



<p>Meeting of East Renfrewshire Health and Social Care Partnership</p> <p>Held on</p>	<p>Integration Joint Board</p> <p>16 March 2022</p>
<p>Agenda Item</p>	<p>8</p>
<p>Title</p>	<p>Revenue Budget 2022/23</p>
<p>Summary</p> <p>To provide the Integration Joint Board (IJB) with a proposed 2022/23 Revenue Budget. The IJB is asked to note that some of the assumptions within this budget are subject to future revision and refinement based on the caveats identified in the report.</p>	
<p>Presented by</p>	<p>Lesley Bairden, Head of Finance and Resources (Chief Financial Officer)</p>
<p>Action Required</p> <p>The Integration Joint Board is asked to:</p> <ul style="list-style-type: none"> • Accept the expected budget contribution of £63.842 million from East Renfrewshire Council (£60.141 million confirmed with a further £3.701 to be allocated as budget redeterminations from the Scottish Government). • Accept the £0.614 million for Community Justice expenditure funded by grant via East Renfrewshire Council, subject to uplifts to this grant funding. • Accept the delegated budget for aids and adaptations of £0.4 million. • Accept the indicative budget contribution of £78.245million from NHS Greater Glasgow and Clyde (£77.018 million agreed and £1.227 million further funding expected), subject to due governance by the health board. • Accept the indicative set aside budget contribution of £37.653 million from NHS Greater Glasgow and Clyde. • Agree that directions are issued to East Renfrewshire Council and NHS Greater Glasgow and Clyde confirming the acceptance of the budget. • Agree the continued implementation of the Real Living Wage uplift to our partner providers including the increase in national insurance rates. • Note that the ongoing risks associated with the Covid-19 response and recovery and associated financial implications will continue to be reported through the regular revenue monitoring reporting to the IJB. 	
<p>Directions</p> <p><input type="checkbox"/> No Directions Required</p> <p><input type="checkbox"/> Directions to East Renfrewshire Council (ERC)</p> <p><input type="checkbox"/> Directions to NHS Greater Glasgow and Clyde (NHSGGC)</p> <p><input checked="" type="checkbox"/> Directions to both ERC and NHSGGC</p>	<p>Implications</p> <p><input checked="" type="checkbox"/> Finance</p> <p><input type="checkbox"/> Policy</p> <p><input checked="" type="checkbox"/> Workforce</p> <p><input checked="" type="checkbox"/> Equalities</p> <p><input checked="" type="checkbox"/> Risk</p> <p><input type="checkbox"/> Legal</p> <p><input type="checkbox"/> Infrastructure</p> <p><input type="checkbox"/> Fairer Scotland Duty</p>

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD

16 March 2022

Report by Chief Financial Officer

REVENUE BUDGET 2022/23

PURPOSE OF REPORT

1. To provide the Integration Joint Board with a proposed revenue budget for 2022/23.

RECOMMENDATIONS

2. The Integration Joint Board is asked to:
 - Accept the expected budget contribution of £63.842 million from East Renfrewshire Council (£60.141 million confirmed with a further £3.701 to be allocated as budget redeterminations from the Scottish Government).
 - Accept the £0.614 million for Community Justice expenditure funded by grant via East Renfrewshire Council, subject to uplifts to this grant funding.
 - Accept the delegated budget for aids and adaptations of £0.4 million.
 - Accept the indicative budget contribution of £78.245million from NHS Greater Glasgow and Clyde (£77.018 million agreed and £1.227 million further funding expected), subject to due governance by the health board.
 - Accept the indicative set aside budget contribution of £37.653 million from NHS Greater Glasgow and Clyde.
 - Agree that directions are issued to East Renfrewshire Council and NHS Greater Glasgow and Clyde confirming the acceptance of the budget.
 - Agree the continued implementation of the Real Living Wage uplift to our partner providers including the increase in national insurance rates.
 - Note that the ongoing risks associated with the Covid-19 response and recovery and associated financial implications will continue to be reported through the regular revenue monitoring reporting to the IJB.

BACKGROUND

3. This report is a continuation of regular revenue budget and revenue budget monitoring reports to the IJB to inform the board of its financial position. This report sets out a proposed budget for 2022/23 in line with information presented at the IJB budget seminar on 31st January 2022.
4. The Scottish Government announced its draft budget on 9th December 2021 and agreed its budget on 10th February 2022. This budget confirmed the £554 million national investment in social care, consolidating the winter funding announced during 2021/22. With the exception of Interim Care all funding is recurring:

Initiative	National £m	Local £m
Interim Care	20	0.351
Care at Home	124	2.174
Carers Act	20	0.350
Free Personal & Nursing Care	15	0.479
Real Living Wage baseline 2021/22	31	0.510
Real Living Wage full year impact of £10.02	144	2.346
Real Living Wage to £10.50 and other investment **	200	3.315
Total	554	9.525

** Not included in council settlement distribution at time of council budget

5. In addition to the funding above there is a further £22 million for social work support and our expected share is £0.386 million. This will allow the additional capacity required to support demand increases. This is not included in the council settlement distribution at the time the council set its budget.
6. The NHSGGC indicative budget contribution is based on the recurring budget plus 2% uplift and funding for National Insurance increases and is in line with the Scottish Government budget conditions. Additional funding for Multi-Disciplinary Teams and increasing capacity through recruitment of Healthcare Support Workers has been included based on the allocations we expect to receive:

Initiative	National £m	Local £m
Multi-Disciplinary Teams	40	0.701
Healthcare Support Workers Bands 3 and 4	30	0.526
Total	70	1.227

7. The context for setting this budget is another unique year; whilst we work our way through the ongoing impacts from the pandemic we also need to consider what the future may hold both in terms of demand and also how a national care service may develop to meet that need.
8. The baseline for activity and demand that we would normally work to and benchmark against no longer exists; we continue working to reshape our services with many unknowns still to encounter.
9. The additional funding from the Scottish Government will go some way to supporting this work and progress on investment, recruitment and impact will be reported throughout the year to the IJB.
10. We agreed last year we would need to adopt an evolutionary approach to financial planning and service delivery during 2021/22 and this will continue in 2022/23 and beyond. The focus is still on the short term and to some degree is still reactive to the ongoing pandemic response and beginning to re-engage with recovery planning. As the care systems stabilises we should better understand the short term “catch up” in demand and the level and complexity of the ongoing needs of our population.
11. Our Recovery and Renewal programme is pivotal to providing a framework and governance structure to allow us to work through this in a controlled and informed manner. The programme has had a couple of short starts and we hope that we will have capacity to progress as we emerge into a proper recovery mode.

12. As we said last year our workforce remains an incredible asset and have clearly demonstrated not only their commitment but also their ability to flex and adapt to new ways of working with minimal notice. We will continue to build on the lessons learned through the pandemic and from our earlier recovery work.
13. The Scottish Government Budget settlement is for one year only and it is expected that from 2023/24 there will be a return to multi-year budget settlements. This will improve certainty for future financial planning. In the meantime, the Medium-Term Financial Plan has been revised to reflect the position outlined in this budget report. As previously agreed this will be revised and reported to the IJB at least annually and more frequently in the event of any significant change. The regular revenue monitoring reporting also identifies any in-year issues.
14. Whilst this budget includes significant investment the IJB will recall that the legacy savings challenge included in the current year 2021/22 budget is £3.566 million all relating to the ERC contribution to the IJB for social care.
15. The plans we had to review criteria and introduce charges for non-residential care have been overtaken by a combination of the impact of the pandemic with increased demand for services and people having more complex needs. We also know that as part of a national care service the intention is to have a national criteria for care and to eliminate charging for non-residential care, so to progress with previous plans could potentially have caused unnecessary distress and uncertainty. The majority of our care costs are for our older population where our demographic continues to have a high proportion of frail, older people.
16. For context from 2016/17 to 2019/20 (the last year pre pandemic) the HSCP savings we needed to make in social care were £8.4 million and from the first year of the IJB to date relating to social care are:

Year	Final Budget £m	Savings Target £m	Comments
2016/17	46.1	1.6	First full year of IJB and introduction of compliance requirement by SG
2017/18	45.1	3.6	
2018/19	47.6	0.4	
2019/20	49.6	2.8	Budget includes £0.3m in-year for school counselling from SG
2020/21	51.3	2.4	
2021/22	56.7	1.8	Budget includes £2.9m in-year winter pressures from SG

17. The 2020/21 savings target was a further £2.4 million and at the stage were clear that that this would have significant impact on care packages as we had exhausted all other options. Reducing care package costs meant tightening the criteria we use to assess need; this was not through choice as it goes against our preventative approach. We also recognised that reducing support takes time and we would need to smooth in the impact, supported by one-off reserve funding. The initial work we undertook to reduce overnight support was met with significant resistance by families.
18. Just as we set the 2020/21 budget our savings plans, along with change, development and other non-essential work was paused as we focussed on the first wave of the pandemic response. For 2020/21 we received full support for unachieved savings of £2.4 million from the Scottish Government as part of Covid funding.

19. In the current year our remaining savings target increased to £3.6 million (so a further £1.8 million new savings, on top of the unachieved £2.4 million and allowing for achieving £0.6 million) and we have confirmation of full Scottish Government support through Covid funding. Our strategy of smoothing in savings through the application of the earmarked reserve for this purpose is paused whilst we receive Covid-19 funding support and will recommence when support ends.

REPORT

20. The Scottish Government budget announcement letters from 9th December 2021 are included at Appendices 1a and 1b refer to the compliance criteria:
- “In 2022/23, NHS payments to Integration Authorities for delegated health functions must deliver and uplift of 2% over 2021/22 agreed recurring budgets, and make appropriate provision for increased employer national contribution costs.” Extract from Appendix 1a.
 - “The funding allocated to Integration Authorities should be additional and not substitutional to each Council’s 2021/22 recurring budgets for adult social care services that are delegated.”
21. East Renfrewshire Council agreed its budget, including the proposed contribution to the IJB on 3rd March 2022; as detailed at Appendix 2. At the time of the Council agreeing its budget the full distribution of the £554 million included in the Scottish Government budget for Health and Social Care had not been finalised, therefore the Council contribution in this report comprises two elements; that agreed by the Council as included in its budget per the Scottish Government circular and the expected contribution for funding distributions subsequently confirmed.
22. The council approach to setting the IJB contribution was different this year and council took a flat cash approach for the IJB contribution. This meant no funding for uplifts and pressures, nor any savings allocated. The Scottish Government budget conditions determined that contributions should be no less than recurring budget plus share of new funding and on that basis the minimum contribution has been met.
23. The NHSGGC contribution has been agreed with our partner colleagues and is subject to due governance by the health board, as detailed at Appendix 3. This includes the minimum 2% uplift on the relevant elements of the budget and the offer has been verbally agreed and will be confirmed in the usual letter from NHSGGC to follow. The ultimate recurring budget for the current year may change by 31 March 2022 but will not significantly impact the figures reported.
24. This proposed budget for IJB consideration recognises cost pressures relating to pay, national insurance increases, inflation and demographic demand (estimated on 2021/22 activity so difficult to predict). The cost pressures also make allowance for the continued implementation of the Living Wage, increases to the national Care Home contract and uplifting Free Personal and Nursing Care.
25. The set aside budget offer is also included and reflects the latest activity and is inclusive of the 2% uplift. The unscheduled care work to support the implementation of a mechanism for the set aside budget was delayed by the pandemic. We expect this will resume in 2022/23 and there is a paper on the unscheduled care commissioning plan elsewhere on the agenda.
26. The Aids and Adaptations budget remains unchanged at £0.400 million and comprises two key areas; Care and Repair £0.155 million and Adaptations £0.245 million. This excludes any housing related capital spend. As we move towards recovery the activity and financial reporting for this service is an area we intend to develop including closer working with ERC Housing colleagues.

27. The Scottish Government have recently confirmed that sustainability support to our partner providers will be extended to the end of June 2022 and the funding allocations are included within earmarked reserves, as detailed in the revenue monitoring report elsewhere on the agenda.
28. In summary the proposed budget contributions to the IJB are:

	Opening Budget £m	Uplifts & SG Funding Confirmed £m	Contributions Identified with Partners (so far) £m	Further Funding Expected £m	Proposed Budget to IJB £m	Net Change £m
NHSGGC Revenue	75.876	1.142	77.018	1.227	78.245	2.369
NHSGGC Set Aside	36.915	0.738	37.653	0	37.653	0.738
ERC Revenue	53.705	6.436	60.141	3.701	63.842	10.137
ERC Aids & Adaptations	0.400	0	0	0	0.400	0

Note: Criminal Justice grant funded at £0.614m subject to grant increase for inflation etc.

29. The legacy saving challenge currently sits at £3.566 million to be achieved. The history to the savings is set out at paragraphs 14 to 19 above.
30. Taking into account the cumulative savings challenge the table below sets out a summary of our cost pressures, as detailed in the supporting appendices, the funding available to meet these pressures and the savings challenge to close the remaining funding gap.

Revenue Budget	ERC £m	NHS £m	TOTAL £
1. Cost Pressures:			
Pay Award, Incremental Increases and National Insurance	0.938	0.561	1.499
Inflation, Contracts and Living Wage	4.213	0.324	4.537
Demographic and Demand	1.269	0.200	1.469
Capacity	3.026		3.026
Prescribing		0.329	0.329
2021/22 Legacy Savings	3.566	0	3.566
Total Pressures	13.012	1.414	14.426
2. Funding available towards cost pressures **	10.137	1.142	11.279
3. Unfunded Cost Pressures	2.875	0.272	3.147
4. Proposals to Close Funding Gap:			
Learning Disability Bed Model Framework		0.200	0.200
Turnover and associated running costs		0.072	0.072
Recovery & Renewal supported by non-recurring application of budget phasing reserve to smooth this in (current balance estimated at £2.434m). Potential Covid support funding tbc	2.875		2.875
Total of Identified Savings	2.875	0.272	3.147

** The balance of social care funding available (£0.691 million) has been used to offset existing investment and therefore reduce the social care legacy savings challenge per approach agreed at the seminar of 31st January 2022.

31. The pay and inflation cost pressures shown above include:
- Pay and National Insurance increases and the final year of the increment pressure resulting from Health Visitors regrading that the IJB previously committed to fund.

- Allowance is included for the National Care Home Contract; the uplift is yet to be finalised and is expected to be c 5% to 5.5%.
 - The Scottish Living Wage increases to £10.50 per hour and partner provider national insurance increases are allowed for.
 - Free Personal and Nursing Care increases are included at 10%.
 - Inflation takes account of increased utility and other increases.
 - Increases in Kinship and Fostering allowances are provided for.
 - Support costs recharges made by ERC have increased by £0.138 million and for 2022/23 the intention is to manage this on a non-recurring basis as work is required to better understand the recurring post Covid impact.
32. The demographic and demand pressures recognise the impact of our increasing population, including carers. The majority of this pressure historically resulted from both residential and care at home demand; the 2021/22 trend saw a shift to care at home. The demographic pressures also include costs for young adults transitioning from children's services to adult care.
 33. Whilst the Living Wage funding in the Scottish Government settlement refers specifically to adult social care we have made provision for those partner providers who support both children and adults in our communities. The split of this provision, particularly around learning disability and complex needs would be somewhat artificial.
 34. The post Covid-19 impact on the health and wellbeing of our population is still unclear and we will closely monitor the allocation of the provision we have identified for demographic pressures not only to determine the application but also the sufficiency. As we work through 2022/23 the impacts on our population may become clearer.
 35. It is impossible, for now at least, to understand what the impact of Covid has been and will be on long term demand. We do know that care at home in particular has seen a significant increase in demand as more people need services but want to remain at home. Demand for rehabilitation has almost doubled that of pre pandemic levels to 70-80 per week, referrals from hospital for Care at Home have doubled and community referrals for this service have trebled.
 36. In line with the rest of the country we are seeing increased demand across all services, increases in the number of new people needing to access services and we are seeing more complex needs when people do need support, much of which is compounded by cancellation or delays to routine medical services.
 37. The current prescribing cost pressure of £329k is included at 2% only i.e. funded to the same level of uplift received. At this stage this would appear sufficient and as previously discussed we will hold this sum centrally and allocate if required. We do have our existing reserve to allow fluctuation in the costs to be managed over financial years and based on the latest monitoring we are assuming this reserve will be c£510k.
 38. We have received additional Covid-19 funding during 2021/22 that will support those ongoing costs into 2022/23 (support to social care providers, PPE, testing and vaccination as examples) and it is hoped that this will continue to extend to unachieved savings; on the same basis as 2021/22 until we have capacity to recommence work on recovery. The letter of 25th February 2022 included at Appendix 1c sets out the allocations and confirms the balance of funding to be taken into 2022/23 should support Covid-19 and unscheduled care activity.
 39. Our Recovery and Renewal programme will be refreshed based on the latest response, taking into account the impact of investment and incorporate further

workstreams as required. This will be reported to the IJB on a regular basis when this work recommences. This will include financial modelling to support redesign and savings delivery to meet the required £2.9 million on a recurring basis.

40. This remains a significant challenge and the increase in funding and capacity as a result of the additional Scottish Government funding should allow some increased flexibility in service delivery and redesign. However in the event we are unable to deliver the full savings required during the year through a combination of recurring and non-recurring actions or be in a position where we are unlikely to have full year effect savings in place by 31 March 2023 we may need to invoke the financial recovery process included within our Integration Scheme.
41. In addition to the pressures set out above it is likely we will see continued observation and staffing ratio pressures within the Learning Disability Hosted Service, however as this relates to individual specific circumstances it is difficult to predict and will continue to be managed within the service and the redesign earmarked reserve.
42. The Chief Officer and Chief Financial Officer recognise the funding constraints and pressures that our partners are facing and along with the IJB are fully committed to continued partnership working to support whole system financial planning.
43. In addition to the proposed revenue budget contributions above we will utilise the expected allocations for the Primary Care Improvement Fund, Mental Health Action 15 and Alcohol and Drugs Partnership as well as any other funding initiatives that are announced during 2022/23. This will be reported through our regular budget monitoring reporting.

CONSULTATION AND PARTNERSHIP WORKING

44. The Chief Financial Officer has consulted with our partners and will continue to work in partnership with colleagues to develop the budget setting and financial planning process for future years.

IMPLICATIONS OF THE PROPOSALS

Finance

45. The proposed 2022/23 budget, subject to the caveats on expected funding allocations to be distributed via redetermination through council and allocation through the health board, is set out in this report.

Risk

46. The most significant risk to the IJB remains sustainability and delivering a balanced budget in 2022/23 and beyond. The IJB will most likely deplete reserves and this means we will be non-compliant with our policy on reserves. We may not meet our population's demand for services and may need to invoke the financial recovery process with our partners.
47. The post Covid-19 impact on our population and the impact on the demand for services and how these can be delivered is unclear. There may still be impact from Brexit and other economic challenges.
48. Whilst the implications relating to the National Care Service may not specifically impact on the 2022/23 budget the policy changes around eligibility criteria and charging for services limit the previous scope to make budget savings in these areas.

49. We need to adequately resource our Recovery and Renewal Programme if we are to achieve successful outcomes, recognising recruitment challenges across the sector and competing demand for fairly scarce resources.
50. There remains a cost pressure within the Learning Disability In-Patient Service from significant observation resource requirements.

Workforce

51. The proposed 2022/23 budget includes funding for staff pay award, allows for the final year cost of the Health Visitor regrading and provides funding for care providers to meet the increase in the Scottish Living Wage. The cost of the National Insurance increase has also been allowed for both within the HSCP and for partner providers.
52. Whilst it is difficult to envisage staffing reductions in the current circumstances and given our previous top down structure review as part of the Fit for the Future programme we cannot rule out any staffing impact from redesign and / or efficiency. There is also planned investment in a number of areas and we will maximise full flexibility available to us. We will continue to work closely with our Trade Union colleagues.

