

Midlothian Integration Joint Board - Delegation of Resources 2016/17**Report by Eibhlin McHugh, Joint Director, Health and Social Care****1 Purpose of Report**

The purpose of this report is to confirm approval for the anticipated final level of resources to be provided by the Council to the Midlothian Integration Joint Board (MIJB) for financial year 2016/17.

Specifically it seeks to:-

- a) Formalise the adjustment to the resources provided to the MIJB in 2016/17 as part of the operation of the Council's Scheme of Devolved Budget Management;
- b) Confirm the allocation of additional resources to the MIJB in the year to fund the pressures faced by Health and Social Care as reported to Council during the year.

2 Background

In accordance with the Integration Scheme the Council delegated responsibility for Adult Social Care to the MIJB from 1 April 2016 and accordingly allocated £37.086 million to it for 2016/17.

During 2016/17 financial year Council had received a series of reports to update members on the financial assurance work carried out in relation to the delegation of resources to the MIJB and the funding pressures for Adult Social Care have been set out in the Financial Overview reports to Council.

3 Near Final Council Position

The cost of commissioning services delegated from the Council to the MIJB in the year is expected to be £38.237 million. Given that the MIJB has no reserves it has no means to fund this additional expenditure.

Such circumstances were recognised in the Integration Scheme and accordingly the Council (and equally NHS Lothian in respect of delegated Health functions) is committed through a risk sharing protocol to provide the additional funding to the MIJB to mitigate the additional spend.

This will require that the Council provide the MIJB with an estimated additional resource of £1.151 million in 2016/17. Of this £0.409 million is as a consequence of year end flexibility arrangements with £0.742 million relating to the in-year overspend on the commissioning of delegated Adult Social Care functions.

Also as part of the year end flexibility arrangements the Council will retain £1.180 million in earmarked reserves at 31 March 2017 which will be released to the MIJB in 2017/18 for the provision of delegated services.

As a consequence the near final anticipated cost to the Council in 2017/18 for delegated services is projected to be £ 0.742 million greater than provided for in the budget.

This represents reduction of £0.666 million from the projected overspend reported on 7 February 2017, principally as a consequence of lower than anticipated resource panel spend and a reduction in non-demand led spend. Fuller details of expenditure incurred in 2016/17 will be set out in the Final Outturn report which will be presented to Council on 27 June 2017.

4 Report Implications

4.1 Resource

The financial pressures on delegated functions have been reported to Council and reflected in the Council's projected reserves position. The final outturn position is an improvement of £0.666 million from that previously reported to Council.

This report seeks approval to formally delegate the additional resources to the MIJB.

4.2 Risk

The Council and NHS Lothian continue to manage risk according to their own established policies and arrangements have been developed to manage these risks through the MIJB arrangements.

In the absence of the delegation of the additional resources set out in this paper the MIJB would carry a deficit into 2017/18, for which there is no provision in the Integration Scheme.

4.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☐ Community safety
- ☒ Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☐ Improving opportunities in Midlothian
- ☐ Sustainable growth
- ☐ Business transformation and Best Value

☐ None of the above

4.4 Key Priorities within the Single Midlothian Plan

The creation of new arrangements for Health and Social Care is consistent with one of the key findings of the Christie Commission that “public services work effectively together to achieve outcomes”.

4.5 Impact on Performance and Outcomes

n/a

4.6 Adopting a Preventative Approach

The Risk Management approach being taken by the Council is founded on a preventative approach to managing risks where appropriate and more generally greater risk awareness.

4.7 Involving Communities and Other Stakeholders

Consultation has taken place with the Chief Officer and Chief Financial Officer of the MIJB.

4.8 Ensuring Equalities

There are no equalities issues arising from this report.

4.9 Supporting Sustainable Development

There are no environmental sustainability issues arising from this report.

4.10 IT Issues

There are no IT issues arising from this report.

5 Summary

Delegation of financial resources to the MIJB took effect from 1 April 2016. This report seeks approval to formalise the position for 2016/17 by approving the delegation of an estimated additional £1.151 million as set out in section three. This results in a total delegation of resources for 2016/17 of £38.237 million.

6 Recommendations

Council is recommended:

- a) To approve the delegation of additional resources, estimated at £1.151 million, to the MIJB for 2016/17 for the provision of delegated functions;
- b) To note that the final outturn position is an improvement of £0.666 million from that previously reported to Council on 7 February 2017.

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Background Papers: