

Notice of Special Meeting and Agenda



Midlothian Integration Joint Board

Venue: Virtual Meeting,

Date: Thursday, 11 March 2021

Time: 14:00

Morag Barrow
Chief Officer

Contact:

Clerk Name: Mike Broadway
Clerk Telephone: 0131 271 3160
Clerk Email: mike.broadway@midlothian.gov.uk

Further Information:

This is a meeting which is open to members of the public.

1 Welcome, Introductions and Apologies

2 Order of Business

Including notice of new business submitted as urgent for consideration at the end of the meeting.

3 Declaration of Interest

Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

4 Public Reports

For Decision

- 4.1** Financial Update – Budget Offers 2021/22 from Partners – Report by Chief Finance Officer. 3 - 20

For Discussion

- 4.2** NHS Lothian Strategic Development Framework – Presentation by Strategic Programme Manager, NHS Lothian.

5 Private Reports

No private business submitted for this meeting.

6 Date of Next Meeting

The next meeting of the Midlothian Integration Joint Board will be held on:

- 8 April 2021 at 2 pm - **Midlothian Integration Joint Board**
- 13 May 2021 at 2 pm - **Development Workshop**

Please Note that immediately upon conclusion of this Special Board meeting there will follow a Development Workshop session; papers for which have been circulated to Board Members only under separate cover.

Midlothian Integration Joint Board



Thursday 11 March 2021, 2.00pm

Financial Update – Budget Offers 2021/22 from Partners

Item number: 4.1

Executive summary

This report is provided to keep the IJB informed about the formal budget offer for 2021/22 from Midlothian Council and the principles and intentions set out by NHS Lothian on their indicative proposed budget offer to the IJB next financial year.

Board members are asked to:

- *Consider and agree Midlothian Council's formal offer for 2021/22*
- *Consider and support the principles in the indicative NHS Lothian budget with a formal offer following in due course*

Financial Update - Budget Offers 2021/22 from Partners

1 Purpose

- 1.1 This report presents the Board with confirmation on the formal offer from Midlothian Council and the current indicative proposed budget offer and principles for 2021/22 from NHS Lothian.

2 Recommendations

- 2.1 As a result of this report Members are being asked to:-
- Agree and accept the formal Midlothian Council budget offer for 2021/22
 - Support the principles of the indicative budget from NHS Lothian based on an iteration of their Financial Plan reported to their Finance & Resources Committee on 20th January 2021 and recent correspondence

3 Background and main report

- 3.1 Midlothian Council issued a draft budget offer letter on 10th February which was subsequently agreed at Council committee on the 23rd February 2021, following which a formal budget offer letter was issued to the IJB.
- 3.2 This position is the formal offer from Midlothian Council and although no changes are expected we will monitor any further national budget outcomes. In particular discussions are ongoing between Scottish Government and COSLA regarding the Living Wage funding increase and if any additional funding is subsequently agreed this would be passed through to the IJB.
- 3.3 Details of the budget offer are noted in table below and a copy of the offer letter is included as Appendix 1 and confirmation letter in Appendix 2.

Midlothian Council Budget Offer to Midlothian Integration Joint Board	2021/22
	£000's
Base Budget	44,982
Additional Scottish Government Funding	1,071
Pay and other inflation	676
Demographic uplift	1,040
Other adjustments	-45
	47,724