Equalities

53. We will complete full equalities impact assessments for all transformation work streams and savings proposals for the IJB to consider alongside proposals. This should ensure that no individual or groups are adversely impacted and that implementation of change is equitable.
54. There will need to be appropriate engagement and communication and we will need to be mindful of any “double hits” with potential for crossover within work streams or multiple impacts; this will require close scrutiny.

DIRECTIONS

55. The directions to our partners will be issued upon agreement of the 2022/23 budget set out in this report and rolling updates will be included in the revenue monitoring report, subject to the caveats discussed in this report.

CONCLUSIONS

56. The 2022/23 proposed budget will allow the IJB to set a budget that is balanced, but remains predicated on significant savings being achieved through change and redesign. This is supported by the application of non-recurring funding, in line with our pre-pandemic strategy and we remain alert to possible changes to the budget during the year resulting from any policy changes.
57. There is clearly risk associated with the 2022/23 financial position as it stands and the move to shorter term updates to our current and Medium-Term Financial Plan for the HSCP will allow the IJB to assess progress and to take risk based informed decisions throughout the year.
58. The report recognises the need to continue to engage with our partners for future financial planning and that an agreed mechanism to progress the set aside budget for 2022/23 is required, with the unscheduled care commissioning plan supporting this work.

RECOMMENDATIONS

59. The Integration Joint Board is asked to:

- Accept the expected budget contribution of £63.842 million from East Renfrewshire Council (£60.141 million confirmed with a further £3.701 to be allocated as budget redeterminations from the Scottish Government).
- Accept the £0.614 million for Community Justice expenditure funded by grant via East Renfrewshire Council, subject to uplifts to this grant funding.
- Accept the delegated budget for aids and adaptations of £0.4 million.
- Accept the indicative budget contribution of £78.245million from NHS Greater Glasgow and Clyde (£77.018 million agreed and £1.227 million further funding expected), subject to due governance by the health board.
- Accept the indicative set aside budget contribution of £37.653 million from NHS Greater Glasgow and Clyde.
- Agree that directions are issued to East Renfrewshire Council and NHS Greater Glasgow and Clyde confirming the acceptance of the budget.
- Agree the continued implementation of the Real Living Wage uplift to our partner providers including the increase in national insurance rates.
- Note that the ongoing risks associated with the Covid-19 response and recovery and associated financial implications will continue to be reported through the regular revenue monitoring reporting to the IJB.

REPORT AUTHOR

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7 March 2022

Chief Officer, IJB: Julie Murray

BACKGROUND PAPERS

IJB Paper: 16.03.2022 – Item 10. Revenue Budget Monitoring Report

https://www.eastrenfrewshire.gov.uk/media/7442/IJB-item-10-16-March-2022/pdf/IJB_item_10_-_16_March_2022.pdf?m=637822661469700000

IJB Paper: 17.03.2021 – Item 5. Revenue Budget 2021/22

https://www.eastrenfrewshire.gov.uk/media/4788/IJB-Item-05-17-March-2021/pdf/IJB_Item_05_-_17_March_2021.pdf?m=637511548486770000

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Chief Executives, NHS Scotland

Copy to: NHS Chairs
NHS Directors of Finance
Integration Authority Chief Officers
Integration Authority Chief Finance Officers

Issued via email

9 December 2021

Dear Chief Executives

Scottish Government Budget 2022-23

Following the announcement of the Scottish Government's Budget for 2022-23 by the Cabinet Secretary for Finance and the Economy in Parliament today, I am writing to provide details of the funding settlement for Health Boards. A breakdown of the total is provided in **Annex A** to this letter.

The Cabinet Secretary has set out that this is a transitional budget, paving the way for a full resource spending review in May 2022, and taking the next steps to deliver the Health and Social Care commitments outlined in the Programme for Government. As in previous years, the position set out in this letter will be subject to any amendments agreed through the Scottish Parliament's Budget Bill process, as well as recognising the further work that we will undertake with you specifically in relation to Covid-19 funding arrangements. I will keep you up to date with any changes to our planning assumptions.

Baseline Funding

All Boards will receive a baseline uplift of 2% along with further support for increased employer national insurance costs arising from the UK Health and Social Care Levy. In addition, those Boards furthest from NRAC parity will receive a share of £28.6 million, which will continue to maintain all Boards within 0.8% of parity.

In terms of pay, initial funding has been allocated in line with the Scottish Public Sector Pay Policy for planning purposes. This will be used as an anchor point in the forthcoming Agenda for Change pay settlement and funding arrangements for Boards will be revisited by the Scottish Government in line with the outcome of the pay negotiations.

Boards should make appropriate provision for medical, dental and other staff groups, and expect to accommodate these costs within the baseline uplift.

Covid-19 Funding

We recognise the scale of anticipated Covid commitments and expenditure for 2022-23 and are keeping this under close review. To this end, we are currently seeking clarity on the level of Covid-19 funding that will be provided by HM Treasury in 2022-23. In addition however to the baseline uplift we will provide:

- an initial £30 million in 2022-23 on a recurring basis to support the permanent recruitment of Vaccination staff. Further funding will be provided following review of staffing models across NHS Boards.

- funding of £33 million for the first six months of 2022-23 for the National Contact Centre staffing and Test and Protect contact tracing staffing, £17.5 million for mobile testing units, and a further £4.1 million for the regional labs staffing in 2022-23.

We will set out more detail on overall financial support as we receive further clarity from HM Treasury and as planning arrangements are developed. We will continue to work closely with NHS Directors of Finance and Chief Financial Officers, to ensure that all appropriate steps are being taken to deliver value and efficiency across totality of spending.

Investment in Improving Patient Outcomes

In addition to the funding above, a total of £845.9 million will be invested in improving patient outcomes in 2022-23, as set out below:

Improving Patient Outcomes	2021-22 Investment in reform (£m) Restated	2022-23 Investment in reform (£m)	Increase for 2022-23 (£m)
Primary Care	250.0	262.5	12.5
Waiting times	196.0	232.1	36.1
Mental Health and CAMHS	231.1	246.0	14.9
Trauma Networks	37.8	44.3	6.5
Drugs Deaths	61.0	61.0	0.0
TOTAL	775.9	845.9	70.0

When combining the £70 million increase in investment set out above with the increase of £317.4 million in baseline funding for frontline NHS Boards, the total additional funding for frontline NHS Boards will amount to £387.4 million (3.2 per cent) in 2022-23 - see **Annex A**.

Core Areas of Investment

Further detail on funding allocations and arrangements will be set out by individual policy areas, however please note the overall funding committed:

Primary Care

Investment in the Primary Care Fund will increase to £262.5 million in 2022-23 as a first step to increasing primary care funding by 25% over the life of this Parliament. Funding will continue to support the delivery of the new GP contract as well as wider Primary Care reform and new models of care including multi-disciplinary teams and increased use of data and digital.

Waiting Times Recovery

Investment of £232.2 million is being provided to support waiting times improvement, recovery and reform. This includes £60 million for NHS Recovery and an additional support for National Treatment Centres. As in previous years this includes £10 million for winter, to allow Boards maximum opportunity to plan as appropriate.

Mental Health and CAMHS

Funding of £246 million for Improving Patient Outcomes will be directed to a range of partners for investment to support mental health and children and young people's mental health. It will help fund a range of activities which support prevention and early intervention through offering a sustained increase in investment in mental health services. It will support our commitment to increase direct mental health funding by at least 25% over this parliamentary term. It will incorporate recurring funding of £120 million, which was provided in 2021-22 to support the delivery of the Mental Health Transition and Recovery Plan, published in October 2020, including significant funding to improve Child and Adolescent Mental Health Services and to reduce waiting times.

As part of the 2022-23 budget we are investing to deliver commitments across perinatal and infant mental health, school nursing service, increased funding for suicide prevention, enhanced services for children and young people, and action on dementia, learning disabilities and autism.

Health Boards and their partners are expected to prioritise mental health and to deliver the Programme for Government commitment that at least 10% of frontline health spending will be dedicated to mental health and at least 1% will be directed specifically to services for children and young people by the end of this parliamentary session.

Trauma Networks

This funding will increase from £37.8 million to £44.3 million, taking forward the implementation of the major trauma networks.

Alcohol and drugs

The total 2022-23 Portfolio budget of £85.4 million includes £50 million to be targeted towards reducing drugs deaths. This is part of the delivery of the National Drugs Mission, with a commitment to provide a total of £250 million of additional funding by 2025-26. Funding will support further investment in a range of community-based interventions, with a focus on supporting individuals and their families within their community, as well as an expansion of residential rehabilitation and improving delivery of frontline care as part of the overarching aim of reducing harms and avoidable deaths caused by substance misuse.

Health and Social Care Integration

In 2022-23, NHS payments to Integration Authorities for delegated health functions must deliver an uplift of 2% over 2021-22 agreed recurring budgets, and make appropriate provision for increased employer national insurance costs.

The Health and Social Care Portfolio will transfer additional funding of £554 million to Local Government to support social care and integration, which recognises the recurring commitments on adult social care pay and on winter planning arrangements. In doing so, we recognise the potential range of costs associated with elements of the winter planning commitments, and that some flexibility in allocation of funding may be required at a local level.

The overall transfer to Local Government includes additional funding of £235.4 million to support retention and begin to embed improved pay and conditions for care workers, with the Scottish Government considering that this funding requires local government to deliver a £10.50 minimum pay settlement for adult social care workers in commissioned services, in line with the equivalent commitment being made in the public sector pay policy. The additional funding will also support uprating of FPNC and the Carers Act.

The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2021-22 recurring budgets for social care services and therefore, Local Authority social care budgets for allocation to Integration Authorities must be at least £554 million greater than 2021-22 recurring budgets.

Capital Funding

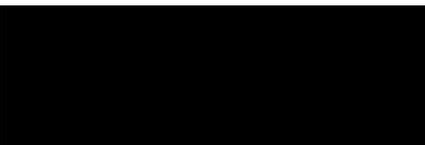
Territorial Boards should assume a five per cent increase in their initial capital formula allocation. National Boards formula capital will be unchanged.

2022-23 Financial Planning

As previously confirmed, we will return to three year financial planning in 2022-23. It is expected that Boards will submit these plans in line with the timescales for three year operational plans, however we will provide further updates on this in advance of the new financial year.

It is recognised that some specific cost pressures have been highlighted by NHS Boards, such as those relating to CNORIS, Office 365 and PACS reprovisioning. We will undertake further work with Directors of Finance to determine the extent of these pressures and planning assumptions that should be made.

Yours sincerely



RICHARD MCCALLUM

Director of Health Finance and Governance

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Annex A – Board Funding Uplifts

NHS Territorial Boards	2021-22	Recurring	Total 2021-	Uplift***	Uplift	2022-23	NRAC	Distance from
	Allocation	Allocations**	22 Allocation			Total Allocation	Funding	NRAC Parity
	£m	£m	£m	£m	%	£m	£m	%
Ayrshire and Arran	774.5	12.0	786.4	20.3	2.6%	806.8	0.2	-0.8%
Borders	222.7	3.7	226.3	8.5	3.7%	234.8	2.7	-0.8%
Dumfries and Galloway	320.6	5.2	325.8	8.3	2.6%	334.1	0.0	1.3%
Fife	712.6	11.2	723.8	25.5	3.5%	749.4	7.0	-0.8%
Forth Valley	569.4	9.2	578.7	19.4	3.4%	598.1	4.6	-0.8%
Grampian	1,027.9	17.6	1,045.5	26.7	2.6%	1,072.2	0.0	-0.5%
Greater Glasgow and Clyde	2,398.1	43.4	2,441.5	62.4	2.6%	2,504.0	0.0	1.9%
Highland	691.9	12.6	704.5	21.2	3.0%	725.6	3.1	-0.8%
Lanarkshire	1,286.1	20.2	1,306.3	40.6	3.1%	1,346.8	7.2	-0.8%
Lothian	1,569.5	26.0	1,595.5	43.8	2.7%	1,639.3	3.0	-0.8%
Orkney	54.8	0.9	55.7	1.4	2.6%	57.1	0.0	0.6%
Shetland	54.6	0.9	55.6	1.4	2.6%	57.0	0.0	2.4%
Tayside	819.9	14.4	834.4	22.2	2.7%	856.5	0.8	-0.8%
Western Isles	81.1	1.2	82.4	2.1	2.6%	84.5	0.0	12.1%
Territorials Total	10,583.7	178.5	10,762.2	303.9	2.8%	11,066.1	28.6	
NHS National Boards								
National Waiting Times Centre	60.9	4.9	65.9	2.2	3.4%	68.1		
Scottish Ambulance Service	283.7	14.2	297.9	8.0	2.7%	305.9		
The State Hospital	38.1	0.8	39.0	1.0	2.7%	40.0		
NHS 24	73.8	2.4	76.2	2.2	2.9%	78.4		
NHS Education for Scotland	471.7	8.3	479.9	12.4	2.6%	492.3		
NHS National Services Scotland	341.4	5.4	346.8	8.5	2.4%	355.3		
Healthcare Improvement Scotland	27.5	2.2	29.7	0.7	2.5%	30.4		
Public Health Scotland	48.6	1.7	50.4	1.7	3.4%	52.1		
Nationals Total	1,345.8	39.9	1,385.8	36.8	2.7%	1,422.6		
Total NHS Boards	11,929.5	218.4	12,148.0	340.7	2.8%	12,488.7		
Improving Patient Outcomes****	775.9		775.9	70.0		845.9		
Total Frontline NHS Boards*	11,816.2	200.9	12,017.1	387.4	3.2%	12,404.4		

* Frontline NHS Boards comprise the 14 NHS Territorial Boards, National Waiting Times Centre, Scottish Ambulance Service, State Hospital and NHS 24.

