

INTEGRATION JOINT BOARD – FUNDING REQUEST

1. EXECUTIVE SUMMARY

- 1.1 Two letters have been received from the Chief Officer, Argyll and Bute Health and Social Care Partnership at the request of the Integrated Joint Board (IJB) requesting additional funding for the additional costs in respect of implementing the Living Wage from 1 October 2016 and the unachievable savings due to the pause in the redesign of services at Struan Lodge and Thomson Court.
- 1.2 In respect of implementing the Living Wage, a detailed costing and negotiation exercise has taken place which involved Council staff from both Procurement and Strategic Finance. The outcome is that the actual cost of implementing the Living Wage is £0.110m greater than the original estimate of £1.3m and the IJB are requesting that the Council increase the 2016-17 recurring baseline budget allocation to the IJB by this amount. As this funding is linked to the settlement conditions it is recommended that Members approve this request.
- 1.3 The IJB have now taken the decision to pause the redesign of services in Struan Lodge and Thomson Court for a period of 6 months to allow for community engagement and involvement to be carried out. The financial implication of this decision is that the anticipated saving for 2016-17 of £0.185m will now not be achievable. The IJB are looking to the Council to fund the cost of pausing this redesign with one-off funding for 2016-17 only. As with in year pressures that arise from other Council services, it is my recommendation that Members ask the IJB to look for alternative savings and report back to the Council later in the financial year.
- 1.4 The Scheme of Integration sets down a number of points in respect of Finance and it is noted that a recovery plan should be prepared with the aim of bringing the forecast expenditure back into line with budget for the current year. This should be submitted to the Council and NHS. Where the recovery plan is unsuccessful ~~the~~ year.to

Fund Balance.

- b) not approve an additional payment of £0.185m in respect of the decision to pause the redesign of service in Struan Lodge and Thomson Court for a period of 6 months on the basis that the IJB should look for alternative savings options and report back later in the financial year.

It is further recommended that

ARGYLL AND BUTE COUNCIL

POLICY AND RESOURCES COMMITTEE

STRATEGIC FINANCE

15 DECEMBER 2016

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2. INTRODUCTION

2.1 Two letters have been received from the

- Half provided to support additional spend on expanding social care to support the objectives of integration, including through making progress on charging thresholds for all non-residential services to address poverty. This additionality reflects the need to expand capacity to accommodate growth in demand for services as a consequence of demographic change.
- Half provided to help meet a range of existing costs faced by local

than the original estimate of £1.3m and the IJB are requesting that the Council increase the 2016-17 recurring baseline budget allocation to the IJB by this amount. As this funding is linked to the settlement conditions it is recommended that Members approve this request.

- 4.1.7 The additional funding for 2016-17 will require to be funded from reserves. The recurring cost has already been built into the budget outlook from 2017-18 and is therefore included in the reported funding gap.
- 4.1.8 It should be noted that there are currently ongoing negotiations for additional integration funding in order to pay for the full year effect of the living wage (funding was only provided to implement from 1 October last year), the inflation of the Living Wage from £8.25 to £8.45, clarity over the 25% provider contribution and also sleepovers. It is highly likely that an element of funding will be agreed but the quantum has still to be determined.
- 4.1.9 The letter from the Chief Officer of the Argyll and Bute Health and Social Care Partnership at the request of the IJB in respect of the Living Wage is included as Appendix 1.

4.2 Struan Lodge and Thomson Court

- 4.2.1 The IJB agreed a Quality and Financial Plan for 2016-17 and this included savings options in respect of Struan Lodge and Thomson Court. There was no community engagement or involvement on the savings options, partly due to the time pressure to deliver savings for 2016-17 and this has seen significant representation from both the public and politicians.
- 4.2.2 The IJB have now taken the decision to pause the redesign of services in Struan Lodge and Thomson Court for a period of 6 months to allow for community engagement and involvement to be carried out and the outcome will be part of the Quality and Financial Plan process for 2017-18 and 2018-19.
- 4.2.3 The financial implication of this decision is that the anticipated saving for 2016-17 of £0.185m will now not be achievable. The IJB are looking to the Council to fund the cost of pausing this redesign with one-off funding for 2016-17 only.
- 4.2.4 If a forecast overspend situation arises within Council departments, the Council department in the first instance would be expected to find alternative savings within their department to fund any overspend. Only after they have exhausted all opportunities at the end of a financial year would a request for a supplementary estimate be made.
- 4.2.5 It is my recommendation that Members ask the IJB to look for alternative savings and report back to the Council later in the financial year. This is also in line with the Scheme of Integration, as noted later in this report.

4.2.6 The letter from the Chief Officer of the Argyll and Bute Health and Social Care Partnership at the request of the IJB in respect of Struan Lodge and Thomson Court is included as Appendix 2.

4.3 Scheme of Integration

4.3.1 In reporting the financial position of the Health and Social Care Partnership, two relevant points from the Scheme of Integration are noted below:

- 8.1.6 - The Chief Financial Officer of Argyll and Bute Integration Joint Board will work with the Council Section 95 Officer and NHS Highland Director of Finance to ensure the Council and NHS Highland are kept informed on the financial position, performance and plans of Argyll and Bute Integration Joint Board.
- 8.2.17 - Any potential deviation from the planned outturn should be reported to Argyll and Bute Integration Joint Board, the Council and NHS Highland at the earliest opportunity.

4.3.2 The Scheme of Integration goes onto outline what should happen in the event of a forecasted overspend:

- 8.2.18 - Where it is forecast that an overspend will arise then the Chief Officer and Chief Financial Officer of Argyll and Bute Integration Joint Board will identify the cause of the forecast overspend and prepare a recovery plan setting out how they propose to address the forecast overspend and return to a cause568Tj ()Tj 14.r(po(is)Tj ()Tj 13)Tj 15.23

