

**To: Renfrewshire Integration Joint Board**

**On: 25 November 2022**

**Report by: Chief Finance Officer**

**Heading: Financial Report 1 April 2022 to 30 September 2022**

Direction Required to Health Board, Council or Both	Direction to:	
	1. No Direction Required	
	2. NHS Greater Glasgow & Clyde	
	3. Renfrewshire Council	
	4. NHS Greater Glasgow & Clyde and Renfrewshire Council	<b>X</b>

## 1. Purpose

- 1.1. The purpose of this report is to advise the Integration Joint Board (IJB) of the Revenue Budget position at 30 September 2022, and, the projected year end position for the year ending 31 March 2023.
- 1.2. Members are reminded that at the development session of 12 August 2022 the Chief Finance Officer highlighted the current volatility of the IJB's budget due to the current economic and cost of living crisis and the likelihood that this will have a negative impact on projections as we move through the financial year. Given the current fluid discussions on pay negotiations it is not yet clear what the final impact will be on the overall budget position for 2022/23 or what funding will be passed through to the IJB to meet these increased costs.
- 1.3. In addition, as previously highlighted in the Chief Finance Officers report to the IJB in September, the continued delay in receiving a number of ring-fenced allocations from the Scottish Government in respect of specific Scottish Government priorities means that it is not clear how the in-year budget will be impacted and what conditions will be attached to the funding when it is received, including whether it will be recurring or non-recurring.

## 2. Recommendations

It is recommended that the IJB:

- Note the in-year position at 30 September 2022;
- Note the projected year-end position for 2022/23;
- Note the current estimated financial assessment of the consequences of the COVID-19 pandemic for 2022/23;
- Approve the creation of an earmarked reserve to fund the projected shortfall in the delivery of the PCIP programme (section 6.4) to be funded from the projected year end health underspend and a realignment of a proportion of the fixed term posts reserve (reflecting difficulties in recruiting to fixed term posts).

### 3. Summary

3.1. As detailed in the following table, the IJB year to date position is an underspend of £1,151k and the projected outturn for 2022/23 an underspend of £2,370k (these figures include the impact of COVID-19 which is funded from the draw-down of COVID-19 earmarked reserves) and in line with Scottish Government funding arrangements assumes a transfer of any in-year underspend at 31 March 2023 to ear marked reserves in relation to:

- Winter pressures monies
- Action 15
- Primary Care Improvement Programme (PCIP),
- Alcohol and Drug Partnership (ADP)

Division	Year-to Date	Projected Outturn
<b>Total Renfrewshire HSCP</b> (including COVID-19 and other ring-fenced funding)	Underspend £1,199k	Underspend £2,472k
<b>Other Delegated Services</b>	Overspend (£47k)	Overspend (£102k)
<b>GRAND TOTAL</b>	<b>Underspend £1,151k</b>	<b>Underspend £2,370k</b>

3.2. The following provides a high-level summary of the main reasons why the IJB is currently projecting an underspend against its budget this year:

- **Employee costs underspend of £3,108k:** as previously highlighted, there are ongoing challenges in terms of recruitment and retention issues across all service areas due to the limited availability of the skills mix required within the workforce market. These are issues that are being faced by IJBs across Scotland, not only in Renfrewshire.
- **Supplies and Services overspend of (£330k):** this overspend is mainly in relation to equipment, including costs associated with the purchase of IT equipment across all areas of the service to augment flexible working.
- **Care at Home overspend of (£1,879k):** Spend within care at home continues to increase as the service continues to support delayed discharges and demand.
- **Care Homes Placements – underspend £240k:** reflects greater numbers of clients choosing to remain at home for longer.
- **Adult Care Placements – underspend £654k:** reflective of the current client profile in this area but will be subject to change depending on demand and the implementation of planned adult care placements over the financial year.
- **Transport - underspend £371k:** this underspend is reflective of services such as Day Care operating at a reduced capacity.
- **Transfer Payments - underspend £455k:** is reflective of the impact of Covid19 on some of our contracted services who have been operating at a reduced capacity

- **Prescribing - overspend (£397k):** This 'prudent' projected overspend reflects a number of issues currently impacting on the price of drugs as well as a number of items being on short supply.

- 3.3. As recently highlighted to the IJB at its Development session on 12 August 2022, we are living in unprecedented times. The war in Ukraine, the volatility of inflation and interest rates, rising energy costs, supply chain issues, the cost-of-living crisis, recruitment challenges, and continuing COVID-19 impacts, are converging to create a hugely difficult funding scenario for the public sector across the UK. The full extent of which is still emerging. Members should be aware that it is highly likely that these scenarios will undoubtedly have a negative impact on the current year end projections for the IJB.
- 3.4. Whilst our current financial position is projected to deliver a large underspend, this position may well change as the financial year progresses. In addition, this position also masks the difficulties of the financial outlook in the medium term which includes an anticipated reduction in partner budgets arising from the Resource Spending Review and the increasing prevalence of non-recurring funding streams which create a lack of flexibility in how the IJB can use their funding.
- 3.5. The IJB's financial planning arrangements will remain subject to active review, to enable us to continue to plan for a range of potential outcomes and scenarios and help us to manage emerging financial risks and challenges and the likely impact these could have on the financial position of the IJB.
- 3.6. Throughout the financial year, adjustments are made to the original budget as a result of additional funding allocations, service developments and budget transfers reflecting service reconfigurations. Appendices 5 and 6 provide a reconciliation of the main budget adjustments applied this current financial year.

#### 4. Pressures

Total Renfrewshire HSCP	Year to Date Position	Year End Outturn
	Underspend £1,199k	Underspend £2,472k

- 4.1. The overall net underspend for the HSCP at 31 July 2022 is an underspend of £1,199k, with an anticipated year-end underspend of £2,472k, assuming that the current trajectory of spend continues throughout this financial year.
- 4.2. The current and projected year end position for Winter Pressures monies, Action 15, the Primary Care Improvement Programme (PCIP), and Alcohol and Drug Partnership (ADP) assume that if there are any underspends, they will be transferred to earmarked reserves at the year-end in line with Scottish Government funding arrangements.
- 4.3. The current and projected underspend includes a drawdown of £8,429k to date, from earmarked reserves as detailed in the following table and in Appendix 8.

HSCP Funded Earmarked Reserves	Opening Position 2022/23	Amounts Drawn Down in 2022/23	Closing Position 2022/23	Movement in Reserves 2022/23
	£000's	£000's	£000's	£000's
<b>Covid Funding</b>	<b>17,242</b>	<b>-1,514</b>	<b>15,728</b>	<b>-1,514</b>
<b>Scottish Government Ring Fenced Monies carried forward:</b>				
PCIP	4,347	-4,347	0	-4,347
PCTF Monies Allocated for Tests of Change and GP Support	216	0	216	0
GP Premises Improvement Fund	462	0	462	0
<b>ADP Funding</b>	<b>2,551</b>	<b>-374</b>	<b>2,177</b>	<b>-374</b>
<b>Mental Health Recovery and Renewal Funding</b>	<b>1,560</b>	<b>-204</b>	<b>1,356</b>	<b>-204</b>
<b>Mental Health Action 15 (19/20)_(20/21)_(21/22)</b>	<b>663</b>	<b>-663</b>	<b>0</b>	<b>-663</b>
<b>District Nurse Recruitment Programme</b>	<b>312</b>	<b>-280</b>	<b>32</b>	<b>-280</b>
<b>Winter Planning Monies / Care Home Liaison Monies</b>	<b>4,740</b>	<b>-354</b>	<b>4,386</b>	<b>-354</b>
<b>Health Visiting</b>	<b>32</b>	<b>0</b>	<b>32</b>	<b>0</b>
<b>SG Pay Award and LW Health &amp; Social Care (21/22)</b>	<b>340</b>	<b>0</b>	<b>340</b>	<b>0</b>
<b>Mental Health Dementia Funding</b>	<b>119</b>	<b>0</b>	<b>119</b>	<b>0</b>
<b>Public Health Improvement Monies</b>	<b>168</b>	<b>0</b>	<b>168</b>	<b>0</b>
<b>Scottish Government Ring Fenced Monies carried forward</b>	<b>15,510</b>	<b>-6,222</b>	<b>9,288</b>	<b>-6,222</b>
<b>Grant Funding carried forward</b>	<b>534</b>	<b>-37</b>	<b>497</b>	<b>-37</b>
<b>TOTAL RING FENCED MONIES TO BE CARRIED FORWARD</b>	<b>33,286</b>	<b>-7,773</b>	<b>25,513</b>	<b>-7,773</b>
<b>ICT / Systems Related</b>	<b>643</b>	<b>-153</b>	<b>490</b>	<b>-153</b>
<b>Premises Related</b>	<b>662</b>	<b>-49</b>	<b>613</b>	<b>-49</b>
<b>Prescribing</b>	<b>2,000</b>	<b>0</b>	<b>2,000</b>	<b>0</b>
<b>Other IJB Reserves</b>	<b>8,677</b>	<b>-454</b>	<b>8,223</b>	<b>-454</b>
<b>TOTAL EARMARKED RESERVES</b>	<b>45,268</b>	<b>-8,429</b>	<b>36,839</b>	<b>-8,429</b>