** Includes recurring allocations from 2020-21 and funding for Agenda for Change and Medical & Dental pay uplift in 2021-22.

*** Includes funding for increased employer NI contributions and NRAC parity adjustments.

**** Restated for Mental Health and NHS Recovery Funding

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Ceit Fhoirbheis BPA
Cabinet Secretary for Finance
Kate Forbes MSP



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Councillor Alison Evison
COSLA President
Verity House
19 Haymarket Yards
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EH12 5BH

Copy to: The Leaders of all Scottish local authorities

09 December 2021

Dear Councillor Evison,

Today I formally set out the Scottish Government's proposed Budget for 2022-23 to the Scottish Parliament. Alongside the Budget I also published the Scottish Public Sector Pay Policy, the Medium Term Financial Strategy and the Resource Spending Review Framework. Further to the budget statement I write now to confirm the details of the local government finance settlement for 2022-23.

The intention is that the indicative allocations to individual local authorities for 2022-23 will be published in a Local Government Finance Circular on Monday 20 December. These can only be calculated following the publication next week of education statistics that are key to the distribution formula. That circular will begin the statutory consultation period on the settlement.

This Budget comes at a crucial juncture for Scotland. Over the past year, thanks to the hard work and sacrifices of everyone across Scotland, including the critical role Local Authorities have played in continuing to support our communities and administer financial support to our businesses, we have started to look beyond the immediate impact of the pandemic.

As the emergence of new variants demonstrates, we must remain vigilant and ensure the necessary resources are available for the continued protection of people and public services, but we must also look to the future. This Budget seeks to balance immediate pressures with long term imperatives – shifting the dial on inequalities, carbon emissions and economic prosperity. It also delivers on the Programme for Government and our Shared Policy Programme with the Scottish Green Party.

The total revenue funding to be provided through the settlement for 2022-23 will increase to £11,794.8 million, which includes distributable non-domestic rates income of £2,766 million.

The capital settlement has been set at £679.5 million. In parallel I am mindful of the challenges in delivering capital investment in the current economic climate so I will also explore the potential to offer flexibility to councils on carry forward of unspent capital from 2021-22 in light of the operation of the Fiscal Framework. This is subject to consideration about the impact on the Scottish Government reserve and I would hope to be in a position to provide confirmation in the early part of 2022 following the UK Government's Supplementary Estimates.

The total funding which the Scottish Government will provide to local government in 2021-22 through the settlement is therefore £12,474.3 million, an increase of £853.9 million and includes;

- £145 million for additional teachers and support staff in addition to the £88 million to maintain the pupil:teacher ratio nationally and secure places for all probationers who require one under the teacher induction scheme;
- funding to maintain 100 day commitments including the removal of curriculum and music tuition charges and expanded School Clothing Grant;
- £68.2 million for Child Bridging Payments;
- maintaining the £292.6 million provided in 2021-22 and providing a further £353.9 million transfer from Health for investment in health and social care and mental health services – including £174.5 million to support ongoing adult social care pay, £20.4 million to continue implementing improved rights and support for carers, £15 million to uplift free personal nursing care rates, £124 million of recurring care at home investment, and £20 million for interim care;
- In addition, a further £200 million will be transferred to support pay and sustainability of social care services bringing (with further detail set out below);
- £5.3 million for Assessors for Barclay implementation costs;
- an extra £62.5 million of Capital including:
 - £30 million for Free School Meals;
 - £20 million for the Local Bridge Maintenance Fund;
 - £11 million for Flood Prevention; and
 - £1.6 million for Coastal Protection

In terms of the broader Local Government Finance package, I have listened to the Live Well Locally campaign and intend to offer a number of flexibilities in direct response to that campaign.

I can confirm that councils will have full flexibility to set the Council Tax rate that is appropriate for their local authority area. In setting Council Tax rates, we expect councils to take full account of the local needs and impacts on household budgets of the decisions they make.

I acknowledge the argument in Live Well Locally that reserves are one off in nature and do not represent a substitute for recurring funding. However, I would also highlight that across Scotland some councils have accrued additional reserves during the pandemic,. Since we are likely to continue to face economic and fiscal challenges during 2022-23, I would encourage all councils to consider whether current levels of General Fund Reserve balances are an efficient use of public funds at this time.

In addition to flexibility on Council Tax rate setting, I recognise that local government have repeatedly called for removal of ring-fencing in the settlement and a greater focus on trust and partnership working. On that basis I commit to reviewing all ring-fenced funding as part of the forthcoming Resource Spending Review and would welcome your constructive engagement in that process so that removal of ring-fencing goes hand in hand with agreement about shared priorities and outcomes whilst ensuring maximum value for money.

More immediately, as recognised in correspondence from Councillors Parry and MacGregor on 06 December 2021, Scottish Government and COSLA officials are currently working together to develop a combined employability grant offer letter for 2022-23 which removes ring-fencing for the various employability programmes and instead focusses on the characteristics and needs of service users with the view of continuing to work together to develop options for a refreshed and collective approach to employability funding for 2023-24 onwards.

I and my ministerial colleagues fully recognise and value the work of Local Employability Partnerships and the important role that they play in shaping the crucial services that individuals need across their journey towards and into employment and that Scottish Government officials will continue to work in partnership with Local Authority employability leads and COSLA to achieve our shared ambitions.

Alongside reducing ring-fenced funding, the Scottish Government remains committed to working with COSLA to develop a rules based fiscal framework to support future funding settlements for local government. The development of a fiscal framework will have direct relevance to the Scottish Government's Resource Spending Review and I am keen to see some substantive work being taken forward during the first part of 2022.

It will be important for local government to bring forward proposals that can then be explored in partnership. The development of a fiscal framework is also an important part of the ongoing work on the Local Governance Review, which considers how powers, responsibilities and resources are shared across national and local spheres of government, and with communities.

The correspondence of 06 December 2021 referenced above also included a request from Leaders to provide flexibility to enable all 2021-22 employability funding to Local Government to be spent across 2021-22 and 2022-23. This request has unfortunately come too late to be factored into the Budget position I outlined today but I will prioritise the request in the coming days to try and agree a position which ensures that services to those requiring support is provided as swiftly as possible whilst reducing the administrative burden on those delivering the services.

