



**Midlothian Integration Joint Board**  
**Three year outline financial plan**  
**2018/19, 2019/20, 2020/21**

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### **Three year outline Financial Plan 2018/19, 2019/20, 2020/21**

#### **1. Introduction**

This is the first, draft high level multi year financial plan for the IJB. It shows the totality of the resources that will be available to the IJB and then how the IJB will use these resources to deliver its Strategic Plan.

The use of these resources is laid out on a programme basis and the resources available to each programme in each year shows the intent of the IJB to either invest or disinvest in the overall resources available to each programme.

The operational management teams of the partners will be asked to prepare service budgets that fit into the overall programme envelope. The opening financial plan below is based on the indicative recurrent budgets built up on a service basis, however it may be that the later iterations of the plan will use a zero-based budgeting approach to build up service budgets from scratch but that has not been done at this time.

It should be noted that this plan has been prepared based on the current information provided by the partners which pre-dates the Scottish Government's announcement of their financial settlement for 2018/19. The partners are preparing further information for the IJB to reflect the 2018/19 financial settlement and a further iteration of this plan will be prepared before the end of this (2017/18) financial year

The plan is prepared for the next three financial years and is based on information provided by the partners. That information shows an indicative allocation for the IJB along with a subsidiary analysis of the financial pressures, the financial pressures being pay wards, contractual uplifts and operational pressures. This financial analysis has been used to show an indicative financial pressure in the 2018/19 budget position.

#### **2. Detailed Assumptions.**

- 2.1 The resources available are based on the current status of the partners' financial plans. These do not take account of any additional health resources as indicated by the Scottish Government in their 2018/19 draft budget. The resources are net of client contributions and other income – the IJB has no authority over charges made by either partner.
- 2.2 The programmes are based on the recurrent service budgets which have been grouped together into programmes, these programmes are described further below. The programmes are services that provide care for that

category of individual and will be provided by both NHS Lothian and Midlothian Council.

- 2.3 In principle the budget against each programme indicates the total amount of the resources that the IJB will use to support the delivery of that programme.
- 2.4 The operational units will be required to lay out delivery budgets that, in accordance with the IJB's financial strategy that will deliver the IJB's delegated functions
- 2.5 The Primary Care programme consists of :-
  - Budgets for the operation of GP Practices across Midlothian (GMS)
  - The IJB's share of a range of support to the GMS budgets which is managed on a corporate basis
  - Budgets for the GP prescribing

It should be noted that the costs of the delivery of the General Pharmaceutical Services, General Dental Services and General Ophthalmic Services do not have budgets as such and are not included in the Primary Care Programme

### **3. Financial Plan**

- 3.1 This is the start of an iterative process and the next steps (see below) identify the further work that requires to be undertaken.
- 3.2 The plan shows the recurrent budgets (expressed in programmes) along with the indicative financial pressures as extracted from the partner's financial planning systems.
- 3.2 There are, in this plan, apparently no further investments in Primary Care. This is function of this particular model and will not be the case in reality. As the Midlothian population increases, the national formula to distribute the national GMS resource will increase the funds to Midlothian. The Scottish Government has also committed to an increase in Primary Care funding over the next few years of c. £250m nationally. As these funds are made available to the IJB, they will be invested in Primary Care services.

## 4. Outline Financial Plan

### 4.1 – Extract from current operational indicating Financial Pressures

Programme	18/19 Budget	18/19 Proj. Exp	18/19 Proj. Variance	19/20 Budget	19/20 Proj. Exp	19/20 Proj. Variance	20/21 Budget	20/21 Proj. Exp	20/21 Proj. Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Older Peoples Services	28,547	29,495	-948	28,996	30,093	-1,097	28,844	30,687	-1,843
Children's Services	1,368	1,429	-60	1,378	1,457	-79	1,388	1,485	-97
Learning Disabilities	15,281	15,678	-397	15,333	15,806	-472	14,985	15,935	-949
Physical Disabilities	3,827	3,724	103	3,831	3,737	94	3,834	3,750	84
Mental Health	8,630	8,860	-231	8,674	9,066	-393	8,651	9,270	-619
Primary Care	31,476	33,926	-2,449	31,485	35,025	-3,541	31,494	36,190	-4,696
Other	8,896	7,988	908	8,990	8,204	786	9,084	8,356	729
Acute Set Aside	17,605	18,833	-1,228	17,716	19,439	-1,722	17,827	20,049	-2,221
Social Care Fund & Integrated Care Fund	6,223	6,336	-113	6,223	6,366	-144	6,223	6,398	-175
Substance Misuse	1,025	1,121	-97	1,051	1,168	-117	1,078	1,216	-139
	<b>122,879</b>	<b>127,390</b>	<b>-4,511</b>	<b>123,677</b>	<b>130,361</b>	<b>-6,684</b>	<b>123,409</b>	<b>133,335</b>	<b>-9,926</b>