- 4.4. The main broad themes of the current and projected outturn are in line with those previously reported to members throughout 2021/22 and include:

Adults and Older People	Year to Date Position	Year End Outturn
	Underspend £72k	Underspend £110k

- 4.5. The main areas to note within Adults and Older People are in line with previous reports and largely relate to:

- *Continued pressures within the Care at Home service* - spend within care at home continues to increase as the service continues to support delayed discharges and demand.
- *Care Homes* – Currently, the Care Home budget is projecting an underspend reflecting the number of clients choosing to remain at home for longer.
- *Employee costs - Adult Social Care*  
Underspends in employee costs reflect ongoing difficulties recruiting to specialist posts across a number of areas, including homecare workers;

social care assistants; team leaders. Where appropriate and where possible these are being covered through overtime and agency staff.

- *Transport costs - Adult Social Care*  
Underspends reflecting services currently operating at a reduced capacity.
- *Adult Community Services*  
Underspend, reflecting ongoing turnover and recruitment and retention issues across services.

Mental Health Services	Year to Date Position	Year End Outturn
	Underspend £100k	Underspend £220k

- 4.6. The underspend within Mental Health Services reflects vacancies due to recruitment issues throughout all mental health service areas. In order to maintain the recommended safe staffing and skill mix across these services, as well as the need to respond to increasing levels of demand and acute presentations, bank and agency staff are required to fill the current gaps due to vacancies – this position is likely to continue.

Learning Disabilities	Year to Date Position	Year End Outturn
	Underspend £665k	Underspend £1,419k

- 4.7. The underspend within Learning Disabilities is mainly due to vacancies across all areas of the service including within the newly created Assertive Outreach Team for which posts are currently actively being recruited to. In addition, there is an underspend on adult care packages reflective of the current client profile which will be subject to change depending on demand and the timescales for the implementation of planned adult care placements over the financial year.

Children's Services	Year to Date Position	Year End Outturn
	Underspend £256k	Underspend £513k

- 4.8. The underspend within Children's Services is mainly due to vacancies reflecting recruitment and retention issues across the service.

Resources	Year to Date Position	Year End Outturn
	Underspend £123k	Underspend £247k

- 4.9. The underspend within Resources is mainly due to vacancies within the Admin teams reflecting ongoing recruitment issues.

Hosted Services	Year to Date Position	Year End Outturn
	Underspend £140k	Underspend £280k

- 4.10. The underspend in Hosted Services is mainly due to vacancies within the Primary Care and Podiatry Services.

Prescribing	Year to Date Position	Year End Outturn
	Overspend (£199k)	Overspend (£397k)

- 4.11. As previously reported, this 'prudent' projected overspend reflects: Prescribing volumes now being on par with those experienced prior to the pandemic, as

well as an unprecedented number of items being on short supply and, a number of issues currently impacting on the price of drugs including:

- limitations in manufacturing capacity due to COVID-19, Ukraine, lockdowns in Far East, staffing shortages
- ongoing issues with availability and cost of card and cardboard packaging
- ongoing issues with raw materials
- manufacturing processes
- increased testing for excipients in the manufacturing process
- increased shipping costs (fuel and containers - delays and strikes at ports in England)

## 5. Responding to the COVID-19 Pandemic

5.1. Throughout 2021/22 the Local Mobilisation Plan (LMP) Covid-19 financial tracker was submitted quarterly to the Scottish Government, however in 2022/23 this has reverted to a monthly submission, to allow close monitoring of the impact of Covid Cost Improvement Programmes.

5.2. The following table summarises the expenditure which the HSCP has incurred to date and an estimate of future commitments for 2022/23. To date (in 2022/23) £1,554k has been spent responding to COVID-19, of which £289k relates to health services and, £1,265k relates to adult social care services.

Total Estimated Costs at 16/09/22							
Description of Cost Type	Health			Adult Social Care			TOTAL
	Costs Incurred to Date £000's	Estimate of Future Commitments £000's	Total Costs £000's	Costs Incurred to Date £000's	Estimate of Future Commitments £000's	Total Costs £000's	
Additional Staff Costs	137	135	271	260	(0)	260	531
Provider Sustainability Costs			-	761	1,006	1,767	1,767
PPE	5	-	5			-	5
Community Hubs	19	-	19			-	19
Loss of Income			-	79	79	157	157
FHS costs	128	174	302			-	302
Other Costs	0	110	110	166	131	297	407
<b>TOTAL</b>	<b>289</b>	<b>419</b>	<b>708</b>	<b>1,265</b>	<b>1,215</b>	<b>2,480</b>	<b>3,188</b>

5.3. Funding of costs associated with COVID-19, for services delegated to the IJB, is routed through NHSGGC, and passed through to the IJB. In total, additional funding of £17.243m was received in 2021/22 reflecting funding in advance of need which is currently held in an earmarked reserve to address COVID-19 expenditure commitments in 2022/23.

5.4. As detailed in the following table the opening earmarked COVID-19 reserve was £17.242m.

Confirmed Funding Sources to Support the HSCP's COVID-19 Response	Funding c/f Earmarked Reserves £000's	New funding received 2022/23 £000's	Anticipated Funding Required 2022/23 £000's	Estimated Costs @ 16/09/22 £000's	Remaining Balance £000's
Covid - Intergration Authority Support	16,545			3,188	13,357
Covid - Community Living Change	697		0	0	697
<b>Total</b>	<b>17,242</b>	<b>0</b>	<b>0</b>	<b>3,188</b>	<b>14,054</b>

5.5. Currently, we are projecting that expenditure in 2022/23 will be £3.188m leaving a projected remaining balance of £14.054m. This is a significant reduction from the £5.172m reported to the September IJB meeting and is mainly due to the removal of PPE costs.

5.6. The vast majority of the PPE distributed in 2021/22 came from the local PPE Hub operated by Renfrewshire Council on behalf of the HSCP, with the PPE supplied by National Services Scotland (NSS). Our previous returns assumed that for 2022/23 these costs would be recharged to the HSCP. However, the Scottish Government have now advised that these costs should be removed which has resulted in an anticipated reduction of Covid-19 spend for 2022/23 of £2.058m.

5.7. Since March 2022 there have been a number of significant changes to Public Health policies in relation to Covid19. This has resulted in the profile of Covid19 spend reducing significantly compared to when funding was provided to IJBs for Covid19 purposes. In response to this, the Scottish Government wrote to IJB Chief Officers and Chief Finance Officers to intimate their intention to reclaim surplus Covid19 reserves to be redistributed across the sector to meet current Covid19 priorities (reference appendix 9). At this stage, the details in relation to process, values and timescale have not yet been confirmed.

## 6. Scottish Government Funding 2022/23

6.1. As highlighted in para 1.3 we have not yet received a number of ring-fenced allocations from the Scottish Government in respect of specific Scottish Government priorities. It is therefore not yet clear how the in-year budget will be impacted and what conditions will be attached to the funding when it is received, including whether it will be recurring or non-recurring.

6.2. As highlighted in section 6.4 of this report in relation to PCIP, the Scottish Government has confirmed that the total value of PCIP earmarked reserves held by IJBs across the country has now been taken into account as part of the overall available funding, and therefore IJBs must draw down these reserves in the first instance and will only receive additional funding for their investment programme once this has been fully utilised. Overall funding will therefore be restricted to the reserves plus the difference between the original annual funding allocation and those reserve balances (an overall reduction in this year's assumed available funding).

6.3. In addition to a change in the funding mechanism for PCIP, the Scottish Government in their letter of 6 October (Appendix 11) to ADP Chairs and Integration Authority Chief Officers highlighted that a similar approach will be applied for ADP programmes whereby IJBs will only receive additional funding once reserve balances have been fully utilised:

***“Given the overall financial pressures across health and social care it is prudent and sensible to use existing reserves that have been built up over time before allocating new funding. On that basis, we previously advised that Integration Authorities would be expected to draw down existing reserve balances in the first instance before accessing new funding, to avoid a build up being carried forward into future financial years”.***

#### 6.4. **PCIP Update**

##### 6.4.1. **Background**

6.4.1.1. In 2017/18 agreement was reached by the Scottish Government and the GP profession on the new GP contract. The principal elements of which are:

- Redesign of primary care services to enable longer consultations by GPs with people with multiple morbidities requiring complex care.
- Health boards to take on responsibility for GP leased and owned premises.
- To reduce the risk to GPs from information sharing, improved use of new information technology.
- To give GP clusters a role in quality planning, quality improvement and quality assurance.
- To provide new opportunities for practice staff-nurses, managers, and receptionists to contribute to patient care.

6.4.1.2. To support the introduction of the new contract a Memorandum of Understanding (MoU) was signed by the Scottish Government, the British Medical Association, Integration Authorities and NHS Boards (the MoU was updated in 2021).

6.4.1.3. The MoU covers 6 workstreams:

- Vaccination Transformation Programme - transfer of responsibility for vaccination delivery from GPs to health boards.
- Transfer of responsibility for delivering community treatment and care services from GPs to health boards, including phlebotomy (CTAC).
- Transfer of responsibility for delivering pharmacotherapy services from GPs to health boards
- Development of urgent care services by health boards to support general practice.
- Recruitment of additional practitioners employed by health boards to expand multi-disciplinary teams in primary care, such as acute musculoskeletal physiotherapy services, community mental health services.
- Development of Community Links Workers' support for primary care.

6.4.1.4. The Vaccination Transformation Programme is now substantially delivered.

6.4.1.5. The Primary Care Implementation Plans (PCIPs) provide the detail on how each HSCP plans to deliver on their MoU commitments Renfrewshire's initial Primary Care Improvement Plan was agreed by the IJB on 28 June 2018, with further updates and PCIP trackers provided to the IJB on a regular basis.



#### 6.4.2. **PCIP Funding for 2022/23**

6.4.2.1. As highlighted in the Chief Finance Officer's report of the 16 September, the 2022/23 Tranche 1 allocation for the PCIP was issued by the Scottish Government on 11 August 2022 (Appendix 10). The allocation basis differs from that in previous years and assumes that PCIP reserves are uncommitted – which in the case of Renfrewshire is not the case.

6.4.2.2. The overall funding for 2022/23 is £170m of which Renfrewshire's share based on NRAC is £5.72m. As highlighted above, a different approach to the allocation has been taken for 2022/23:

**“Given the overall financial pressures across health and social care, and taking into account the Resource Spending Review, it is prudent and sensible to use existing reserves that have been built up over time. On this basis, we have agreed with the Cabinet Secretary for Health and Social Care that Integration Authorities should draw down existing reserve balances in the first instance, and therefore 2022-23 allocations will reflect reserves held. Please note, therefore, that the £170 million envelope takes account of the funds already held by Integration Authorities by means of these existing PCIF reserves.”**

6.4.2.3. When determining the allocation for 2022/23 the Scottish Government used the balance held in PCIP reserves from October 2021, for Renfrewshire this was £3.162m. The Scottish Government have since advised that it would be prudent for IJBs to assume that tranche 2 allocations will take into account reserve balances held at 31 March 2022. It is therefore anticipated that the final reduction will reflect our reserves position AT 31 March 2022 of £4.347m.

6.4.2.4. Locally, the £4.347m was carried forward in earmarked reserves to fund commitments linked to an expanded model of community link workers, winter planning funding and accommodation works, to support the additional staff who have been recruited and to provide space for the delivery of care and treatment for patients.

6.4.2.5. Our approach to the use of PCIP reserves has been explained in previous PCIP returns to the Scottish Government and we have been clear on the basis in which we are planning and proceeding to deliver our PCIP programme.

6.4.2.6. The following table provides details of our planned use of the PCIP reserves as agreed with our local GP representatives and the LMC.

Spend – MOU Area	Detail	Breakdown of posts (wte)	£	Agreed funding from SG £	Funded by HSCP £
Community Link Workers	Community Link Worker, Variation of Contract	3 WTE	261,260	261,260	0
<b>Community Link Worker Total</b>			<b>261,260</b>	<b>261,260</b>	<b>0</b>
Pharmacotherapy	Pharmacy Hub Event and backfill	One off spend	10,815	10,815	0
	Fixed term posts	1 Band 3	62,980	62,980	0
		2 Band 7	260,504	260,504	0
		3 Band 3	188,941	188,941	0
		0.5 Band 7	32,563	32,563	0
	IT equipment for staff within Pharmacy hubs	Equipment and supplies - One off spend	21,477	21,477	0
<b>Pharmacotherapy Total</b>			<b>577,280</b>	<b>577,280</b>	<b>0</b>
Treatment Rooms	Fixed Term posts	2 Band 5	120,643	120,643	0
<b>Treatment Rooms Total</b>			<b>120,643</b>	<b>120,643</b>	<b>0</b>
Urgent Care	Care Home Care ANP support (fixed term)	1 Band 7	130,252	130,252	0
	GP ANP support	Support	109,340	109,340	0
	Scottish Ambulance Service	2 Band 7	260,504	130,252	130,252
	ANP - fixed term posts	2 Band 5	178,072	0	178,072
<b>Urgent Care Total</b>			<b>678,168</b>	<b>369,844</b>	<b>308,324</b>
Infrastructure Works	Improvement works: Renfrew and Linwood, GP accommodate		632,000		632,000
	Improvement works: Paisley, associated refurbishment works within vacant unit.		431,000	0	431,000
	Improvement works: Johnstone, associated refurbishment works in vacant space.		250,000	0	250,000
	Improvement works: Paisley, associated refurbishment works.		50,000	0	50,000
	Feasibility Study		8,000	8,000	
<b>Infrastructure Works Total</b>			<b>1,371,000</b>	<b>8,000</b>	<b>1,363,000</b>
<b>Overall Total</b>			<b><u>3,008,351</u></b>	<b><u>1,337,027</u></b>	<b><u>1,671,324</u></b>

#### 6.4.2.7.

Following a number of recent discussions with the Scottish Government, they have confirmed that they will agree financial cover to support our legal commitments of £1.337m, leaving a balance of £1.671m for which we are seeking approval from the IJB to fund.

- 6.4.2.8. Scottish Government have also asked that we continue to re-evaluate our 'in year' costs and keep them updated on projections reflecting any movements through slippage in the programme, forthcoming recruitment plans, and any other sources of funding available. The Scottish Government will discuss our position ahead of tranche 2 allocations and make any necessary adjustments.

## 7. Other Delegated Services

- 7.1. The following table shows the costs of other Renfrewshire Council services delegated to the IJB. Under the 2014 Act, the IJB is accountable for these services, however, these continue to be delivered by Renfrewshire Council. Renfrewshire HSCP monitors the delivery of these services on behalf of the IJB.

- 7.2. The Projected outturn position to 31 March 2022 is an overspend of £102k.

Client Group	Annual Budget £000's	Projection to Year End £000's	Variance £000's	%	
Housing Adaptations	829	931	(102)	-12%	overspend
Women's Aid	239	239	-	0%	breakeven
Grant Funding for Women's Aid	-	-	-	0%	breakeven
<b>NET EXPENDITURE</b>	<b>1,068</b>	<b>1,170</b>	<b>(102)</b>	<b>-12%</b>	<b>overspend</b>

## 8. Reserves

- 8.1. It is essential for the long-term financial stability and the sustainability of the IJB that sufficient funds are held in reserve to manage unanticipated pressures from year to year. The requirement for financial reserves is acknowledged in statute and is part of a range of measures in place to ensure that s106 public bodies do not over-commit themselves financially.

- 8.2. The opening IJB reserves position for 2022/23 was £51,049k comprising:

- COVID-19 Funding £17,242k;
- Scottish Government Ring Fenced Monies £15,510k;
- Grant Funding £534k and
- IJB Earmarked Reserves £11,982k.

The remaining balance of £5,781k is general reserves which are not held to meet any specific liability and offer the IJB some flexibility to deal with unforeseen events or emergencies. These reserves are considered appropriate to the level of risk faced by the organisation and equate to c2% of the IJB's net budget (including set aside), bringing this in line with the targeted 2% in the IJB's Reserve Policy.