I am also content to agree your request of 08 October 2021 for an extension of the flexibilities to allow capital receipts to be used to fund the financial impact of COVID and to fund transformational projects in 2022-23. I had previously stated that the COVID capital receipts flexibility was limited to two financial years, in the light of ongoing COVID impacts I will agree this extension for one further financial year. The extension of these flexibilities is dependent on confirmation from the UK Government that this will not result in an adjustment to Scotland's block grant. I am currently seeking that confirmation.

Similarly, I also agree to extend the period for the loans fund principal repayment holiday for one further year. I will deliver this through an administrative arrangement rather than a further statutory instrument. Any council looking to use this flexibility in 2022-23 should take the loans fund holiday in 2021-22 and carry that saving to their General Fund reserve. To keep with the original intent of this flexibility the increase in General Fund reserves from taking this holiday are to be earmarked as being to fund the financial impact of COVID, and that earmarked reserve must be used in the course of 2022-23.

In terms of your request for a change in policy on capital accounting for service concessions, I remain committed to continuing to work with Directors of Finance and CIPFA/LASAAC on the capital accounting review.

Finally, in acknowledgment of the calls for greater fiscal empowerment across local government, the Transport (Scotland) Act 2019 introduced a discretionary power for local authorities to implement workplace parking licensing (WPL) schemes. I can confirm that regulations to implement those powers will be laid early next year to enable this to progress.

Prior to the COVID-19 pandemic, the Scottish Government was developing legislation to introduce the power for local authorities to create a visitor levy, or tourism tax but this was paused due to the pandemic. Given the overall impact of the pandemic on the tourism sector in Scotland it would be prudent to carefully review that work and undertake further stakeholder engagement before making a firm decision on the next steps, however I am committed to taking this forward in 2022.

Building on previous years' settlements, Local Authorities will again be expected to deliver further certain specific commitments and outcomes.

This year, we will again work with local government to help ensure Integration Authorities use total resources to focus on delivery of key areas for improvement, including: reducing delayed discharges; improving availability of, and access to, community-based health and social care services; and ensuring more people are supported to stay at home.

We will also wish to ensure that the social care workforce is supported and sustained during and following the challenges of the Covid pandemic. To support retention, and begin to embed improved pay and conditions for care workers, the additional £200 million funding transfer requires local government to deliver a £10.50 minimum pay settlement for adult social care workers in commissioned services, in line with the equivalent commitment being made in the public sector pay policy.

The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2021-22 recurring budgets for adult social care services that are delegated. We will provide support and challenge by working with local government to agree a shared national and local approach to accountability for delivery, building upon existing shared mechanisms for routine reporting of expenditure, activity and outcomes across Scotland.

This Budget cannot deliver the resources all our partners will want. It addresses key priorities, targets resources on low income households, and paves the way for future investment in this Parliament. Where possible, it seeks to cushion all sectors against the headwinds that COVID-19, Brexit and UK Government's settlement have created and it treats Local Authorities fairly and consistently with other portfolios.

The 2022-23 Local Government Settlement of almost £12.5 billion offers a like with like increase of 7.5 per cent in real terms and continues to provide local government with a funding settlement that is both fair and affordable, under the most challenging of circumstances. I look forward to working with COSLA in the year ahead to deliver the broader commitments set out in this letter.

Yours sincerely,



KATE FORBES

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HSCP Chief Finance Officers
NHS Board Directors of Finance
Cc:
HSCP Chief Officers
Local Government Directors of Finance
NHS Chief Executives

via email

25th February 2022

Colleagues

Further Covid funding 2021-22

Following the recent submission of your Quarter 3 financial returns, I am writing to confirm further funding of £981 million for NHS Boards and Integration Authorities to meet Covid-19 costs and to support the continuing impact of the pandemic. This funding is being provided on a non-repayable basis and includes provision for under-delivery of savings. While I anticipate that funding will be allocated in line with **Annexes A and B**, it will be a matter for NHS Boards and Integration Authorities to agree any revisions where appropriate to take account of local circumstances.

Within the overall funding outlined above, £619 million is being provided for Integration Authorities, which includes funding for a range of Covid-19 measures. The significant disruption to services has created a backlog of demand as well as increasing unmet need and frailty of service users. Investment is needed across day care services, care at home and to support unscheduled care, to keep people within the community, where possible and safe to do so, to avoid unplanned admissions and impacts on delayed discharges. Alongside this is the impact on mental health and services have been stepped up through, for example, Mental Health Assessment Units. This funding will also cover sustainability payments to social care providers and additional staff costs across Health & Social Care.

Where funding remains at year end 2021-22, this must be carried in an earmarked reserve for Covid-19 purposes in line with usual accounting arrangements for Integration Authorities, and I expect that this funding to be used before further allocations are made through the Local Mobilisation Planning process. This can be used to support continuation of costs which were funded in 2021-22 as a direct result of Covid-19. Use of these allocations to meet Covid-19 expenditure should be agreed by the IJB Chief Finance Officer and the NHS Board Director of Finance. The funding should be targeted at meeting all additional costs of responding to the Covid pandemic in the Integration Authority as well as the NHS Board.

/cont'd



Any proposed utilisation of the earmarked reserves to meet new expenditure that had not been funded in 2021-22 will require agreement from the Scottish Government, and it will remain important that reserves are not used to fund recurring expenditure, given the non-recurring nature of Covid funding.

Thank you for your support and engagement during 2021-22 and I look forward to continued close work with you as we take forward plans for 2022-23 and beyond.

Yours sincerely



Richard McCallum
Director of Health Finance and Governance

Annex A Funding by Board Area

Further Covid-19 Funding (£000s)	Health Board	HSCP	Total	
NHS Ayrshire & Arran	14,420	42,765	57,185	
NHS Borders	7,471	17,575	25,046	
NHS Dumfries & Galloway	13,997	16,146	30,143	
NHS Fife	20,947	43,961	64,908	
NHS Forth Valley	7,531	32,355	39,886	
NHS Grampian	7,533	55,697	63,230	
NHS Greater Glasgow & Clyde	88,484	132,917	221,401	
NHS Highland	10,947	37,604	48,551	
NHS Lanarkshire	15,121	68,810	83,931	
NHS Lothian	31,641	114,566	146,207	
NHS Orkney	2,575	3,746	6,321	
NHS Shetland	999	3,620	4,619	
NHS Tayside	2,441	45,355	47,796	
NHS Western Isles	1,608	3,887	5,495	
NHS National Services Scotland	118,110	-	118,110	
Scottish Ambulance Service	11,326	-	11,326	
NHS Education for Scotland	-	1,909	-	1,909
NHS 24	-	-	-	
NHS National Waiting Times Centre	5,436	-	5,436	
The State Hospital	-	-	-	
Public Health Scotland	3,071	-	3,071	
Healthcare Improvement Scotland	-	176	-	176
Total	361,573	619,004	980,577	

Please note these figures represent the total funding across several allocations (PPE, Test & Protect, Vaccinations and General Covid Funding). A detailed analysis will be provided to each NHS Territorial Board setting out the split across Board and Integration Authorities.

