMMITTEE**

A report was submitted by the Chief Officer informing the IJB of a change to its voting membership; and seeking nominations and IJB approval for a change to the membership of the Audit & Risk Committee.

The Clerk presented the report outlining the background and recommendations. She invited members to note the appointment of Councillor Findlay to the IJB as a voting member replacing Councillor Bruce. She then sought nominations for the voting member appointment to the Audit & Risk Committee. Mr Murray nominated Councillor Findlay, and this was seconded by Councillor McFarlane. No other nominations were received.

The Clerk then moved to the vote on recommendation 2.2, which was taken by roll call and approved unanimously.

Councillor Findlay said that he looked forward to being on both the IJB and Audit & Risk Committee. He knew he had a lot to learn but he looked forward to the next 3 years.

## **Decision**

The IJB agreed to:

- (i) note the appointment of Councillor Jeremy Findlay as a voting member of the IJB for the maximum term of office, replacing Councillor Lachlan Bruce; and
- (ii) approve the appointment of Councillor Findlay to the Audit & Risk Committee.

## **5. PLANNING OLDER PEOPLE'S SERVICES – UPDATE ON ENGAGEMENT AND PROCESS**

A report was submitted by the Chief Officer providing the IJB with an update on engagement and consultation activity to date and outlining the next steps.

Laura Kerr presented the report drawing attention to the recommendations and the timeline for engagement and consultation set out in the report. She explained the outcomes to date and the next steps in the process.

Mr Murray noted the considerable effort which had gone into this work and in providing as broad access as possible to the consultation.

Ms Kerr responded to questions from Councillor Findlay and David Binnie. She explained how responses were categorised into themes and the criteria for adding items to the long list. She acknowledged that palliative care and end of life care was an area in which the IJB did not perform as well as other areas and this was something which people were concerned about. A report on this issue was due to be presented to the Project Board at the end of January 2024. Ms Kerr also agreed to ask colleagues to coordinate arrangements for a development session on this issue. The Chair agreed that this should be an action point and that the session should include discussion on any proposals for future action.

Dr John Hardman supported Mr Binnie's request for a development session.

Councillor McFarlane thanked officers for the update and noted the important contribution which older people made to society, particularly in their role as unpaid adult and child carers. She agreed that palliative and end of life care should be as good as it possibly could be, and she said that people were keen to see this work progress.

## **Decision**

The IJB agreed to:

- (i) Note the content of the report;
- (ii) Acknowledge and agree that sufficient engagement has been undertaken and details gathered to inform the next stage of the Planning Older People's Services project; and
- (iii) Note that a similar update report was presented to the Strategic Planning Group on 23<sup>rd</sup> November 2023.

## **6. TRANSFER OF HOSTED SERVICES TO EAST LoTHIAN HSCP**

A report was submitted by the Chief Officer informing the IJB of the transfer of hosted services to East Lothian Health & Social Care Partnership (HSCP) from Edinburgh HSCP.

Paul Currie presented the report outlining the background and recommendations. He advised that there was an updated list of services affected and a revised report would be circulated after the meeting. He summarised these amendments and provided an explanation of what was meant by hosted services. He also drew members' attention to the background of the report which set out the reasoning behind the decision to transfer these services. He outlined performance management and reporting arrangements and confirmed that there were no policy implications resulting from the proposals in this report.

Mr Currie and Fiona Wilson responded to questions from members providing further detail of the line management arrangements, the long-term expectations for services, the opportunities for the East Lothian HSCP to influence the future design of services, and the number of staff transferring as part of the proposals. Ms Wilson also confirmed that there would be no negative impact on the finances or priorities of the East Lothian IJB. She advised that the transfer would be complete by March 2024 and she would bring an update to the IJB at a future date.

Members acknowledged the potential benefits and opportunities presented by this arrangement and were generally supportive of the proposals.

### **Decision**

The IJB agreed to:

- (i) Note the pressures facing Edinburgh HSCP and NHS Lothian's intention to reduce these pressures and to improve Edinburgh's performance through a whole-system response from the other Lothian HSCPs.
- (ii) Note the transfer of responsibility from Edinburgh HSCP to East Lothian HSCP for the management and performance management of four hosted services based in Edinburgh:
  - Inpatient and outpatient specialist rehabilitation services in the Astley Ainslie Hospital, for amputee and neuro-rehabilitation injury.
  - The Cardiac Rehabilitation Service in the AAH.
  - The inpatient and outpatient specialist acquired brain injury rehabilitation service at the Robert Fergusson Unit, in the Royal Edinburgh Hospital.
  - The specialist sexual health service in the Chalmers Centre.
- (iii) Note that line management for senior staff in the listed services would also transfer to East Lothian HSCP.
- (iv) Note that it was intended to complete full transfer of services to East Lothian HSCP by March 2024, with transitional management arrangements in place in the run-up to this date.