- 8.3. As detailed in Appendix 8 and paragraph 4.3, based on current projections for 2022/23 a total of £8,429m of earmarked reserves have been drawn down to date.

- 8.4. Members are reminded that the Scottish Government agreed a flexible funding approach for a number of specific projects and government priorities whereby these reserves are accessed first before any further funding is released. This includes Mental Health, Primary Care and Alcohol and Drugs services. These will be drawn down in line with the flexible funding approach agreed with the Scottish Government.

- 8.5. As highlighted in section 6 of this report in relation to PCIP and ADP, the Scottish Government has confirmed that IJBs must draw down these reserves in the first instance and will only receive additional funding for their investment programme once this has been fully utilised. Overall funding will therefore be restricted to the reserves plus the difference between the original annual funding allocation and those reserve balances (an overall reduction in this year's assumed available funding).
- 8.6. In addition to the Scottish Government's funding changes to PCIP and ADP funding, there are also anticipated restrictions in other funding streams including Mental Health Action 15. This means a significant portion of Committed Reserves will be utilised during 2022/23.

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### **Implications of the Report**

1. **Financial** – Financial implications are discussed in full in the report above.
2. **HR & Organisational Development** – none
3. **Community Planning** - none
4. **Legal** – This is in line with Renfrewshire IJB's Integration Scheme
5. **Property/Assets** – none.
6. **Information Technology** – none
7. **Equality & Human Rights** – The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – none.
9. **Procurement** – Implementation of the living wage impact on existing contracts with providers and their ability to deliver within the allocated funding package.
10. **Risk** – There are a number of risks which should be considered on an ongoing basis: adequate funding to deliver core services.
11. **Privacy Impact** – none.

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### **List of Background Papers – None.**

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<b>Direction from the Integration Joint Board</b>
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<b>1.</b>	<b>Reference Number</b>	251122-05
<b>2.</b>	<b>Date Direction issued by IJB</b>	25 November 2022
<b>3.</b>	<b>Date from which Direction takes effect</b>	25 November 2022
<b>4.</b>	<b>Direction to</b>	Renfrewshire Council and NHS Greater Glasgow & Clyde
<b>5.</b>	<b>Does the Direction supersede, amend, or cancel a previous Direction – if yes include IJB reference number</b>	Yes, 160922-04
<b>6.</b>	<b>Functions covered by the Direction</b>	All functions delegated to the IJB from Renfrewshire Council and NHS Greater Glasgow & Clyde
<b>7.</b>	<b>Full text of Direction</b>	Renfrewshire Council and NHS Greater Glasgow & Clyde are jointly directed to deliver services in line with the Integration Joint Board's Strategic Plan (2022-25), as advised and instructed by the Chief Officer and within the budget levels outlined in Appendix 1.
<b>8.</b>	<b>Budget allocated by IJB to carry out Direction.</b>	As outlined in Appendix 1.
<b>9.</b>	<b>Outcomes</b>	The functions will be carried out in a manner consistent with the strategic objectives and outcomes set out in the Strategic Plan 2022-25.
<b>10.</b>	<b>Performance monitoring arrangements</b>	Performance management is monitored and reported to every meeting of the IJB.
<b>11.</b>	<b>Date of review of Direction</b>	January 2023.



# Appendix 1

## HSCP Revenue Budget Position 1st April 2022 to 30th September 2022

Subjective Heading	YTD Budget	In year adjustments	Adjustment in line with Annual Accounts	Drawdown From Reserves	Reserves Budget Adjustments	Revised Budget	Projected Spend YTD (before movements to reserves)	Variance		
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	%	
Employee Costs	44,588	1,362	-	3,187	-	49,137	47,610	1,527	3.1%	underspend
Property Costs	213	33	-	25	-	271	342	(71)	-26.3%	overspend
Supplies and Services	9,664	365	(6,127)	208	-	4,110	4,278	(168)	-4.1%	overspend
Third Party Payments	34,806	156	-	-	-	34,963	35,416	(453)	-1.3%	overspend
Purchase Of Healthcare	1,480	35	-	(18)	-	1,497	1,504	(7)	-0.5%	overspend
Transport	389	(2)	-	-	-	387	215	171	44.3%	underspend
Family Health Services	47,334	1,396	-	-	-	48,730	48,931	(201)	-0.4%	overspend
Support Services	32	-	-	1	-	33	32	2	4.6%	underspend
Transfer Payments (PTOB)	3,417	(655)	-	32	-	2,794	2,584	210	7.5%	underspend
Resource Transfer	11,605	(596)	(11,009)	-	-	-	-	-	0.0%	breakeven
Set Aside	31,790	-	-	-	-	31,790	31,790	-	0.0%	breakeven
COVID 19	-	-	-	717	-	717	717	-	0.0%	breakeven
<b>Gross Expenditure</b>	<b>185,317</b>	<b>2,095</b>	<b>(17,136)</b>	<b>4,151</b>	<b>-</b>	<b>174,428</b>	<b>173,417</b>	<b>1,010</b>	<b>0.6%</b>	<b>underspend</b>
Income	(14,465)	(687)	-	-	(4,151)	(19,303)	(19,444)	141	-0.7%	underspend
<b>NET EXPENDITURE</b>	<b>170,852</b>	<b>1,408</b>	<b>(17,136)</b>	<b>4,151</b>	<b>(4,151)</b>	<b>155,125</b>	<b>153,974</b>	<b>1,151</b>	<b>0.7%</b>	<b>underspend</b>

Care Group	YTD Budget	In year adjustments	Adjustment in line with Annual Accounts	Drawdown From Reserves	Reserves Budget Adjustments	Revised Budget	Projected Spend YTD (before movements to reserves)	Variance		
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	%	
Adults & Older People	37,602	1,170	-	607	(607)	38,772	38,701	72	0.2%	underspend
Mental Health	12,611	825	-	452	(452)	13,436	13,336	100	0.7%	underspend
Learning Disabilities	11,119	(639)	-	-	-	10,480	9,814	665	6.3%	underspend
Children's Services	3,186	165	-	146	(146)	3,351	3,095	256	7.7%	underspend
Prescribing	18,752	83	-	-	-	18,835	19,034	(199)	-1.1%	overspend
Health Improvement & Inequalities	487	120	-	-	-	607	566	41	6.7%	underspend
FHS	28,218	844	-	-	-	29,062	29,062	-	0.0%	breakeven
Resources	3,077	(782)	-	2,220	(2,220)	2,295	2,172	123	5.4%	underspend
Hosted Services	5,786	220	-	11	(11)	6,006	5,866	140	2.3%	underspend
Resource Transfer	11,605	(596)	(11,009)	-	-	-	-	-	0.0%	breakeven
Social Care Fund	6,127	-	(6,127)	-	-	-	-	-	0.0%	breakeven
Set Aside	31,790	-	-	-	-	31,790	31,790	-	0.0%	breakeven
<b>NET EXPENDITURE (before delegated)</b>	<b>170,359</b>	<b>1,408</b>	<b>(17,136)</b>	<b>3,434</b>	<b>(3,434)</b>	<b>154,632</b>	<b>153,433</b>	<b>1,199</b>	<b>0.8%</b>	<b>underspend</b>
Other Delegated Services	493	-	-	-	-	493	540	(47)	-9.6%	overspend
<b>NET EXPENDITURE before COVID</b>	<b>170,852</b>	<b>1,408</b>	<b>(17,136)</b>	<b>3,434</b>	<b>(3,434)</b>	<b>155,125</b>	<b>153,973</b>	<b>1,151</b>	<b>0.7%</b>	<b>underspend</b>
COVID 19	-	-	-	717	(717)	-	-	-	-	breakeven
<b>NET EXPENDITURE</b>	<b>170,852</b>	<b>1,408</b>	<b>(17,136)</b>	<b>4,151</b>	<b>(4,151)</b>	<b>155,125</b>	<b>153,973</b>	<b>1,151</b>	<b>0.7%</b>	<b>underspend</b>