Table 1: Budget Offer from Midlothian Council

- 3.4 The additional Scottish Government funding represents Midlothian's share of the national budget increase of £72.6m. This increase is for the uplift in Living Wage, Carers' Act and uprate of Free Personal Care. This is highlighted in the Scottish Government letter on the 28th January 2021 the 2021/22 Indicative Budget. The Pay Uplift represents an estimated 2.3% increase in the pay bill for the Council workforce.
- 3.5 As a reminder, the Council budget settlement for 2020/21 indicated that it was not to be assumed that the same level of funding would continue on a recurring basis into 2021/22 and the £1.04m uplift for demographic pressures should not be considered recurring funding. The budget offer now presented for 2021/22 is showing this demographic funding to continue next year.
- 3.6 Following the indicative allocation letter issued to NHS Boards on 28th January from Scottish Government, NHS Lothian has issued an indicative budget offer on 25th February to the IJB. NHS Lothian has for 2021/22, received uplift to its baseline funding of 1.5%.
- 3.7 The indicative budget offer from NHS Lothian to the IJB is shown below and a copy of the letter is included in Appendix 3. Recurrent budget is based on budget used in the January 2021 iteration of the NHS Lothian Financial Plan. This excludes General Medical Services (GMS) which is uplifted in a separate allocation. The formal offer will not be notified until early April 2021 after sign off by the NHS Lothian Board. The proposed Midlothian IJB budget offer from NHS Lothian is :

NHS Lothian Indicative Budget Offer to Midlothian Integration Joint Board	2021/22
	£000's
Midlothian IJB baseline recurrent (excluding GMS)	76,877
1.5% uplift on baseline	1,153
	78,030

Table 2: Indicative Offer from NHS Lothian

- 3.8 NHS Lothian is to pass through the 1.5% uplift in full to Midlothian IJB but at this stage their financial plan is not in balance for 2020/21 and the level of uplift is insufficient to meet all cost pressures in the system. We will monitor any further national budget outcomes also on the Health Board in particular the funding arrangements for Boards will be revisited by the Scottish Government in line with the outcome of the pay negotiations.
- 3.9 When comparing the NHS Lothian baseline recurring budget in 2020/21 with 2021/22 a reminder that £800k of recurring budget was transferred back to East Lothian HSCP which represented the repatriation of East Lothian patients and funding within the Rossbank ward in Midlothian Community Hospital.
- 3.10 The combined offers are shown below and represent a 3.2% increase in base budgets from 2020/21.

Midlothian Integration Joint Board Combined Budget	2021/22
	£000's
Midlothian Council	47,724
NHS Budget offer excluding GMS	78,030
Midlothian IJB baseline recurrent (excluding GMS)	125,754

Table 3: Overall IJB Indicative Budget for 2021/22

- 3.11 Both budget offers should be considered in context of the challenging financial climate both partners face, forecasted expenditure and the resulting financial gap. Similarly in line with the integration scheme the board should consider this offer in terms of “fair and adequacy” and respond to partners.
- 3.12 As reported to the IJB in February, it is expected that additional funding for COVID-19 related costs will continue in 2021/22.
- 3.13 In recent years a variety of additional funding has been allocated to Integration Authorities to support for example Primary Care Improvement, increased Mental Health Workforce as part of Scottish Government’s Mental Health Strategy and Alcohol and Drugs funding. These funding sources will continue, with some at an increased level, further details of increases will be confirmed when details are known. These initiatives are also included in the letter from Scottish Government mentioned above and a copy of this is included at Appendix 4.

4 Policy Implications

- 4.1 There are no policy implications from this report.

5 Directions

- 5.1 Directions will be issued for the budgets delegated to back to Midlothian Council and NHS Lothian. Directions for the utilisation of the IJB budget will be issued to NHS Lothian and Midlothian Council by the beginning of the new financial year.

6 Equalities Implications

- 6.1 There are no equalities implications from this report

7 Resource Implications

- 7.1 The resource implications are detailed above including best value and following the public £ considerations.

8 Risk

- 8.1 The “business as usual” risks raised by this report are already included within the IJB risk register.

8.2 Of particular note are:

- the extent to which COVID-19 costs will be met by the Scottish Government through the mobilisation planning process;
- delivery of the savings and recovery programme in line with projections; and
- That there will be no further waves of COVID-19;
- The impact of the EU withdrawal is unknown – and assumed to be cost neutral in our financial plans. Any additional related costs have no additional funding allocations attached to them at this stage.