## **7. MEDICAL ADAPTATIONS IN THE PRIVATE SECTOR**

A report was submitted by the Head of Housing at East Lothian Council updating the IJB on the risks and ongoing challenges associated with the delivery of adaptations; and the risk-based approach and actions being taken to inform and safeguard critical issues. The report also invited the IJB to note the actions being taken to keep residents informed.

Wendy McGuire presented a detailed summary of the report including updates to the information contained in sections 3.6 and 8.1. She outlined the benefits of adaptations in supporting people to remain in their homes and allow for early discharge from hospital. Adaptations were split into three categories, but this report focused on major adaptations. She explained some of the legislative context and duties, and the impact of recent changes in legislation around financial assistance. She referred to the Council's service level agreement with Care and Repair to facilitate work on adaptations and the funding arrangements for this area of work. She confirmed the total projected spend to the year-end which included an overspend, although there was some flexibility due to a vacant post. Demand for this service remained high and Ms McGuire outlined the risk-based approach used to prioritise cases and the potential impact of delays on individuals and other services and budgets. For the future, she recommended that the IJB support a proposal to carry out a Best Value review of this service.

Ms Wilson expressed concern that the budget had been overspent as it was her understanding that it was capped. However, she acknowledged the challenges facing the service and the need to prioritise. She also raised the question of procurement and whether the service provided by Care & Repair should be put out to tender.

Ms McGuire suggested that procurement arrangements might form part of any jointly led Best Value review. She highlighted the difficulty of working within a capped budget when the service was demand led and there were potentially significant impacts of not carrying out the work.

Lesley Berry explained that a committee was in place to look at the clinical needs of each case. She said that there was some third sector funding available but that it was important to acknowledge that it was not just about what a person might need but also what might be possible in their property. It was important to be practical when considering what needed to be done for an individual and whether staying in their own home continued to be the best option.

Maureen Allan said that income maximisation was a key issue and she offered to discuss this issue with Ms McGuire following the meeting.

Ms McGuire responded to questions from Councillor McFarlane and Elizabeth Gordon. She agreed that the increase in the older population in East Lothian meant that the type of appropriate housing stock was changing, and the Council regularly reviewed its void stock to consider whether properties were appropriate for adaptation. The Local Housing Strategy would include an older person's needs assessment and the next Local Development Plan would also include a focus on accessible housing. She confirmed that any equipment which might be reused, e.g., hoists, would come back to the social work department rather than Housing. She also advised that reinforcement work was being done in properties to support the use of hoists, etc.

David King commented on the financial arrangements and the need to work together in terms of integration. He also acknowledged the important point that money spent in one place could create benefits in another.

The Chair highlighted the next steps set out in 3.9 and proposed that this section be added as a recommendation in the report.

Ms Wilson gave assurance that the committee was already taking a multidisciplinary approach to assessing cases and getting the best outcomes for individuals. Care and Repair would also be exploring all avenues in terms of options and funding. Ms McGuire supported this view and the need to be mindful of the impact which delays could have on individuals' health.

Fiona Ireland suggested that the discussion was straying into operational matters, and it was not appropriate for the IJB to debate this issue before it had been considered by the Strategic Planning Group. Furthermore, she was of the view that it was not appropriate for the IJB to consider recommendation 2.4 in the report. Both Andrew Cogan and Mr Murray agreed with this view.

In response to a question from the Chair, Ms McGuire said she had no objection to the matters in recommendation 2.4 and section 3.9 being referred for discussion by the SPG, and that this would not prevent essential work continuing in the meantime.

Ms Ireland proposed that recommendation 2.4 be removed and this was seconded by Councillor Findlay. A vote was taken by roll call and the proposal was approved unanimously. The IJB then agreed to note the remaining recommendations.

## **Decision**

The IJB agreed to:

- (i) Note the ongoing challenges as a result of the budget being committed for the remainder of the financial year;
- (ii) Note the legal position and responsibility of where adaptations sit; and
- (iii) Note the updated position and actions being taken to keep residents informed.

