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| Meeting of East Renfrewshire Health and Social Care Partnership | Integration Joint Board |
| Held on | 1 June 2016 |
| Agenda Item | 14 |
| Title | Budget Position Statement |
| <p>Summary</p> <p>This report provides an update on the budget setting process for the Integration Joint Board following approval of the 2016/17 indicative budget on 30th March 2017.</p> | |
| Presented by | Lesley Bairden, Chief Financial Officer |
| <p>Action Required</p> <p>That the Integration Joint Board agree to note the report and receive updates via seminars, where appropriate, prior to the next meeting on 17th August 2016.</p> | |
| <p>Implications checklist – check box if applicable and include detail in report</p> <p> <input checked="" type="checkbox"/> Financial <input checked="" type="checkbox"/> Policy <input type="checkbox"/> Legal <input type="checkbox"/> Equalities <input type="checkbox"/> Staffing <input type="checkbox"/> Property <input type="checkbox"/> IT <input type="checkbox"/> Efficient Government </p> | |

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD

1 June 2016

Report by Lesley Bairden, Chief Financial Officer

BUDGET POSITION STATEMENT
FOR THE INTEGRATION JOINT BOARD

PURPOSE OF REPORT

1. The purpose of this report is to provide a position statement following the approval of the interim 2016/17 IJB budget on 30th March 2016. At that stage it was anticipated that the NHS budget position would have been clearer, however the NHSGGC financial plan will not be agreed until June 2016, which will include partnership budget contributions to all IJBs.
2. The timing of future years IJB meetings will be reviewed to better align with both partner's budget setting timetables.

RECOMMENDATION

3. It is recommended that the Integration Joint Board agree to note the report and receive updates via seminars, where appropriate, prior to the next meeting on 17th August 2016.

BACKGROUND

4. The IJB agreed a provision budget on 30th March 2016 which set out the:
 - a. Approved revenue budget contribution from East Renfrewshire Council of £46.137 million
 - b. Analysis of the £3.62 million Integration Fund and approach to utilising the unallocated £0.782 million based on 4 themes
 - c. The NHSGGC base budget of £62.464 million and potential growth and savings pressures
 - d. The indicative set aside budget for large hospital services of circa £16 million
 - e. The indicative earmarked reserves position for 2016/17.
5. To date there has been no significant movement to the 2016/17 position as last reported on 30th March, therefore the 2016/17 budget and financial strategy for the IJB will be reported to the IJB on 17th August, with seminar updates in the interim.
6. The required letters of direction to our partners have been issued on the basis of the budget as agreed on 30th March, with recognition that the direction will be revised as decisions are taken on allocation of Integration Fund, use of reserves, confirmation of NHSGGC budget contribution along with revision for any other in year adjustments. The Chief Financial Officer will provide a monthly schedule of changes to partners which will reflect the decisions approved by the IJB.

REPORT

7. **Revenue Budget 2016/17:** The total revenue budget for the IJB will reflect the agreed ERC contribution and Integration Fund as above along with the NHSGGC budget contribution once confirmed.
8. NHSGGC Revenue budget contribution is expected to be agreed following approval of the NHS Board's financial plan on 28 June 2016. This will confirm the system wide agreed savings programme and identify any local savings to be achieved. It is anticipated that budgets inclusive of uplifts and savings will be agreed by 31 May for inclusion in revenue reporting for month 2.
9. **Revenue Budget 2017/18 and 2018/19:** For ERC the planning process has commenced for the next two years budget setting process, with a timetable issued within ERC covering the period May to August 2017. The NHSGGC approach is to be agreed. For the IJB this means;
 - a) Working over the summer period to evaluate the delivery of services based on the likely net revenue contribution to the IJB from our partners.
 - b) Identifying proposals for both demographic and other cost pressures as well as required savings proposals to deliver services within the totality of our resources.
 - c) Working with our partners to influence and inform the budget setting and financial planning processes
 - d) Ensuring robust and detailed monitoring and delivery of existing savings programmes
 - e) Agreeing any charging proposals that will require approval via the ERC budget setting process; this function is not delegated to the IJB within the legislation
 - f) Agreeing a timetable with both partners to ensure all timeframes and expectations are mutually agreed and providing our partners with appropriate information for potential impact on both partnership and other service provision.
10. All proposals for decision by the IJB will look at the provision of services, redesign, efficiencies, impact and outcome of project work on a service by service basis looking at the totality of resources. The subsequent impact on future direction to each partner will then be analysed.
11. **Financial Strategy:** based on the above the financial strategy will reflect the 2016/17 budget as year one, initially of a three year strategy, linked to our strategic plan. Over time this will be developed into a longer planning period and will be an integral element of the strategic planning process. A detailed financial strategy will be brought to the August meeting of the IJB, with an expectation that this will be updated at regular intervals, with a suggested review period of twice annually.
12. The strategy will set out a number of scenarios allowing the IJB to plan on the basis of a range of potential budget settlements.
13. It is a requirement of legislation to include Housing Aids & Adaptations in the functions delegated to all IJBs within their strategic plan. This will in effect be a memorandum account for the IJB as budgets will continue to operate within ERC Environmental Services.

14. Hosted services will be included in the financial strategy, again effectively a memorandum account, as the host partnership will manage services and operate all budgets.
15. A property and asset strategy is being developed to inform the financial strategy. Whilst the IJB will not hold the assets the use of these and associated implications to our partners is a fundamental planning and financial consideration.
16. The financial strategy will be developed to include locality based allocation of resources.

FINANCE AND EFFICIENCY

17. All issues relating to the IJB revenue budget and financial strategy are included in the report above.

CONSULTATION

18. The Section 95 Officer and Assistant Director of Finance from respective partners have been fully consulted on all relevant budget issues for the IJB.

PARTNERSHIP WORKING

19. The Section 95 Officer and Assistant Director of Finance from respective partners are fully consulted on all relevant financial issues for the IJB. The CFO would like to acknowledge the continued excellent working relationship with our partners.

IMPLICATIONS OF THE PROPOSALS

20. As the Partnership will continue to operate across the two parent bodies there are currently no implications for
 - Staffing
 - Property
 - Legal
 - IT
 - Equalities
21. The financial sustainability of the HSCP is addressed above.

CONCLUSIONS

22. The preparation of revenue budgets for 2016/17 and longer term financial strategy will ensure an appropriate decision making process will support the delivery of outcomes as identified in the strategic plan.

RECOMMENDATIONS

23. It is recommended that the Integration Joint Board agree to note the report and receive updates via seminars, where appropriate, prior to the next meeting on 17th August 2016.

REPORT AUTHOR AND PERSON TO CONTACT

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BACKGROUND PAPERS

Budget report to IJB 30 March 2016, The Public Bodies (Joint Working)(Scotland) Act 2014

KEY WORDS

Finance, budget, cost pressures, savings, efficiencies, financial strategy, outcomes, strategic plan