The risks associated with the above are included within the IJB risk register.

9 Involving people

9.1 The IJB is held in public and its papers publicly available.

10 Background Papers

10.1 None

AUTHOR'S NAME	Claire Flanagan
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DATE	March 2021

Appendices:

Appendix 1 – Draft Letter from Midlothian Council indicating 2021/22 Allocation to Midlothian IJB

Appendix 2 - Letter from Midlothian Council Confirmation of 2021/22 Allocation to Midlothian IJB

Appendix 3 – Letter from NHS Lothian confirming indicative budget offer to Midlothian IJB

Appendix 4 – Letter from Scottish Government on Budget 2021/22 – Indicative Allocation



10 February 2021

Morag Barrow
Chief Officer
Midlothian Integration Joint Board
Fairfield House
8 Lothian Road
DALKEITH
EH22 3AA

Dear Morag

DRAFT ALLOCATION TO MIDLOTHIAN INTEGRATION JOINT BOARD 2021-22

I am writing in advance of this week's Board meeting to inform you of the draft allocation to the Midlothian IJB for 2021-22. I will in due course confirm this to you once the budget has been finalised and Council have approved the allocation.

The offer of funding amounts to £47.724 million and includes the Council's share of the additional £72.6 million of Scottish Government funding for the uplift in the Living Wage, Carers' Act and uprating of Free Personal Care.

The allocation is made up as follows:-

Base allocation	£44.982 million
Additional SG funding	£1.071 million
Demographic Uplift	£1.040 million
Pay and other inflation	£0.676 million
Other adjustments	(£0.045) million

Draft Allocation **£47.724 million**

In respect of Pay inflation the Business Transformation Steering Group recommendation to Council is to align the provisions in the 2021-22 budget with the Scottish Public Sector Pay Policy published on 28 January 2021. Our estimate is that this equates to a 2.3% uplift in the pay bill for the Council's Local Government Workforce.

You will note that an additional £1.040 million continues to be included for demographic pressures and in relation to this I would welcome the opportunity to

discuss how the IJB can work with the Council in improving outcomes within Early Years services.

I hope that you will find that the offer of funding reflects the Council's continued support to both the IJB and integration in general.

I would be grateful if you could advise by return if you foresee any issues with the proposed allocation for 2021-22 before Council reports for the Council meeting on 23 February 2021 are finalised. Otherwise I will set out the formal allocation proposed by Council after the meeting on the 23rd February 2021.

Yours sincerely

Gary Fairley
Chief Officer Corporate Solutions
gary.fairley@midlothian.gov.uk

cc Claire Flanagan, Chief Financial Officer Midlothian IJB
Ruth Nichols, Senior Accountant



23 February 2021

Morag Barrow
Chief Officer
Midlothian Integration Joint Board
Fairfield House
8 Lothian Road
DALKEITH
EH22 3AA

Dear Morag

ALLOCATION TO MIDLOTHIAN INTEGRATION JOINT BOARD 2021-22

I wrote to you on 10 February 2021 to set out the proposed allocation to the Board for 2021-22. This amounted to £47.724 million and I indicated that this was subject to approval by Council on 23 February 2021.

Following today's Council meeting I can now confirm that the allocation of £47.724 million has been agreed.

As discussed when we met last week I would welcome the opportunity to attend the next meeting of the Board to update members on the allocation in the context of the Council budget agreed today.

I would be grateful if you could confirm in due course Midlothian Integration Joint Board's acceptance of the 2021-22 allocation.