## **8. FINANCIAL UPDATE – Q2 REVIEW 2023/24**

A report was submitted by the Interim Chief Finance Officer discussing the output from the Quarter 2 financial reviews by the IJB's partners and a review of the IJB's Reserves.

Mr King presented the report. He advised members that the financial position remained challenging and that recovery plans were ongoing. He highlighted the difficulties around forecasting the social care year-end position due to an underlying financial pressure. In the meantime, additional funds had been made available within NHS Lothian to support the prescribing position and the Set Aside position also remained challenging. He also reported on the IJB's reserves position and how some of this money was being used to support ongoing financial challenges.

Mr King responded to questions from the Chair. He confirmed that it would be general reserves which would be used to ease financial pressures or to support longer term plans. However, earmarked reserves, given the inflationary pressures within the system, may no longer be sufficient to cover the costs of their specific projects. He also commented on the Scottish Government model to allocate funding and, while he was not aware of any plans to review this model, he acknowledged that this might be beneficial because of recent population increases. The Chair said that she would pick this up with Mr King following the meeting.

Replying to a question from Mr Cogan, Mr King said he did not think that the 2023/24 year end position would get worse but if there were areas of expenditure in the system underpinned by non-recurring funding, this may cause pressures in the following financial year. He hoped to be able to provide further details on these issues in due course.

### **Decision**

The IJB agreed to:

- (i) Note the output from the Q2 financial reviews; and
- (ii) Note the projected position for the IJB's Reserves.

## **9. FINANCIAL PLAN 2024/25 TO 2028/29**

A report was submitted by the Interim Chief Finance Officer laying out an initial projection of the financial pressures facing the IJB over the next five years.

Mr King presented the report. He confirmed that the proposed workshop on financial matters would take place on 30<sup>th</sup> January, and not the 25<sup>th</sup> as previously indicated. He then turned to the financial plan, referring to the Scottish Government budget setting process and the subsequent indicative offers provided to the IJB by its partners. He reminded members that the IJB was required to set a balanced budget. He referred to some of the ongoing inflationary pressures for the partners, such as pay awards, and other pressures within the system and how these might impact on the IJB's medium term financial plan. He advised that the forecasts would be refined following the indicative budget offers provided by the partners in January, but the position would remain very challenging and further recovery plans would be required.

In response to questions from the Chair and Mr Cogan, Mr King advised that the work on Set Aside budgets would be a longer-term project but he expected to have indicative figures for core budgets from both partners by the time of the workshop on 30<sup>th</sup> January.

Mr Binnie said he would like to have a better understanding of the statutory and legal position regarding funding and asked if it would be possible to include this in the workshop. Mr King agreed that this was important and should form part of the discussions.

The Chair moved to the vote on the recommendations, which was taken by roll call and approved unanimously.

### **Decision**

The IJB agreed:

- (i) To note the financial forecast;
- (ii) To note the further development work required; and
- (iii) To use the IJB's workshop on 30<sup>th</sup> January 2024 to discuss a range of proposals to bring the IJB's projected expenditure back into line with its forecast income.

## **10. IJB AUDITED ANNUAL ACCOUNTS FOR 2022/23**

A report was submitted by the Interim Chief Finance Officer presenting the IJB's annual accounts for 2022/23...

Mr King presented the report. He drew members' attention to the review undertaken by Audit Scotland who had reported their findings to the IJB's Audit & Risk Committee on the 5<sup>th</sup> December. The Committee had accepted the recommendations sets out in the auditors' report and were recommending to the IJB that the accounts be approved.

Ms Ireland, as Chair of the Audit & Risk Committee, confirmed that the accounts had been considered at the recent meeting, having previously been reviewed by the Committee prior to being audited. The Committee had agreed to recommend that the IJB approve the annual accounts.

The Chair thanked officers for their work on the accounts and noted that the auditor's report highlighted that the IJB was performing above the Scottish average in most of the national integration indicators. The Chair moved to the vote on the recommendations, which was taken by roll call and approved unanimously.

**Decision**

The IJB agreed to:

- (i) Note the IJB's Audited Annual Accounts for 2022/23.
- (ii) Note the External Auditor Annual report for East Lothian IJB for 2022/23.
- (iii) Note the recommendations of the IJB's Audit & Risk Committee; and
- (iv) Approve the IJB's Annual Accounts for 2022/23.