**HSCP Revenue Budget Position**  
**1st April 2022 to 31st March 2023**

Subjective Heading	Annual Budget £000's	In year adjustments £000's	Adjustment in line with Annual Accounts £000's	Drawdown From Reserves £000's	Reserves Budget Adjustments £000's	Revised Budget £000's	Projected Spend to Year End (before movements to reserves) £000's	Variance		
								£000's	%	
Employee Costs	91,982	2,861	-	6,403	-	101,246	98,138	3,108	3.1%	underspend
Property Costs	453	73	-	49	-	575	721	(146)	-25.4%	overspend
Supplies and Services	19,481	729	(12,254)	429	-	8,385	8,715	(330)	-3.9%	overspend
Third Party Payments	75,414	339	-	-	-	75,753	76,735	(982)	-1.3%	overspend
Purchase Of Healthcare	2,960	70	-	(36)	-	2,994	3,008	(14)	-0.5%	overspend
Transport	843	(5)	-	-	-	838	467	371	44.3%	underspend
Family Health Services	94,668	2,792	-	-	-	97,460	97,861	(401)	-0.4%	overspend
Support Services	70	-	-	2	-	72	69	3	4.6%	underspend
Transfer Payments (PTOB)	7,403	(1,419)	-	69	-	6,053	5,598	455	7.5%	underspend
Resource Transfer	23,209	(1,192)	(22,017)	-	-	-	-	-	0.0%	breakeven
Set Aside	63,579	-	-	-	-	63,579	63,579	-	0.0%	breakeven
COVID 19	-	-	-	1,513	-	1,513	1,513	-	0.0%	breakeven
<b>Gross Expenditure</b>	<b>380,062</b>	<b>4,248</b>	<b>(34,271)</b>	<b>8,429</b>	<b>-</b>	<b>358,468</b>	<b>356,405</b>	<b>2,063</b>	<b>0.6%</b>	<b>underspend</b>
Income	(31,082)	(1,425)	-	-	(8,429)	(40,936)	(41,242)	306	-0.7%	underspend
<b>NET EXPENDITURE</b>	<b>348,980</b>	<b>2,823</b>	<b>(34,271)</b>	<b>8,429</b>	<b>(8,429)</b>	<b>317,532</b>	<b>315,163</b>	<b>2,369</b>	<b>0.7%</b>	<b>underspend</b>

Care Group	Annual Budget £000's	In year adjustments £000's	Adjustment in line with Annual Accounts £000's	Drawdown From Reserves £000's	Reserves Budget Adjustments £000's	Revised Budget £000's	Projected Spend to Year End (before movements to reserves) £000's	Variance		
								£000's	%	
Adults & Older People	80,445	2,396	-	1,259	(1,259)	82,841	82,731	110	0.1%	underspend
Mental Health	25,432	1,731	-	906	(906)	27,163	26,943	220	0.8%	underspend
Learning Disabilities	23,982	(1,410)	-	-	-	22,572	21,153	1,419	6.3%	underspend
Children's Services	6,372	330	-	291	(291)	6,702	6,189	513	7.7%	underspend
Prescribing	37,504	166	-	-	-	37,670	38,067	(397)	-1.1%	overspend
Health Improvement & Inequalities	973	240	-	-	-	1,213	1,132	81	6.7%	underspend
FHS	56,436	1,687	-	-	-	58,123	58,123	-	0.0%	breakeven
Resources	6,154	(1,564)	-	4,439	(4,439)	4,590	4,343	247	5.4%	underspend
Hosted Services	11,572	439	-	21	(21)	12,011	11,731	280	2.3%	underspend
Resource Transfer	23,209	(1,192)	(22,017)	-	-	-	-	-	0.0%	breakeven
Social Care Fund	12,254	-	(12,254)	-	-	-	-	-	0.0%	breakeven
Set Aside	63,579	-	-	-	-	63,579	63,579	-	0.0%	breakeven
<b>NET EXPENDITURE (before delegated)</b>	<b>347,912</b>	<b>2,823</b>	<b>(34,271)</b>	<b>6,916</b>	<b>(6,916)</b>	<b>316,464</b>	<b>313,992</b>	<b>2,472</b>	<b>0.8%</b>	<b>underspend</b>
Other Delegated Services	1,068	-	-	-	-	1,068	1,170	(102)	-9.6%	overspend
<b>NET EXPENDITURE before COVID</b>	<b>348,980</b>	<b>2,823</b>	<b>(34,271)</b>	<b>6,916</b>	<b>(6,916)</b>	<b>317,532</b>	<b>315,162</b>	<b>2,370</b>	<b>0.7%</b>	<b>underspend</b>
COVID 19	-	-	-	1,513	(1,513)	-	-	-		breakeven
<b>NET EXPENDITURE</b>	<b>348,980</b>	<b>2,823</b>	<b>(34,271)</b>	<b>8,429</b>	<b>(8,429)</b>	<b>317,532</b>	<b>315,162</b>	<b>2,370</b>	<b>0.7%</b>	<b>underspend</b>



## Appendix 2

### Adult Social Care Revenue Budget Position 1st April 2022 to 16th September 2022

Subjective Heading	YTD Budget £000's	In year adjustments £000's	Adjustment in line with Annual Accounts £000's	Drawdown From Reserves £000's	Reserves Budget Adjustments £000's	Revised Budget £000's	Projected Spend YTD (before movements to reserves) £000's	Variance		
								£000's	%	
Employee Costs	16,748	817	-	175	-	17,740	17,421	319	1.8%	underspend
Property Costs	162	42	-	-	-	204	228	(24)	-11.5%	overspend
Supplies and Services	913	(8)	-	78	-	984	950	34	3.4%	underspend
Third Party Payments	34,806	156	-	-	-	34,963	35,416	(453)	-1.3%	overspend
Transport	388	(2)	-	-	-	385	214	171	44.5%	underspend
Support Services	32	-	-	1	-	33	32	2	4.6%	underspend
Transfer Payments (PTOB)	3,008	(655)	-	32	-	2,385	2,128	257	10.8%	underspend
COVID 19	-	-	-	476	-	476	476	-	0.0%	breakeven
<b>Gross Expenditure</b>	<b>56,059</b>	<b>349</b>	<b>-</b>	<b>762</b>	<b>-</b>	<b>57,171</b>	<b>56,864</b>	<b>306</b>	<b>0.5%</b>	<b>underspend</b>
Income	(12,895)	(310)	-	-	(762)	(13,968)	(14,109)	141	-1.0%	underspend
<b>NET EXPENDITURE</b>	<b>43,164</b>	<b>39</b>	<b>-</b>	<b>762</b>	<b>(762)</b>	<b>43,203</b>	<b>42,755</b>	<b>447</b>	<b>1.0%</b>	<b>underspend</b>

Care Group	YTD Budget £000's	In year adjustments £000's	Adjustment in line with Annual Accounts £000's	Drawdown From Reserves £000's	Reserves Budget Adjustments £000's	Revised Budget £000's	Projected Spend YTD (before movements to reserves) £000's	Variance		
								£000's	%	
Older People	28,035	(26)	-	228	(228)	28,009	28,250	(241)	-0.9%	overspend
Physical or Sensory Difficulties	3,105	357	-	-	-	3,462	3,421	41	1.2%	underspend
Learning Difficulties	10,464	(786)	-	-	-	9,678	9,148	530	5.5%	underspend
Mental Health Needs	1,258	490	-	18	(18)	1,748	1,630	118	6.7%	underspend
Addiction Services	301	5	-	40	(40)	306	306	0	0.1%	overspend
COVID 19	-	-	-	476	(476)	-	-	-	0.0%	breakeven
<b>NET EXPENDITURE</b>	<b>43,164</b>	<b>39</b>	<b>-</b>	<b>762</b>	<b>(762)</b>	<b>43,203</b>	<b>42,755</b>	<b>447</b>	<b>1.0%</b>	<b>underspend</b>

**Adult Social Care Revenue Budget Year End Position**  
**1st April 2022 to 31st March 2023**

Subjective Heading	Annual Budget £000's	In year adjustments £000's	Adjustment in line with Annual Accounts £000's	Drawdown From Reserves £000's	Reserves Budget Adjustments £000's	Revised Budget £000's	Projected Spend to Year End (before movements to reserves) £000's	Variance		
								£000's	%	
Employee Costs	36,288	1,770		379		38,437	37,745	692	1.8%	underspend
Property Costs	352	90				442	493	(51)	-11.5%	overspend
Supplies and Services	1,979	(18)		170		2,131	2,058	73	3.4%	underspend
Third Party Payments	75,414	339				75,753	76,735	(982)	-1.3%	overspend
Transport	840	(5)				835	464	371	44.5%	underspend
Support Services	70			2		72	69	3	4.6%	underspend
Transfer Payments (PTOB)	6,518	(1,419)		69		5,168	4,611	557	10.8%	underspend
COVID 19				1,032		1,032	1,032	-	0.0%	breakeven
<b>Gross Expenditure</b>	<b>121,461</b>	<b>757</b>	<b>-</b>	<b>1,652</b>	<b>-</b>	<b>123,870</b>	<b>123,206</b>	<b>664</b>	<b>0.5%</b>	<b>underspend</b>
Income	(27,940)	(672)			(1,652)	(30,264)	(30,570)	306	-1.0%	underspend
<b>NET EXPENDITURE</b>	<b>93,521</b>	<b>85</b>	<b>-</b>	<b>1,652</b>	<b>(1,652)</b>	<b>93,606</b>	<b>92,637</b>	<b>969</b>	<b>1.0%</b>	<b>underspend</b>

