

By Email Only

Letter to Chief Officer & Chief Finance
Officer of Midlothian IJB

Date 10 March 2022
Your Ref
Our Ref

Enquiries to Craig Marriott
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Dear Colleagues,

MIDLOTHIAN IJB – INDICATIVE UPLIFT FOR 2022/23

Further to NHS Lothian's Finance and Resources (F&R) Committee on January 17th, I write to update you on the position relating to uplift to be allocated to Midlothian IJB by NHS Lothian in 2022/23.

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 21st of March, with final sign off at our Board meeting on the 6th April. The figures shared with you at this stage are therefore indicative until the final Plan has been agreed, and the final SG uplift settlement has been confirmed after the pay uplift for 22/23 is resolved.

In total, and based on the indicative allocation communicated to Boards on the 9th of December from the Scottish Government, NHS Lothian will receive an uplift allocation of 2% against baseline for 2022/23, equating to £31.9m. 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 January Committee recognised a budget of £91,446k for Midlothian IJB. Net of GMS (which will receive a separate uplift allocation) the total recurring budget equates to £78,658k, although this still includes elements of budget beyond the baseline.

The total proportionate share of the £31.9m to be passed through to Midlothian IJB has been calculated at £1,480k. 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	£ 867k
Balance of Uplift	<u>£ 613k</u>
Total Uplift	£1,480k

Headquarters
Waverley Gate
2-4 Waterloo Place
Edinburgh EH1 3EG

Chair Brian G. Houston
Chief Executive Tim Davison

*Lothian NHS Board is the common
name of Lothian Health Board*

In addition to this allocation, the SG has provided a further allocation to meet the additional costs of employer national insurance. Our intention is to ensure all parts of the NHS system will be fully funded to meet increases in actual costs. We will keep you updated in this regard.

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 2022/23 (where these are agreed with CFOs), additional savings and efficiencies identified and any further additional resources allocated. A further update on 2022/23 budgets will be provided to you at this time. We would also reiterate that the pay award for 22/23 has yet to be finalised, and there may yet be additional funding due to Boards (and IJBs) as a result of any additional resource released to accommodate any pay agreement. We will of course keep you updated with developments.

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 2022/23 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 2022/23.

Yours sincerely

CRAIG MARRIOTT
Deputy Director of Finance