The Chair informed members that this was Mr Murray's last meeting as a member of the IJB. She thanked him for all the support and learning over the years and his contributions at meetings. On behalf of the IJB, she offered him best wishes for the future.

Mr Murray thanked the Chair for her good wishes and thanked all members of the IJB for their support and help. He also gave special thanks to Laura Kerr, Paul Currie previous Chief Officers David Small and Alison MacDonald, current Chief Officer Fiona Wilson, and Fiona Ireland.

Signed .....

Councillor Shamin Akhtar  
Chair of the East Lothian Integration Joint Board





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

**MEETING DATE:** 22 February 2024

**BY:** Chief Officer

**SUBJECT:** Appointment of a New Vice Chair and Change to the Voting Membership

4

---

## 1 PURPOSE

- 1.1 To seek agreement from the Integration Joint Board (IJB) for the appointment of a new Vice Chair, and to note a change to the NHS Lothian voting membership.

## 2 RECOMMENDATIONS

- 2.1 The IJB is asked to:
- (i) agree the appointment of Andrew Cogan as the new Vice Chair of the IJB until 31 March 2025; and
  - (ii) note the appointment of Dr Patricia Cantley, replacing Peter Murray, as a voting member of the IJB representing NHS Lothian.

## 3 BACKGROUND

- 3.1 The Scheme of Integration for the IJB states that the Chair will alternate between an East Lothian Council voting member and an NHS Lothian voting member every two years. The Chair is currently held by a Council voting member until 31 March 2025.
- 3.2 In December 2023, NHS Lothian's Board appointed Andrew Cogan as its Lead Voting Member on the IJB with effect from 1 February 2024. Mr Cogan was also nominated to the role of Vice Chair of the IJB, and Chair of the Strategic Planning Group.
- 3.3 In February 2024, NHS Lothian's Board agreed to appoint Dr Patricia Cantley as a voting member of the East Lothian IJB with effect from 7 February 2024. She replaces Peter Murray who retired in January 2024.

## **4 ENGAGEMENT**

- 4.1 The appointments in this report have been discussed with the appropriate nominating body. The arrangements for rotation of the Chair and Vice Chair roles are set out in the Scheme of Integration for the IJB.

## **5 POLICY IMPLICATIONS**

- 5.1 The recommendation in this report implements 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.

## **7 DIRECTIONS**

- 7.1 The subject of this report does not affect the IJB's current Directions or require an additional Direction to be put in place.

## **8 RESOURCE IMPLICATIONS**

- 8.1 Financial – None.  
8.2 Personnel – None.  
8.3 Other – None.

## **9 BACKGROUND PAPERS**

- 9.1 The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 (SSI 2014 No.285).  
9.2 The Scheme of Integration of the IJB.

<b>AUTHOR'S NAME</b>	Fiona Currie
<b>DESIGNATION</b>	Committees Officer
<b>CONTACT INFO</b>	<a href="mailto:fcurrie@eastlothian.gov.uk">fcurrie@eastlothian.gov.uk</a>
<b>DATE</b>	12 February 2024



**REPORT TO:** East Lothian Integration Joint Board  
**MEETING DATE:** 22 February 2024  
**BY:** Chief Officer  
**SUBJECT:** Appointment of a Carer Representative to the IJB

---

**5**

## **1 PURPOSE**

- 1.1 This report asks the Integration Joint Board (IJB) to agree the appointment of a non-voting member to act as a carer representative.

## **2 RECOMMENDATIONS**

The IJB is asked to:

- 2.1 Agree to the reappointment of David Binnie to represent carers.  
2.2 Agree that Mr Binnie's term of office should be three years.

## **3 BACKGROUND**

- 3.1 The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 sets out the arrangements for the membership of all Integration Joint Boards.  
3.2 The IJB agreed in March 2016 to a process for selection of non-voting members involving advertising and interviewing for the positions.  
3.3 Following an interview process carried out by the IJB Chair, Vice Chair and Chief Officer it is recommended that David Binnie be reappointed to represent carers.  
3.4 This appointment is proposed for the maximum term of office of three years.

## **4 ENGAGEMENT**

- 4.1 The carer representative appointment was advertised publicly, through local media and third sector organisations.

## **5 POLICY IMPLICATIONS**

- 5.1 The recommendations in this report implement national legislation and regulations on the establishment and membership 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.

## **7 DIRECTIONS**

- 7.1 The subject of this report does not affect the IJB's current Directions or require an additional Direction to be put in place.