Care Group	Annual Budget £000's	In year adjustments £000's	Adjustment in line with Annual Accounts £000's	Drawdown From Reserves £000's	Reserves Budget Adjustments £000's	Revised Budget £000's	Projected Spend to Year End (before movements to reserves) £000's	Variance		
								£000's	%	
Older People	60,742	(56)		495	(495)	60,686	61,209	(523)	-0.9%	overspend
Physical or Sensory Difficulties	6,727	774				7,501	7,413	88	1.2%	underspend
Learning Difficulties	22,673	(1,704)				20,969	19,820	1,149	5.5%	underspend
Mental Health Needs	2,726	1,061		38	(38)	3,787	3,532	255	6.7%	underspend
Addiction Services	653	10		87	(87)	663	662	1	0.1%	overspend
COVID 19				1,032	(1,032)	-	-	-	0.0%	breakeven
<b>NET EXPENDITURE</b>	<b>93,521</b>	<b>85</b>	<b>-</b>	<b>1,652</b>	<b>(1,652)</b>	<b>93,606</b>	<b>92,637</b>	<b>969</b>	<b>1.0%</b>	<b>underspend</b>

## Appendix 3

### Health Revenue Budget Position 1st April 2022 to 30th September 2022

Subjective Heading	YTD Budget £000's	In year adjustments £000's	Adjustment in line with Annual Accounts £000's	Drawdown From Reserves £000's	Reserves Budget Adjustments £000's	Revised Budget £000's	Projected Spend YTD (before movements to reserves) £000's	Variance		
								£000's	%	
Employee Costs	27,746	546	-	3,012	-	31,304	30,096	1,208	3.9%	underspend
Property Costs	51	(9)	-	25	-	67	114	(48)	-71.7%	overspend
Supplies and Services	8,747	374	(6,127)	130	-	3,123	3,325	(202)	-6.5%	overspend
Purchase Of Healthcare	1,480	35	-	(18)	-	1,497	1,504	(7)	-0.5%	overspend
Family Health Services	47,334	1,396	-	-	-	48,730	48,931	(201)	-0.4%	overspend
Set Aside	31,790	-	-	-	-	31,790	31,790	-	0.0%	breakeven
Resource Transfer	11,605	(596)	(11,009)	-	-	-	-	-	0.0%	breakeven
COVID 19	-	-	-	241	-	241	241	-	100.0%	breakeven
<b>Gross Expenditure</b>	<b>128,752</b>	<b>1,746</b>	<b>(17,136)</b>	<b>3,389</b>	<b>-</b>	<b>116,750</b>	<b>115,999</b>	<b>751</b>	<b>0.6%</b>	<b>underspend</b>
Income	(1,556)	(377)	-	-	(3,389)	(5,321)	(5,321)	-	0.0%	breakeven
<b>NET EXPENDITURE</b>	<b>127,196</b>	<b>1,369</b>	<b>(17,136)</b>	<b>3,389</b>	<b>(3,389)</b>	<b>111,429</b>	<b>110,678</b>	<b>751</b>	<b>0.7%</b>	<b>underspend</b>

Care Group	YTD Budget £000's	In year adjustments £000's	Adjustment in line with Annual Accounts £000's	Drawdown From Reserves £000's	Reserves Budget Adjustments £000's	Revised Budget £000's	Projected Spend YTD (before movements to reserves) £000's	Variance		
								£000's	%	
Addiction Services	197	7	-	-	-	204	204	-	0.0%	breakeven
Addiction Services - ADP	832	-	-	150	(150)	832	832	-	0.0%	breakeven
Adult Community Services	5,133	827	-	189	(189)	5,960	5,688	272	4.6%	underspend
Children's Services	3,186	165	-	146	(146)	3,351	3,095	256	7.7%	underspend
Learning Disabilities	655	147	-	-	-	802	667	135	16.8%	underspend
Mental Health	11,353	335	-	103	(103)	11,688	11,706	(18)	-0.1%	overspend
Mental Health - Action 15	-	-	-	332	(332)	-	-	-	0.0%	breakeven
Hosted Services	5,786	220	-	11	(11)	6,006	5,866	140	2.3%	underspend
Prescribing	18,752	83	-	-	-	18,835	19,034	(199)	-1.1%	overspend
Gms	14,888	-	-	-	-	14,888	14,888	-	0.0%	breakeven
FHS Other	13,330	844	-	-	-	14,174	14,174	-	0.0%	breakeven
Planning & Health Improvement	487	120	-	-	-	607	566	41	6.7%	underspend
Primary Care Improvement Prog	-	420	-	2,174	(2,174)	420	420	-	0.0%	breakeven
Resources	3,077	(1,202)	-	46	(46)	1,876	1,752	123	6.6%	underspend
Set Aside	31,790	-	-	-	-	31,790	31,790	-	0.0%	breakeven
Resource Transfer	11,605	(596)	(11,009)	-	-	-	-	-	0.0%	breakeven
Social Care Fund	6,127	-	(6,127)	-	-	-	-	-	0.0%	breakeven
Covid 19	-	-	-	241	(241)	-	-	-		breakeven
<b>NET EXPENDITURE</b>	<b>127,196</b>	<b>1,369</b>	<b>(17,136)</b>	<b>3,389</b>	<b>(3,389)</b>	<b>111,429</b>	<b>110,678</b>	<b>751</b>	<b>0.7%</b>	<b>underspend</b>

**Health Budget Year End Position**  
**1st April 2022 to 31st March 2023**

Subjective Heading	Annual Budget	In year adjustments	Adjustment in line with Annual Accounts	Drawdown From Reserves	Reserves Budget Adjustments	Revised Budget	Projected Spend to Year End (before movements to reserves)	Variance		
	£000's	£000's	£000's	£000's	£000's	£000's	£000's		%	
Employee Costs	55,492	1,091		6,024		62,607	60,191	2,416	3.9%	underspend
Property Costs	101	(17)		49		133	228	(95)	-71.7%	overspend
Supplies and Services	17,494	747	(12,254)	259		6,246	6,649	(403)	-6.5%	overspend
Purchase Of Healthcare	2,960	70		(36)		2,994	3,008	(14)	-0.5%	overspend
Family Health Services	94,668	2,792				97,460	97,861	(401)	-0.4%	overspend
Set Aside	63,579					63,579	63,579		0.0%	breakeven
Resource Transfer	23,209	(1,192)	(22,017)			-	-		0.0%	breakeven
COVID 19				481		481	481		100.0%	breakeven
<b>Gross Expenditure</b>	<b>257,503</b>	<b>1,951</b>	<b>(34,271)</b>	<b>6,777</b>	<b>-</b>	<b>233,500</b>	<b>231,998</b>	<b>1,502</b>	<b>0.6%</b>	<b>underspend</b>
Income	(3,112)	(753)			(6,777)	(10,642)	(10,642)		0.0%	breakeven
<b>NET EXPENDITURE</b>	<b>254,391</b>	<b>1,781</b>	<b>(34,271)</b>	<b>6,777</b>	<b>(6,777)</b>	<b>222,858</b>	<b>221,356</b>	<b>1,502</b>	<b>0.7%</b>	<b>underspend</b>