Annex B Total Funding by Integration Authority

Integration Authority	Further Covid-19 Funding £000s
East Ayrshire	14,143
North Ayrshire	15,891
South Ayrshire	12,731
Scottish Borders	17,575
Dumfries and Galloway	16,146
Fife	43,961
Clackmannanshire & Stirling	16,819
Falkirk	15,536
Aberdeen City	24,317
Aberdeenshire	19,675
Moray	11,705
East Dunbartonshire	9,930
East Renfrewshire	14,781
Glasgow City	73,130
Inverclyde	10,370
Renfrewshire	16,964
West Dunbartonshire	7,741
Argyll & Bute	11,881
North Highland	25,724
North Lanarkshire	32,102
South Lanarkshire	36,708
East Lothian	13,537
Edinburgh City	70,314
Midlothian	9,506
West Lothian	21,209
Orkney	3,746
Shetland	3,620
Angus	11,843
Dundee	16,784
Perth & Kinross	16,728
Western Isles	3,887
Total	619,004

Please note these figures represent the total funding across several allocations (PPE, Test & Protect, Vaccinations and General Covid Funding). A detailed analysis will be provided to each NHS Territorial Board setting out the split across Board and Integration Authorities.

	ERC £,000	CJ Grant £,000	Total £,000
2021/22 Approved Opening Budget	53,705	614	54,319
Base Budget Adjustments			
Trauma Informed Practice	50		50
Mental Health Officer Capacity	60		60
Pay Award 2021/22 Funding Adjustment	116		116
Restated 2021/22 Base Budget	53,931	614	54,545
Scottish Government Investment in Health & Social Care - £554m Nationally			
1 Allocations confirmed through Councils as at ERC budget setting date			
Interim Care (Non Recurring allocation)	351		351
Care at Home	2,174		2,174
Carers Act	350		350
Free Personal & Nursing Care	479		479
Real Living Wage - 2021/22 Baseline	510		510
Real Living Wage - 2021/22 Full Year Impact of £10.02	2,346		2,346
	6,210	0	6,210
2 Criminal Justice Grant Funding		(614)	(614)
2022/23 Contribution to the HSCP (agreed by ERC as at 3 March)	60,141	0	60,141
3 Further Known Funding Expected			
Real Living Wage 2022/23 to £10.50, Providers NI, Other Uplifts & Investment	3,315		3,315
Social Work Support	386		386
Total Expected 2022/23 Contribution to the HSCP	63,842	0	63,842
Cost Pressures Expected for 2022/23			
Inflationary Pressures			
Pay Award and Increments (including Living Wage HSCP Staff)	938		938
Utilities, Transport and Fuel	52		52
National Care Home Contract / Free Personal Care / Living Wage / Contracts	4,125		4,125
Fostering and Kinship	36		36
Demographic Pressures			
Increase in Demand for Services - Older People	877		877
Increase in Demand for Services - Adults	123		123
Increase in Client Assessed Need - Transitions to Adulthood	269		269
Capacity Pressures			
Workforce Capacity - MHO & Trauma Informed Practice	110		110
Winter Planning - Full Year impact of Recurring Plans	2,179		2,179
Winter Planning - Non Recurring Plans	351		351
Additional Social Work Capacity	386		386
4 Adjustments to central support charges	0		0
Total Cost Pressures 2022/23	9,446	0	9,446
Total Funding Available towards Cost Pressures			
Included in ERC proposed Contribution of 3 March 2022	6,436		
Further redeterminations confirmed	3,701		
	10,137		
5 Balance to offset against existing investment and reduce legacy savings	691		

- 1 Not all confirmed in budget settlement at time of ERC budget setting at 3 March 2022
Settlement conditions = minimum of flat cash plus share of new funding
- 2 Subject to uplift and any grant changes in 2022/23
- 3 Further funding confirmed by Scottish Government
- 4 Identified increases of £138k will be funded non recurrently until new baseline established
- 5 Legacy savings will reduce from £3.6 million to £2.9 million

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NHSGGC - INDICATIVE BUDGET CONTRIBUTION

Appendix 3

	Recurring Budget £'000	Eligible to Uplift £'000	Expected 2% Uplift £'000
2021/22 Opening Recurring Budget			
Pay	19,262	19,262	385
Non Pay	3,941	3,897	78
Prescribing	16,436	16,436	329
Resource Transfer	11,889	11,889	238
Family Health Services	26,285		0
Recurring Expenditure	<u>77,813</u>	<u>51,484</u>	<u>1,030</u>
		0	
Family Health Services Income	(568)		0
Other Income	(1,369)	(1,369)	(27)
2021/22 Recurring Base Budget	<u>75,876</u>	<u>50,115</u>	<u>1,002</u>
Add:			
Inflation Uplift		1,002	
National Insurance funding		140	
2022/23 Recurring Opening Budget		<u>77,018</u>	
Further Known Funding Expected			
Multi-Disciplinary Teams		701	
Healthcare Support Workers		526	
Expected 2022/23 Budget Contribution excluding Set Aside		<u>78,245</u>	
Cost Pressures			
Pay Award		405	
National Insurance increase		156	
Prescribing - limit to 2%		329	
Non Pay		39	
Resource Transfer		238	
Health Visitor Regrading Cost - Final Year		33	
Band 2 to Band 3 Regrading		14	
Learning Disability In Patient Observations (significant variable cost)		200	
Total Cost Pressures		<u>1,414</u>	
2% Uplift and National Insurance funding		1,142	
Funding Gap		<u>272</u>	

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	NHS £000	ERC £000	IJB £000	Total £000
Funding Sources to the IJB				
Original Revenue Budget Contributions	78,245	60,141		138,386
Subsequent redeterminations expected		3,701		3,701
Criminal Justice Grant Funded Expenditure		614		614
Criminal Justice Grant Income		(614)		(614)
Funding Outwith Revenue Contribution				
Housing Aids & Adaptations *		400		400
Set Aside Budget	37,653			37,653
Total Proposed IJB Resources	115,899	64,242	0	180,141
Directions to Partners				
Revenue Budget	78,245	63,842	0	142,087
Criminal Justice Grant Funded Expenditure		614		614
Criminal Justice Grant Income		(614)		(614)
1 Resource Transfer and other recharges	(13,009)	13,009		0
Carers Information Strategy	58	(58)		0
	65,294	76,793	0	142,087
Housing Aids & Adaptations *		400		400
Set Aside Budget	37,653			37,653
Total Proposed IJB Resources	102,948	77,193	0	180,141

* excludes any capital spend

1 Based on 2021/22 plus uplift; subject to change for impact of winter funding and other recruitment etc.

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