## **8 RESOURCE IMPLICATIONS**

- 8.1 Financial - None.  
8.2 Personnel - None.  
8.3 Other - None.

## **9 BACKGROUND PAPERS**

- 9.1 The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014.  
9.2 The Revised East Lothian Integration Scheme 2022.

<b>AUTHORS' NAME</b>	Paul Currie
<b>DESIGNATION</b>	Interim General Manager, Strategic Integration
<b>CONTACT INFO</b>	<a href="mailto:paul.currie@nhslothian.scot.nhs.uk">paul.currie@nhslothian.scot.nhs.uk</a>
<b>DATE</b>	2 <sup>nd</sup> February 2024



**REPORT TO:** East Lothian Integration Joint Board  
**MEETING DATE:** 22 February 2024  
**BY:** Chief Officer  
**SUBJECT:** IJB and Audit & Risk Committee Meetings Dates 2024-25

---

6

## **1 PURPOSE**

- 1.1 To set the dates of East Lothian Integration Joint Board (IJB) business meetings and development sessions, and meeting dates for the Audit & Risk Committee during session 2024/25.

## **2 RECOMMENDATIONS**

- 2.1 The IJB is asked to
- i. approve the dates for IJB business meetings during session 2024/25, as set out in Appendix 1;
  - ii. approve the dates for IJB development sessions during session 2024/25, as set out in Appendix 2; and
  - iii. approve the dates for the Audit & Risk Committee meetings during session 2024/25, as set out in Appendix 3.

## **3 BACKGROUND**

- 3.1 The IJB is required to approve a schedule of meeting dates and development sessions for each session (Appendices 1 and 2.) Under its Standing Orders, the IJB may call additional business meetings, however, this discretion will be used only in exceptional circumstances. In the event that a meeting date has to be changed, members will be notified as soon as practicable.
- 3.2 The IJB must also approve a schedule of meeting dates for the Audit & Risk Committee (Appendix 3.)
- 3.3 Meetings continue to take place online but it is hoped that there will be a return to in-person meetings during 2024. Further details of the venue(s) and arrangements for these meetings will be confirmed in due course.

## **4 ENGAGEMENT**

- 4.1 The Chairs, Depute Chairs and Chief Officers were consulted on the proposed meeting and development session dates in this report. There was also consultation with the clerking teams within NHS Lothian, Edinburgh and Midlothian Councils to avoid clashes with other NHS Board and IJB meetings.

## **5 POLICY IMPLICATIONS**

- 5.1 There are no policy implications as a result of this report.

## **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.

## **7 DIRECTIONS**

- 7.1 The subject of this report does require the creation of a new Direction or the alteration of an existing Direction issued by the IJB.

## **8 RESOURCE IMPLICATIONS**

- 8.1 Financial – None.  
8.2 Personnel – None.  
8.3 Other – None.

## **9 BACKGROUND PAPERS**

- 9.1 None.

<b>AUTHOR'S NAME</b>	Fiona Currie
<b>DESIGNATION</b>	Committees Officer
<b>CONTACT INFO</b>	<a href="mailto:fcurrie@eastlothian.gov.uk">fcurrie@eastlothian.gov.uk</a>
<b>DATE</b>	7 February 2024

**PROPOSED IJB MEETING DATES – SESSION 2024/25**

- Thursday 26<sup>th</sup> September 2024, 2.00pm
- Thursday 24<sup>th</sup> October 2024, 2.00pm
- Thursday 19<sup>th</sup> December 2024, **1.00pm\***
- Thursday 20<sup>th</sup> February 2025, 2.00pm
- Thursday 20<sup>th</sup> March 2025, 2.00pm
- Thursday 22<sup>nd</sup> May 2025, 2.00pm
- Thursday 26<sup>th</sup> June 2025, 2.00pm

\*To avoid a clash with the Midlothian IJB meeting arranged on that date.

**PROPOSED IJB DEVELOPMENT SESSION DATES – SESSION 2020/25**

- Thursday 22<sup>nd</sup> August 2024
- Thursday 28<sup>th</sup> November 2024
- Thursday 23<sup>rd</sup> January 2025
- Thursday 24<sup>th</sup> April 2025

All development sessions will be scheduled for 2.00-4.00pm. Additional arrangements will be confirmed in due course.