Care Group	Annual Budget	In year adjustments	Adjustment in line with Annual Accounts	Drawdown From Reserves	Reserves Budget Adjustments	Revised Budget	Projected Spend to Year End (before movements to reserves)	Variance		
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	%	
Addiction Services	393	14				407	407		0.0%	breakeven
Addiction Services - ADP	1,664			300	(300)	1,664	1,664		0.0%	breakeven
Adult Community Services	10,266	1,654		377	(377)	11,920	11,376	544	4.6%	underspend
Children's Services	6,372	330		291	(291)	6,702	6,189	513	7.7%	underspend
Learning Disabilities	1,309	294				1,603	1,333	270	16.8%	underspend
Mental Health	22,706	670		205	(205)	23,376	23,411	(35)	-0.1%	overspend
Mental Health - Action 15	-			663	(663)	-	-		0.0%	breakeven
Hosted Services	11,572	439		21	(21)	12,011	11,731	280	2.3%	underspend
Prescribing	37,504	166				37,670	38,067	(397)	-1.1%	overspend
Gms	29,776					29,776	29,776		0.0%	breakeven
FHS Other	26,660	1,687				28,347	28,347		0.0%	breakeven
Planning & Health Improvement	973	240				1,213	1,132	81	6.7%	underspend
Primary Care Improvement Prog		839		4,347	(4,347)	839	839		0.0%	breakeven
Resources	6,154	(2,403)		92	(92)	3,751	3,504	247	6.6%	underspend
Set Aside	63,579					63,579	63,579		0.0%	breakeven
Resource Transfer	23,209	(1,192)	(22,017)			-	-		0.0%	breakeven
Social Care Fund	12,254		(12,254)			-	-		0.0%	breakeven
Covid 19				481	(481)	-	-			breakeven
<b>NET EXPENDITURE</b>	<b>254,391</b>	<b>2,738</b>	<b>(34,271)</b>	<b>6,777</b>	<b>(6,777)</b>	<b>222,858</b>	<b>221,356</b>	<b>1,502</b>	<b>0.7%</b>	<b>underspend</b>

**Renfrewshire Council 'Other Delegated Services'**  
**1st April 2022 to 16th September 2022**

Subjective Heading	Year to Date Budget £000's	Projection to Year End £000's	Variance £000's	%	
Employee Costs	93	93	-	0%	breakeven
Property Costs	-	-	-	0%	breakeven
Supplies and Services	4	4	-	0%	breakeven
Transport	1	1	-	0%	breakeven
Transfer Payments (PTOB)	408	456	(47)	-10%	overspend
<b>Gross Expenditure</b>	<b>507</b>	<b>554</b>	<b>(47)</b>	<b>-10%</b>	<b>overspend</b>
Income	(14)	(14)	-	0%	breakeven
<b>NET EXPENDITURE</b>	<b>493</b>	<b>540</b>	<b>(47)</b>	<b>-10%</b>	<b>overspend</b>

Client Group	Year to Date Budget £000's	Projection to Year End £000's	Variance £000's	%	
Housing Adaptations	383	430	(47)	-11%	overspend
Women's Aid	110	110	-	0%	breakeven
Grant Funding for Women's Aid	-	-	-	0%	breakeven
<b>NET EXPENDITURE</b>	<b>493</b>	<b>540</b>	<b>(47)</b>	<b>-11%</b>	<b>overspend</b>

**1st April 2022 to 31st March 2023**

Subjective Heading	Annual Budget £000's	Projection to Year End £000's	Variance £000's	%	
Employee Costs	202	202	-	0%	breakeven
Property Costs	-	-	-	0%	breakeven
Supplies and Services	8	8	-	0%	breakeven
Transport	3	3	-	0%	breakeven
Transfer Payments (PTOB)	885	987	(102)	-12%	overspend
<b>Gross Expenditure</b>	<b>1,098</b>	<b>1,200</b>	<b>(102)</b>	<b>-12%</b>	<b>overspend</b>
Income	(30)	(30)	-	0%	breakeven
<b>NET EXPENDITURE</b>	<b>1,068</b>	<b>1,170</b>	<b>(102)</b>	<b>-12%</b>	<b>overspend</b>

Client Group	Annual Budget £000's	Projection to Year End £000's	Variance £000's	%	
Housing Adaptations	829	931	(102)	-12%	overspend
Women's Aid	239	239	-	0%	breakeven
Grant Funding for Women's Aid	-	-	-	0%	breakeven
<b>NET EXPENDITURE</b>	<b>1,068</b>	<b>1,170</b>	<b>(102)</b>	<b>-12%</b>	<b>overspend</b>

<b>2022/23 Adult Social Care Base Budget and In-Year Adjustments</b>	
	<b>£k</b>
2022/23 Renfrewshire HSCP Opening Budget:	93,521
<b>Adult Social Care Budget as reported @ 27th May 2022</b>	<b>93,521</b>
<b><u>Budget Adjustment posted in month 3</u></b>	
<b><u>Recurring:</u></b>	
Transfer of WAN connection to ICT for the CIRCLE	-3
Transfer of Winter Monies from Health for Additional Posts	88
<b>Adult Social Care Budget as reported @ 19th August 2022</b>	<b>93,606</b>

## Appendix 6

<b><u>2022/23 Health Financial Allocation to Renfrewshire HSCP</u></b>	<b>£k</b>
2022/23 Renfrewshire HSCP Financial Allocation	190,812
Add: Set Aside	63,579
<b><u>less:</u></b> Budget Adjustments	
Social Care Fund	-12,254
Resource Transfer	-23,209
= base budget rolled over	<b>218,928</b>
RT Adjustments	1,192
<b>Budget allocated as per 2022/23 Financial Allocation 31st May 2022</b>	<b>220,120</b>
<b><u>Budget Adjustments posted in month 3</u></b>	
<b><u>Non-Recurring Additions</u></b>	
Adjustment to Prescribing	42
<b>Budget allocated as per 2022/23 Financial Allocation 30th June 2022</b>	<b>220,162</b>
<b><u>Budget Adjustments posted in month 4</u></b>	
<b><u>Additions</u></b>	
General Dental Services (NCL) incentive workload payments	1,687
<b><u>Non-Recurring:</u></b>	
FHS Prescribing	52
<b>Budget allocated as per 2022/23 Financial Allocation 31st July 2022</b>	<b>221,901</b>
<b><u>Budget Adjustments posted in month 5</u></b>	
<b><u>Additions</u></b>	
Renf Sesp Funding	207
Renf Sesp Funding Smoke Ces	13
Sesp Practice Nurse	45
<b><u>Non-Recurring:</u></b>	
Apremilast Cam Acute M5 June22	41
<b>Budget allocated as per 2022/23 Financial Allocation 31st August 2022.</b>	<b>222,207</b>
<b><u>Budget Adjustments posted in month 6</u></b>	
<b><u>Additions</u></b>	
Camchp29 Pcip Baseline Ni	3
<b><u>Non-Recurring:</u></b>	
Camchp47 Pcip Tranche 1	581
Camchp60 Phi Smoke Cess	35
Apremilast	32
<b>Budget allocated as per 2022/23 Financial Allocation 30th September 2022.</b>	<b>222,858</b>

### Scottish Government Funding Streams

Funding Description	2022/23										
	Opening Balance Earmarked Reserves £000's	Drawdown from Reserves £000's	Current Reserves Balance P6 £000's		Core Budget £000's	Per Allocation Letter £000's	Received @ 30th September £000's	Total Budget P6 £000's	Forecasted Expenditure £000's	Variance £000's	Anticipated Movement to Reserves £000's
PCIF	4,347	4,347	-		260		581	5,188	8,356	- 3,168	-
Action 15	663	663	-		-	-	-	663	663	-	-
ADP (includes all ADP Related Funding Streams)	2,551	374	2,177		1,640	-	-	2,014	2,014	-	-
TOTAL	7,561	5,384	2,177		1,900	-	581	7,865	11,033		