Yours sincerely

Gary Fairley
Chief Officer Corporate Solutions
gary.fairley@midlothian.gov.uk

cc Claire Flanagan, Chief Financial Officer Midlothian IJB
Ruth Nichols, Senior Accountant

By Email Only

Letter to Chief Officer & Chief Finance
Officer of Midlothian IJB

Date 4 March 2021

Your Ref

Our Ref

Enquiries to Craig Marriott

Extension 35543

Direct Line 0131 465 5543

Email Craig.Marriott@nhsllothian.scot.nhs.uk

Dear Colleagues,

MIDLOTHIAN IJB – INDICATIVE UPLIFT FOR 2021/22

Further to NHS Lothian's Finance and Resources (F&R) Committee on January 20th, I write to update you on the position relating to uplift to be allocated to Midlothian IJB by NHS Lothian in 2021/22.

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 10th of March, with final sign off at our Board meeting on the 7th April.

In total, and based on the indicative allocation communicated to Boards on the 28th of January from the Scottish Government (which remains subject to confirmation), NHS Lothian will receive an uplift allocation of 1.5% against baseline for 2021/22, equating to £23.1m.

For Midlothian IJB, the current (January) iteration of the Plan recognises a baseline recurrent budget (excluding GMS) of £76,877k. On this value, a 1.5% uplift equates to £1,153k and it is intended that this uplift will be allocated to the IJB in full.

At this stage, the Plan for Midlothian IJB shows the following additional resource requirements:

Pay Uplift	£1,073k
Remaining Uplift	£ 80k
Total of above	£1,153k

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 2021/22 (where these are agreed with CFOs), additional savings and

efficiencies identified and any further additional resources allocated. A final confirmatory update on 2021/22 budgets will be provided to you at this time.

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 2021/22 and the application of resources in support of financial balance. The Plan assumes that the balance remaining on health uplift will be retained to be prioritised against health service pressures.

I would be happy to have further discussion with your IJB in advance of the final confirmation on the application of health resources in 2021/22.

Yours sincerely

CRAIG MARRIOTT
Deputy Director of Finance



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Chief Executives, NHS Scotland

Copy to: NHS Chairs
NHS Directors of Finance
Integration Authority Chief Officers
Integration Authority Chief Finance Officers

Issued via email

28 January 2021

Dear Chief Executives

Budget 2021-22 – Indicative Allocation

Following the announcement of the Scottish Government's Budget for 2021-22 by the Cabinet Secretary for Finance in Parliament today, I am writing to provide details of the funding settlement for Health Boards. A breakdown of the total is provided in **Annex A** to this letter.

The immediate priority of the budget is to support our response to the pandemic and take forward delivery of the key ambitions set out in the Programme for Government.

The position set out in this letter is subject to any amendments agreed through the Scottish Parliament's Budget Bill process, and may also require to be updated to reflect the UK Government's Budget on 3 March. I will keep you up to date with any changes to your planning assumptions.

Baseline Funding

All Boards will receive a baseline uplift of 1.5%. In addition, those Boards furthest from NRAC parity will receive a share of £30.2 million, which will continue to maintain all Boards within 0.8% of NRAC parity.

In terms of pay, initial funding has been allocated in line with the Scottish Public Sector Pay Policy for planning purposes. This will be used as an anchor point in the forthcoming Agenda for Change pay settlement and funding arrangements for Boards will be revisited by the Scottish Government in line with the outcome of the pay negotiations.

The funding position continues to assume that the £15 million of National Board savings are fully delivered in 2021-22 and that further progress is made in National Boards collaborating to deliver service improvement and further savings. Whilst we have taken account of the

particular challenges in delivering this in full in 2020-21, I expect National Boards to identify sufficient recurring measures to address this position going forward.

Covid-19 Funding

Additional funding of £869 million will be provided to support the ongoing response to the pandemic, and we will develop our approach to allocating this funding on receipt of remobilisation plans due at the end of February. While we anticipate that further Covid funding will be provided by the UK Government, this tranche of funding should provide sufficient assurance for continuing with key programmes of work, such as vaccinations and Test and Protect.