**PROPOSED AUDIT & RISK COMMITTEE MEETING DATES – SESSION  
2024/25**

- Tuesday 24<sup>th</sup> September 2024, **3.00pm\***
- Tuesday 3<sup>rd</sup> December 2024, 2.00pm
- Tuesday 18<sup>th</sup> March 2025, 2.00pm
- Tuesday 3<sup>rd</sup> June 2025, 2.00pm

\*To avoid a clash with the Edinburgh IJB meeting arranged on that date.



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

**MEETING DATE:** 22 February 2024

**BY:** Interim Chief Finance Officer

**SUBJECT:** Financial Update – 23/24 position and 24/25 budget setting.

7

---

## 1 PURPOSE

1.1 This report discusses the following –

- 1.1 An update to the two financial papers presented to the IJB at its December 2023 meeting. These being the 23/24 Q2 financial forecast out-turn for the IJB and the IJB's initial financial planning paper for 2024/25 to 2028/29.
- 1.2 The paper then looks at the steps towards setting the 2024/25 budget for the IJB and reflects on the IJB's workshop of 30<sup>th</sup> January 2024.

## 2 RECOMMENDATIONS

2.1 Members are asked to:

- i. Note the updated 2023/24 out-turn forecast
- ii. Note the updated 2024/25 financial forecast
- iii. Note the recovery plan work to date (this will be discussed further at the workshop following on from this business meeting)
- iv. Note the timetable for setting the 24/25 budget

## 3 BACKGROUND

3.1 At its December 2023 meeting the IJB was presented with two finance papers. These being the quarter 2 financial out-turn forecast for 2023/24 and an initial five year financial plan for the period 2024/25 to 2028/29.

### Quarter 2 financial outcome review

3.2 The Q2 review indicated an overspend for the IJB in 23/24 of c. £5.1m, split between £2.3m within the health services and £2.8m within the social care services.

3.3 Both partners have now provided the IJB with a Q3 forecast. This shows the following:

	Variance £000's
Health	
Core	771
Hosted	284
Set Aside	(1,883)
<b>Total Health</b>	<b>(828)</b>
Social Care	(3,291)
<b>Total IJB</b>	<b>(4,119)</b>

The health position having improved from the Q2 forecast however the social care out-turn forecast has deteriorated by c. £0.5m.

3.4 The December report recognised that, given the challenge of forecasting the costs of social care services delivered by third parties, the out-turn forecast would continue to be reviewed. Further management actions are underway by the HSCP management team with finance colleagues to further revise the out-turn forecast for the commissioned services within social care.

3.5 The IJB has reserves as was discussed in the December paper. A detailed breakdown of the reserves along with the projected balance at 31/3/24 is attached as Appendix A. In summary this shows a projected balance at 31/3/24 of £1.1m in earmarked reserves and £4.2m in the general reserve. The general reserve is the IJB's only 'usable' reserve but will be required to be utilised to support the financial pressures at the end of the year. For the purposes of future financial planning it is assumed that the IJB has no reserves.

#### **Initial Financial Plan 2024/25 to 2028/29**

3.6 At the IJB's December meeting a paper laying out an initial financial plan for 2024/25 to 2028/29 was presented. This showed a forecast pressure for the IJB in 2024/25 of £11.6m being £6.4m in social care and £5.2m within health. This was an initial forecast taking into account the underlying pressures identified by the Q2 review (especially within the social care budget) and not including any further management actions. However, this forecast was made before the Scottish Government published their budget for 2024/25. That budget has had a significant impact on this forecast.

#### **Impact of the Scottish Governments 2024/25 budget settlement.**

3.7 The health projections provided to the IJB by NHS Lothian (part of the plan above) were based on the model adopted by the government for the past several years. This is a simple percentage uplift on the health board's recurrent total budget which provides for both pay awards and a contribution towards non-pay costs such as drugs, property running costs, clinical supplies and so on. Historically further funds were also provided to offset the costs of new high cost drugs along with a settlement towards recognising

the changes in demography – additional funding to recognise additional population (NRAC).