#### Notes :-

1. The totality of the budget is the totality of the resources available to the IJB per the partners most recent financial plans. A formal financial assurance process will be undertaken to examine the individual offers. These values are indicative.
2. The apparent 'benefit' in other is largely the brought forward element of health efficiencies from previous years. These resources will be used as part of the 2018/19 budget setting process

## **5. Management of Financial pressures**

The financial strategy lays out an approach to redesign and this approach will be used to redesign the services in line with the resource envelop as above.

However, it can be seen from the first version of the analysis above that the two largest elements of pressure lie within Primary Care and Set Aside.

- The Primary Care pressure is GP prescribing, this being generated by a non-recurrent investment in 2017/18 budget and projected increased growth in future years. The Partnership is working with the Partners to identify if any further recurrent resources are available to underpin this pressure and with GPs who are considering a 'de-prescribing' exercise which will reduce demand and therefore prescribing costs. It may be that further efficiencies will have to be delivered, however, to underpin prescribing resources
- The Set Aside position requires further analysis. Although Set Aside services have a significant staffing element (and therefore cost pressures are generated by pay awards in excess of funding uplifts) there are a further range of pressures which the IJB will require to understand further. The IJB has already directed that it will not support additional investments in Set Aside and it will expect resources (and cost pressures) to be released as the IJB's Acute Bed usage reduces.

## **6. Programmes**

The programmes are as follows and include both health and social care budgets -

- Older People – social care and health services for older people, including beds in the Midlothian Lothian Community Hospital, Care Home beds and district nursing.
- Children's Services – only Health Visiting services are currently delegated to the IJB. These are considered to be the only children's services
- Learning Disabilities – social care and health services for individuals with learning disabilities – much of the health services are currently provided corporately by NHS Lothian (including beds at the REH) although the community element of these services is currently being transferred to the Partnership.
- Physical Disabilities –health services for individuals with physical disabilities largely services delivered on the Astley Ainslie Hospital site
- Mental Health - social care and health services for individuals with mental health issues including acute and rehabilitation beds at the REH.
- Primary Care – this is described above and does not include non-cash limited services (GOS, GPS and GDS)

- Other – costs of management administration and planning and Public Protection and Criminal Justice for the Partnership. The IJB's share of Dental, Dietetics, Arts Therapies, Smoking Cessation, Family Planning and Podiatry services. There are also a range of budgets for the support to voluntary organisations.
- Acute Set Aside – the delegated services are :-
  - A & E (outpatients)
  - Cardiology
  - Diabetes
  - Endocrinology
  - Gastroenterology
  - General Medicine
  - Geriatric Medicine
  - Infectious Disease
  - Management
  - Rehabilitation Medicine
  - Respiratory Medicine
  - Therapies
- Integrated Care Fund /Social Care Fund – although much of the SCF is currently invested in supporting increased service delivery costs (living wage etc), the IJB wished to retain a governance overview of this investment.
- Substance Misuse Services – health and social care services to support those individuals with misuse issues with drugs and alcohol, including MELDAP.

## **7. Next Steps**

As was discussed above this is the start of an iterative process. Ideally the plan should reflect changes in investments and changes in priorities expressed in financial terms with a direction of travel obvious over the period of the plan and showing (if applicable) movements between programmes. The following steps are required :-

- Consideration of the delivery of efficiencies laid out above within the current position
- Consideration of prioritisation of the overall resources available to the IJB.
- Engagement with partners and discussion of any reprioritisation of IJB resources
- Engagement from the operational teams regarding their proposals and agreement to deliver services within the agreed financial envelope.
- Further mapping the revised financial plan onto the directions
- Improved financial monitoring and management in year in terms of cost and delivery

- Improved financial monitoring in terms of outcomes.