Investment in Improving Patient Outcomes

In addition to the baseline funding uplift, a total of £595.9 million will be invested in improving patient outcomes in 2021-22, as set out below:

Improving patient outcomes	2020-21 Investment in reform (£m)	2021-22 Investment in reform (£m)	Increase for 2021-22 (£m)
Primary Care	205	250	45
Waiting Times	136	136	-
Mental Health and CAMHS	89	111.1	22.1
Trauma Networks	31	37.8	6.8
Drugs Deaths	11	61	50
TOTAL	472	595.9	123.9

When combining the £123.9 million increase in investment in reform with an increase of £193 million in baseline funding for frontline NHS Boards, the total initial additional funding for frontline NHS Boards will amount to £316.9 million (2.8 per cent) in 2021-22. Further detail is set out in **Annex A**.

Full details of the method of allocation and evidence of delivering against agreed outcomes will be set out by individual policy areas.

Core Areas of Investment

Primary Care

Investment in the Primary Care Fund will increase to £250 million in 2021-22. This will support the delivery of the new GP contract and wider Primary Care reform and continued development of new models of primary care.

We will maintain Covid-19 funding support for Community Hubs while they are still required. This is alongside our continued support for multi-disciplinary teams, which are supporting GPs to fulfil their role as expert medical generalists in the community.

Support for Waiting Times

Investment of £136 million will again be provided for investment in addressing waiting times. Whilst progress had been made in reducing waiting times in recent years, the response to the pandemic has interrupted this progress. In addition to this funding, we will consider the provision of further funding beyond this level in order to support the remobilisation of elective care as part of NHS Board remobilisation plans and reduce the backlog.

Included within the funding is £136 million, is £10 million for winter 2021-22, to allow Boards maximum opportunity to plan as appropriate.

Mental Health and CAMHS

Funding of £111.1 million will be directed to a range of partners for investment to support mental health, and children and young people's mental health. This funding will underpin our continued approach to improving mental health services and support for children, young people and adults.

As part of the 2021-22 budget we are providing £15 million to support the continued establishment of new Community Mental Health and Wellbeing Services. While the pandemic has had an impact on the planning and development of those services, we are working with local authorities to ensure they are ready to start supporting children, young people and their families as soon as possible, with support available across all 32 local authorities in 2021.

The Mental Health Transition and Recovery Plan outlines the Scottish Government's response to the mental health impacts of COVID-19 and further funding will be provided from the £869 million COVID-19 funding to support Boards and Integration Authorities in meeting these challenges.

Trauma Networks

This funding will increase from £31 million to £37.8 million, taking forward the implementation of the major trauma networks.

Alcohol and drugs

The 2021-22 Portfolio budget provides an additional £50 million targeted towards reducing drugs deaths. This forms part of a total of funding of £250 million over the next five years and will support further investment in a range of community-based interventions, including primary prevention and expansion of residential rehabilitation.

Reform Funding

This budget prioritises baseline funding, along with increased investment in particular areas of reform that will improve patient outcomes and funding for the response to the Covid pandemic. We will however continue to work with colleagues to agree investment in specific programmes of work, as well as in-year funding to support the strategies of NHS 24 and Scottish Ambulance Service, which will have a wider benefit to the sector.

Health and Social Care Integration

In 2021-22, NHS payments to Integration Authorities for delegated health functions must deliver an uplift of at least 1.5% over 2020-21 agreed recurring budgets.

In addition to this, and separate from the Board Funding uplift, the Health Portfolio will invest a further £72.6 million in Local Authorities for investment in adult social care and integration. This takes the total funding transferred from the health portfolio to £883 million in 2021-22. The additional £72.6 million will support delivery of the Living Wage (£34 million), continued implementation of the Carers Act (£28.5 million) and uprating of free personal care (£10.1 million).

The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2020-21 recurring budgets for adult social care services that are delegated.

Therefore, Local Authority adult social care budgets for allocation to Integration Authorities must be £72.6 million greater than 2020-21 recurring budgets.