- 3.8 The Scottish Government's budget for health makes recurrent the funds that it has allocated in 2023/24 to the Scottish Health Boards (in the case of NHSiL c.£72.0m ) but there are no additional funds for 2024/25 with the exception of £10.2m for NRAC (which is c. 0.5% of the NHS Lothian base budget). Although the Scottish Government have committed to funding pay awards in 2024/25, the impact of the zero overall uplift is that there is no provision for any funding to cover increases in non-pay costs (driven by inflation) or to contribute towards any already committed developments. Although some further funds have been available to contribute towards the costs of new drugs, these are significantly reduced from previous years and thus adding to the overall projected gap in 2024/25. In order to move towards break-even in the current financial year, NHS Lothian is having to use up significantly more 'flexibility' than in previous years. The impact of this on NHS Lothian's budget moves their financial savings target from c. 3% (which it has been for the past few years) to 7% for 2024/25. This will have a major impact on the IJB's 24/25 projected financial gap.
- 3.9 The 24/25 settlement for the Local Authorities was also part of the December budget. There are still on-going discussions about the exact distribution of the settlement but broadly for East Lothian it appears to be roughly flat cash (that is no additional funds) but the government are making further funds available to ensure that the staff of providers of social care have an hourly rate of at least £12-00 and the government are also providing funds to uplift the support for free personal and nursing care. The settlement requires that these funds be passed onto the IJB.
- 3.10 In summary, the 24/25 Scottish government budget settlement has worsened the health element of the 24/25 financial forecast that was presented to the IJB at its December meeting.

### **IJB Workshop – 30th January 2024**

- 3.11 Reflecting on the initial 2024/25 to 2028/29 financial plan, the IJB agreed to hold a finance workshop on 29<sup>th</sup> January 2024. This workshop had three broad objectives –
- To lay out how the 2024/25 financial forecasts had been arrived at. So that the IJB could fully understand the provenance of that forecast.
  - To lay out the proposals of the HSCP management team to close the financial gap. These proposals were split into two broad categories –
    - Efficiencies – which are, in principle, delivering the same services for a lower cost and should not therefore impact on the IJB's Strategic Plan. These include 'grip and control projects' which are effectively a reassurance that the operational process are followed rigorously.
    - Choices – significant services changes. These will require to be considered by the IJB to understand the impact on the Strategic Plan.
  - Having considered these points above, to have an informed discussion about the financial challenges in 24/25 (and in future years)

and consider the 'choices' that will have to be made and their impact on services delivery.

### Revised 2024/25 – Financial Projection

- 3.12 The paper in December noted that the 2024/25 projections would continue to be reviewed and, as noted above, it was clear by the Workshop on 30<sup>th</sup> January that the health position would deteriorate from the position laid out in December '23.
- 3.13 NHS Lothian has now presented the IJB with an updated draft of its 2024/25 financial projection for the IJB although this position continues to be reviewed. NHS Lothian will have a final position for 2024/25 presented to its Board at its April 3024 meeting.
- 3.14 Work has also continued with Council colleagues to refine the 2024/25 social care forecast position. This has two elements – a reflection of the projected overspend in 2023/24 (for which a recovery plan is required in 2024/25) and a detailed analysis of 'new' pressures in 2024/25. Although the 23/24 out-turn forecast has now deteriorated the review of the 2024/25 pressures has now been improved by a re-consideration of the impact of the additional funding in 24/25 from the Scottish Government to allow the payment of the Real Living Wage of £12-00 per hour to the providers of social care. In addition, given the experience of the past few years in the forecasting of commissioned social care cost a modest reduction has also been included in the opening '23/24' recovery plan target.
- 3.15 The Scottish Government indicated that this funding (along with a further uplift for free personal and nursing care) will be allocated to the Council and the appropriate funds then passed onto the IJB.
- 3.16 These revised forecasts along with the proposed 'efficiency' schemes now show for 2024/25

### Revised 2024/25 Financial Outline

Partner	Projected Gap £000's	G&C and Efficiency £000's	Remaining Gap £000's
NHS (Core)	(2,972)	2,196	(776)
Social Care	(5,880)	1,864	(4,016)
<b>Total</b>	<b>(8,852)</b>	<b>4,060</b>	<b>(4,792)</b>
Hosted	(220)	284	64
Set Aside	(2,917)	457	(2,460)
<b>Total</b>	<b>(3,137)</b>	<b>741</b>	<b>(2,396)</b>
<b>Grand Total</b>	<b>(11,989)</b>	<b>4,801</b>	<b>(7,188)</b>

- 3.17 As can be seen for the above table, even after the application of the efficiencies (these are further laid out in Appendix B) there remains a significant financial challenge. A list of further proposals to close that gap

further will be discussed by the IJB at the workshop directly following this meeting.

