

By Email Only
Letter to Chief Officer & Chief Finance
Officer of Midlothian IJB

Date 10 March 2023
Your Ref
Our Ref

Enquiries to Craig Marriott
Extension 35543
Direct Line 0131 465 5543
Email Craig.Marriott@nhslothian.scot.nhs.uk

Dear Colleagues,

MIDLOTHIAN IJB – INDICATIVE UPLIFT FOR 2023/24

Further to NHS Lothian's Finance and Resources (F&R) Committee on February 7th, I write to update you on the position relating to uplift to be allocated to Midlothian IJB by NHS Lothian in 2023/24.

We have yet to conclude our financial planning process, and we will look to take a final iteration of the Plan through our F&R Committee on the 20th of March, with final sign off at our Board meeting on the 5th April. The figures shared with you at this stage are therefore indicative until the final Plan has been agreed, and also the final SG uplift settlement has been confirmed after the pay uplift for 22/23 is resolved.

In total, and based on the indicative 2% uplift communicated to Boards from the Scottish Government in its letter of December 15th, NHS Lothian's uplift allocation against baseline for 2023/24 equates to £32.8m. As agreed and per previous years, we will pass through the full share of this settlement to each IJB, based on budget shares.

The Plan shared at the February Committee recognised a budget of £92,719k for Midlothian IJB. Net of GMS (which will receive a separate uplift allocation) the total recurring budget equates to £79,764k, although this still includes elements of budget beyond the baseline.

The total proportionate share of the indicative uplift to be passed through to Midlothian IJB has been calculated at £1,588k. We have assumed that each IJB will continue to prioritise funding of pay awards. At this stage, the Plan for Midlothian IJB shows the following share of resource requirements (see Appendix for further detail):

Pay Uplift (@2%)	£ 851k
Balance of Uplift	<u>£ 737k</u>
Total Uplift	£1,588k

The final review of the NHS Lothian Financial Plan will conclude shortly, and further updates will be incorporated in the final iteration in terms of any agreed changes to the IJB mapping table for 2023/24 (where these are agreed with CFOs), additional savings and efficiencies identified and any further additional resources allocated. A further update on 2023/24 budgets will be provided to you at this time. We will also update you on any changes to your budget offer, relating to additional funding expected into your base as a result of the 2022/23 pay agreement.

Given that our financial planning indicates that the level of uplift is insufficient to meet all cost pressures in the system, I am keen to understand from Midlothian IJB as early as possible how its Directions will shape the delivery of efficiency savings in 2023/24 and the application of resources in support of financial balance.

I would be happy to have further discussion with your IJB in advance of the final confirmation on the application of health resources in 2023/24.

Yours sincerely

CRAIG MARRIOTT
Director of Finance