

Midlothian Integration Joint Board



Thursday, 13th April 2023, 14:00-16:00

Finance Update – Budget Offers from Partners for 2023/24

Item number: 5.4

Executive summary

This report is to provide the IJB with the formal budget offer for 2023/24 from NHS Lothian. The report also provides the IJB with the recommendations from the March IJB paper on budget offers.

Members are asked to:

- *Agree and accept the budget offer from NHS Lothian*
 - *Agree the recommendation from the March IJB budget paper to not accept the IJB budget offer from Midlothian Council for 2023/24*
 - *Note the update from Midlothian Council on the support from their Capital Planning Board with capital funding for the one-off purchase of digital alarms, subject to Council.*
-

Midlothian Integration Joint Board

Finance Update – Budget Offers from Partners for 2023/24

1 Purpose

- 1.1 This report presents the Board with confirmation on the formal budget offer to the IJB from NHS Lothian.
- 1.2 The report also includes the budget paper and appendices from the 16th of March IJB meeting on the budget offer from Midlothian Council.
- 1.3 Finally, the report also asks members to note the conciliatory and collegiate approach by Midlothian Council, in response to Marchs IJB discussion to finding a non-recurring solution to support bridging the budget reduction in 2023/24 with welcomed capital funding.

2 Recommendations

- 2.1 As a result of this report, Members are asked to:
 - Agree and accept the budget offer from NHS Lothian
 - Agree the recommendations from the March IJB budget paper to not accept the IJB budget offer from Midlothian Council for 2023/24
 - Note the update from Midlothian Council on the support from their Capital Planning Board with capital funding for the one-off purchase of digital alarms, subject to Council approval on the 9th of May 2023.

3 Background and main report

- 3.1 NHS Lothians Board met on Wednesday 5th April 2023 and approved their financial plan and as a result we now have the formal budget offer from NHS Lothian to the IJB. The indicative offer and principles were shared at the IJBs meeting in March. The formal offer remains consistent with the indicative offer. The offer is shared at figure 1 and the letter is attached at Appendix 1

	£m
Full year recurring budget	92.7
Additional resources	
Base Uplift @ 2%	1.5
Other	0.7
	2.2
2023/24 Allocation	94.9

Fig 1: NHS Lothian budget offer to the IJB

- 3.2 The budget offer from NHS Lothian follows the Scottish Governments parameters laid out in their letter dated 15th December 2022 and should be considered in the context of NHS Lothians challenging financial position.
- 3.3 The formal budget offer from Midlothian Council was presented at the March IJB meeting the March budget paper and appendices are included at appendix 2 and overall, this would make the IJB total budget for 2023/24 £151.6m

Midlothian Integration Joint Board	2023/24
	£m
Midlothian Council	56.6
NHS Lothian	94.9
Midlothian IJB	151.6

Fig 2: combined IJB budget

- 3.4 Given the instruction from Scottish Government to Councils to pass across funding to their IJBs and for this funding to be additional and not substitutional to 2022/23 IJB recurring budgets. It is recommended that the Board do not accept the reduced budget offer from Midlothian Council.
- 3.5 However, the IJB should note the update from Midlothian Council. Midlothian Councils Capital Planning Board have recently supported the funding request for the one-off purchase of digital alarms. This capital funding will be subject to Council approval in May 2023. This revised approach will support the IJB during 2023/24 to mitigate the financial challenge associated with the significant reduction in the budget offer.

4 Policy Implications

- 4.1 There are no policy implications from this report.

5 Directions

- 5.1 There is no implication for Direction at this stage.

6 Equalities Implications

- 6.1 There are no equalities implication from this report at this stage.

7 Resource Implications

7.1 The resource implication is laid out above.

8 Risk

8.1 The risks raised by this report are included within the IJB risk register

9 Involving people

9.1 The IJB papers are publicly available.

10 Background Papers

None

AUTHOR'S NAME	Claire Flanagan
DESIGNATION	Chief Finance Officer
CONTACT INFO	claire.flanagan@nhslothian.scot.nhs.uk
DATE	April 2023

Appendices:

Appendix 1: Midlothian IJB Budget Letter 2023/24 from NHS Lothian

Appendix 2: Midlothian IJB March paper on Budget offers from partners

Appendix 2a: Midlothian IJB Letter 2023/24 from Midlothian Council

Appendix 2b: Midlothian IJB Indicative Budget Letter 2023/24 from NHS Lothian

Appendix 2c: Draft Financial Recovery Plans Summary 2023/24

Appendix 2d: Draft IJB Reserves Position

Appendix 2e: Financial Recovery Plans Summary 2023/24