3.18 The HSCP plans to set up appropriate management arrangements to ensure the delivery of the savings schemes agreed. NHS Lothian will also set up further controls to ensure that financial balance can be achieved in 2024/25. The IJB will have to consider how this information can be reported to it and further consideration is required to develop the budget monitoring processes in 2024/25.

3.19 The work to establish a balanced budget for 24/.25 is clearly the first part of preparing a balanced five year plan. Thus the impact of the proposals in 24/25 will require to be built into the five year plan along with further proposals to prove a balanced budget in future years.

3.20 It is proposed that, given that both the Council and NHS Lothian are preparing their financial plans for 24/25 that all parties take a common position on the 24/25 budget settlement. Dialogue with the partners is currently underway to deliver this.

3.21 The Council will set its budget in February 2024 and make a formal budget offer to the IJB at this time. NHS Lothian will provide an indicative position. The IJB will set its budget at its meeting at the end of March 2024.

3.22 There are a range of risks and assumptions in the above projections for 2024/25. These are –

- Budget Offers – the partners have not yet finalised their budget offers to the IJB. These offers may change this forecast, for example the assumption in the above social care position is that the funding to allow the RLW payment to move to £12-00 per hour is passed onto the IJB
- 23/24 Out-turn positions – if the position improves then an element of the general reserve may be available in 2024/25. This can then be used to offset pressures in that year.
- Efficiency Schemes – that these can be fully delivered in year.
- Impact of savings programmes on the IJB's Strategic Plan. The IJB, requiring to break-even, will have to consider if and how any savings programmes impact upon its strategic 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 and will be further discussed as the budget is developed further.

## **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 It is clear that in order to resolve the financial challenges in 2024/25 a range of significant actions will be required. Each of those proposals will be assessed and an IIA will be provided as necessary. That said, the budget setting process itself, if it results in a real reduction of the ability of the IJB to deliver its Strategic Plan will have to be properly assessed. That work is on-going.

## **7 DIRECTIONS**

7.1 Until the budget for 2024/25 can be finalised then directions for that year cannot be completed.

## **8 RESOURCE IMPLICATIONS**

8.1 Financial – 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.

8.2 Personnel – None

8.3 Other – None

## **9 BACKGROUND PAPERS**

9.1 December IJB – Q2 review and Five year financial plan

<b>AUTHOR'S NAME</b>	David King
<b>DESIGNATION</b>	Interim Chief Finance Officer
<b>CONTACT INFO</b>	David.king4@nhslothian.scot.nhs.uk
<b>DATE</b>	February 2024

## **Appendices**

- 1. Projected reserves balance at 31/3/24**
- 2. Summary of efficiency and grip and control savings plans**



## Appendix 1 - IJB – Reserves, projected position at 31/3/24

### Earmarked Reserves

Part- ner	Earmarked Reserve	Opening Balance £000's	Commit- ted in 23/24 £000's	Balance Carried Forward into 24/25 £000's
NHS	PCIF	80	80	
NHS	Action 15	66	66	
NHS	ADP	59	59	
NHS	USC - Inreach & CWIC	420		420
NHS	Immunisations	200		200
NHS	ICAT & Flow	100		100
NHS	USC (NHSL)	1018	1018	
ELC	Community Living Change Fund Reserve	346	346	
ELC	Carers	141		141
ELC	Care At Home	419	419	
ELC	Interim Care	420	420	
NHS	Mental Health Recovery Renewal	279		279
NHS	Residential Rehab (LEAP)	65	65	
NHS	Exp of PC Estate	37	37	
NHS	Premises Improvement	27	27	
NHS	PC Imms Team	185	185	
NHS	Dementia & Post Diagnostic	49	49	
NHS	Local USC	759	759	
NHS	MACH (MH after COVID)	25	25	
NHS	SG District Nursing Programme	39	39	
NHS	AHP Initiatives (Falls & Enjoy Leisure)	160	160	
NHS	GP Telephony Access	197	197	
NHS	Unpaid Carers PPE	2	2	
<b>Earmarked</b>		<b>5092</b>	<b>3952</b>	<b>1140</b>

### General Reserves

Opening Balance at 1/4/24	5,030
Analogue to digital conversion	750
<b>Projected Balance at March 2024</b>	<b>4,280</b>

## Appendix 2

### Summary of Grip & Control/Efficiency Schemes

	<b>£000's</b>
Care Homes	700
Income	384
Non Pay	419
Prescribing	673
Transport	130
Workforce	1,754
<b>Grand Total</b>	<b>4,060</b>