Capital Funding

Boards should assume an unchanged initial capital formula allocation, with additional investment planned for the elective centres and Baird Family Hospital and Anchor Centre in Aberdeen.

2021/22 Financial Plan

We will continue to engage with Boards to finalise Remobilisation Plans and the development of one year financial plans and I hope the information contained in this letter is helpful in the finalising of these plans. We plan to revisit three year financial plans when the NHS is no longer on an emergency footing.

Yours sincerely

Richard McCallum

Interim Director of Health Finance and Governance

Annex A – Board Funding Uplifts

NHS Territorial Boards	2020-21 Allocation	Recurring Allocations	Total 2020-21 Allocation	Uplift incl NRAC	Uplift incl NRAC	2021-22 Total Allocation	NRAC Funding	Distance from NRAC parity
	£m	£m	£m	£m	%	£m	£m	%
Ayrshire and Arran	762.4	(0.6)	761.8	12.7	1.7%	774.5	1.2	-0.8%
Borders	219.8	(0.4)	219.4	3.3	1.5%	222.7	-	-0.8%
Dumfries and Galloway	316.1	(0.3)	315.8	4.7	1.5%	320.6	-	1.5%
Fife	701.5	(1.3)	700.2	12.4	1.8%	712.6	1.9	-0.8%
Forth Valley	558.7	(1.0)	557.7	11.8	2.1%	569.4	3.4	-0.8%
Grampian	1,013.5	(0.8)	1,012.7	15.2	1.5%	1,027.9	-	0.1%
Greater Glasgow and Clyde	2,364.7	(2.0)	2,362.7	35.4	1.5%	2,398.1	-	1.8%
Highland	666.0	(0.6)	665.5	26.4	4.0%	691.9	16.4	-0.8%
Lanarkshire	1,268.1	(1.1)	1,267.1	19.0	1.5%	1,286.1	-	-0.8%
Lothian	1,540.1	0.4	1,540.5	29.0	1.9%	1,569.5	5.9	-0.8%
Orkney	52.6	(0.0)	52.6	2.2	4.2%	54.8	1.4	-0.8%
Shetland	53.9	(0.0)	53.8	0.8	1.5%	54.6	-	0.4%
Tayside	808.5	(0.7)	807.8	12.1	1.5%	819.9	-	-0.8%
Western Isles	80.0	(0.1)	79.9	1.2	1.5%	81.1	-	10.6%
	10,405.9	(8.5)	10,397.5	186.2	1.8%	10,583.7	30.2	
NHS National Boards								
National Waiting Times Centre	60.0	-	60.0	0.9	1.5%	60.9		
Scottish Ambulance Service	278.4	1.1	279.5	4.2	1.5%	283.7		
The State Hospital	37.6	-	37.6	0.6	1.5%	38.1		
NHS 24	72.7	-	72.7	1.1	1.5%	73.8		
NHS Education for Scotland*	461.5	0.2	461.7	9.9	2.1%	471.7		
NHS National Services Scotland	327.7	8.7	336.4	5.0	1.5%	341.4		
Healthcare Improvement Scotland	26.3	0.9	27.1	0.4	1.5%	27.5		
Public Health Scotland	47.9	-	47.9	0.7	1.5%	48.6		
Nationals Total	1,312.1	11.0	1,323.1	22.8	1.7%	1,345.9		
Total NHS Boards	11,718.0	2.5	11,720.6	209.1	1.8%	11,929.6		
Improving Patient Outcomes	472.0		472.0	123.9		595.9		
Total Frontline NHS Boards**	11,326.6	(7.3)	11,319.3	316.9	2.8%	11,636.2		

*The uplift for NHS Education for Scotland includes recurring funding for training grades

** Frontline NHS Boards comprise the 14 NHS Territorial Boards, National Waiting Times Centre, Scottish Ambulance Service, State Hospital and NHS 24