**Note : No allocation letters for Action 15 to confirm funding for 22/23**



## Movement in Ear Marked Reserves

HSCP Funded Earmarked Reserves	Opening Position 2022/23	Amounts Drawn Down in 2022/23	Closing Position 2022/23	Movement in Reserves 2022/23	To be Drawn Down 2022/23	To be Drawn Down 2023/24	Ongoing
	£000's	£000's	£000's	£000's			
<b>Covid Funding</b>	<b>17,242</b>	<b>-1,514</b>	<b>15,728</b>	<b>-1,514</b>			
<b>Scottish Government Ring Fenced Monies carried forward:</b>							
PCIP	4,347	-4,347	0	-4,347	✓		
PCTF Monies Allocated for Tests of Change and GP Support	216	0	216	0	✓		
GP Premises Improvement Fund	462	0	462	0	✓		
<b>ADP Funding</b>	<b>2,551</b>	<b>-374</b>	<b>2,177</b>	<b>-374</b>			
<b>Mental Health Recovery and Renewal Funding</b>	<b>1,560</b>	<b>-204</b>	<b>1,356</b>	<b>-204</b>			
Mental Health Action 15 (19/20)_(20/21)_(21/22)	663	-663	0	-663	✓		
District Nurse Recruitment Programme	312	-280	32	-280			
Winter Planning Monies / Care Home Liaison Monies	4,740	-354	4,386	-354			
Health Visiting	32	0	32	0	✓		
SG Pay Award and LW Health & Social Care (21/22)	340	0	340	0	✓		
Mental Health Dementia Funding	119	0	119	0	✓		
Public Health Improvement Monies	168	0	168	0			
<b>Scottish Government Ring Fenced Monies carried forward</b>	<b>15,510</b>	<b>-6,222</b>	<b>9,288</b>	<b>-6,222</b>	✓		
<b>Grant Funding carried forward</b>	<b>534</b>	<b>-37</b>	<b>497</b>	<b>-37</b>			
<b>TOTAL RING FENCED MONIES TO BE CARRIED FORWARD</b>	<b>33,286</b>	<b>-7,773</b>	<b>25,513</b>	<b>-7,773</b>			
<b>ICT / Systems Related</b>	<b>643</b>	<b>-153</b>	<b>490</b>	<b>-153</b>			
<b>Premises Related</b>	<b>662</b>	<b>-49</b>	<b>613</b>	<b>-49</b>			
<b>Prescribing</b>	<b>2,000</b>	<b>0</b>	<b>2,000</b>	<b>0</b>			✓
<b>Other IJB Reserves</b>	<b>8,677</b>	<b>-454</b>	<b>8,223</b>	<b>-454</b>			
<b>TOTAL EARMARKED RESERVES</b>	<b>45,268</b>	<b>-8,429</b>	<b>36,839</b>	<b>-8,429</b>			



**Health Finance, Corporate Governance &  
Value Directorate**  
Richard McCallum, Director



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HSCP Chief Officers  
HSCP Chief Finance Officers  
NHS Directors of Finance  
LG Directors of Finance

via email

12<sup>th</sup> September, 2022

Dear Colleagues

## UPDATE ON COVID RESERVES

I am writing to provide an update on IJB Covid reserves balances after the Quarter one review. I would like to thank colleagues for the timely return of this information and ongoing engagement with Scottish Government.

There have been a number of significant changes to Public Health policies in relation to Covid over the summer, resulting in the profile of Covid spend reducing significantly compared to when funding was provided to IJBs for Covid purposes. In response to this, the Scottish Government will reclaim surplus Covid reserves to be redistributed across the sector to meet current Covid priorities. The detail of this will follow at an IJB level and the process and timetable will follow through further communications.

In order for the sector to have sufficient levels of Covid funding, compliance with current policies is required. As per the letter from the Minister for Mental Wellbeing and Social Care on 13 June, there has been a significant reduction to eligible costs under sustainability payments and we will communicate further deadlines for any outstanding claims to be made shortly. We will review consistency of reporting through regular monitoring to ensure the overall trajectory towards balance.

This is an in year adjustment to reserves and is not an approach that will impact on future years. It is therefore vital that colleagues continue to drive forward savings delivery across core and Covid expenditure through the Covid Cost Improvement Programme.

The scale of financial challenge is significantly greater than previous years, and while the overall Covid forecast has reduced and work will continue on the Covid Cost Improvement Programme, it is important that the Covid reserves held by IJBs are utilised in full in 2022-23. Future Covid related costs will need to be considered as part of the overall budget envelope that is agreed through the usual Scottish Government budget process in 2023-24 and beyond. The financial outlook over the Resource Spending Review period shows a growing pressure, and ongoing action must continue to reduce these costs to ensure a sustainable route to financial balance.



I appreciate the ongoing work across the sector and will continue to discuss and monitor this position as the year progresses.

Yours faithfully

A handwritten signature in black ink, appearing to read 'R McCallum', with a long horizontal stroke extending to the right.

Richard McCallum  
Director of Health Finance and Governance

Naureen Ahmad  
 General Practice Policy Division  
 Primary Care Directorate  
 Scottish Government  
 St Andrew's House  
 Regent Road  
 Edinburgh  
 EH1 3DG



E: [Naureen.Ahmad@gov.scot](mailto:Naureen.Ahmad@gov.scot)

**Integration Authority Chief Officers**  
**NHS Board Chief Executives**  
**Integration Authority Chief Finance Officers**  
**NHS Board Director of Finance**

11 August 2022

Dear Colleagues

## **PRIMARY CARE IMPROVEMENT FUND: ANNUAL FUNDING LETTER 2022-23**

I am writing to confirm the 2022-23 funding allocations for the Primary Care Improvement Fund (PCIF) element of the wider Primary Care Fund (PCF). As in previous years, funding will be allocated on an NRAC basis via Health Boards to Integration Authorities (IA's).

### **Background**

The Scottish Government remains committed to the aims and principles which underpinned the 2018 GP Contract Offer. This letter relates to the PCIF component of the PCF, setting out our expectations as we continue to improve primary care. This should be read in conjunction with the Memorandum of Understanding 2 (MoU2) on GMS Contract Implementation for Primary Care Improvement<sup>1</sup> and the Amendment Regulations<sup>2</sup>.

### **Primary Care Improvement Fund (PCIF)**

#### *Available Resources*

Having assessed Primary Care Improvement and spending Plans, I can confirm that £170 million will be available for Integration Authorities in 2022-23 under the auspices of the Primary Care Improvement Fund (PCIF). In-year delivery and expenditure will be monitored by my team to account for both slippage and funding pressures.

<sup>1</sup> [Memorandum of Understanding \(MoU\) 2: GMS Contract Implementation for Primary Care Improvement – Agreement between Scottish Government, British Medical Association \(BMA\), Integration Authorities \(IAs\) and NHS Boards](#)

<sup>2</sup> [The National Health Service \(General Medical Services Contracts and Primary Medical Services Section 17C Agreements\) \(Scotland\) Amendment Regulations 2022 \(legislation.gov.uk\)](#)

**Given the overall financial pressures across health and social care, and taking into account the Resource Spending Review, it is prudent and sensible to use existing reserves that have been built up over time. On this basis, we have agreed with the Cabinet Secretary for Health and Social Care that Integration Authorities should draw down existing reserve balances in the first instance, and therefore 2022-23 allocations will reflect reserves held. Please note, therefore, that the £170 million envelope takes account of the funds already held by Integration Authorities by means of these existing PCIF reserves.**

#### *Methodology for Tranche One Allocation*

We will be making two in-year allocations on a 70:30 basis. The initial tranche of £119 million in August 2022 will take account of IA reserve balances at October 2021 as well as baselined pharmacy funding. Note that baselined pharmacy funding of £7.8m has been allocated separately and must also be treated as part of the Primary Care Improvement Fund.

Annex A shows the initial allocation of the fund, by Health Board and by IA. The funding must be delegated in its entirety to IAs.

#### *Methodology for Tranche Two Allocation*

Any locally held reserves should be invested in the implementation of PCIPs in 2022-23 before new funding is requested. Further funding will be made available to IAs later this year, subject to reporting confirming latest spend and forecasts required by Friday 4 November 2022.

Robust assessments of future resourcing requirements to support implementation of the PCIPs helps to inform central financial planning and policy development, enabling the Scottish Government to target funds as efficiently and effectively as possible, ensuring best value for the public purse. Reporting using national templates should detail how this initial 70% (comprising new funding plus utilisation of any local reserves) has been spent, providing a breakdown of spending by category (staff and non-staff costs) and detailing what benefits have been created.

Second tranche allocations will follow in Autumn 2022, subject to supporting data and evidence (in particular Primary Care Improvement Plans) regarding additional PCIF funding required in 2022-23. The approach to second tranche allocations will also be informed by updated financial data on the reserve positions as at 31 March 2022, which Scottish Government officials have separately requested from IAs. Second tranche allocations will be accompanied by any further guidance, as required.

### *Scope of PCIF*

For 2022-23, PCIF should continue to be used to deliver the priority services set out in the Memorandum of Understanding:

- Pharmacotherapy
- Vaccination Transformation Programme
- Community Treatment and Care Services
- Community Links Workers
- Additional Professional Roles
- Urgent Care services

There should be a particular focus on Pharmacotherapy, CTAC and Urgent Care given existing or planned regulations for these services. Please also note the following changes in the scope of the fund:

- The Memorandum of Understanding 2 noted Pharmacotherapy, CTAC and the Vaccination Transformation Programme should be prioritised. The Vaccination Transformation Programme is now substantially delivered with GP practices only continuing to deliver vaccinations on a transitional or remote basis. We anticipate that Health Boards will have completed the remaining elements of the programme by the end of this financial year allowing Primary Care Improvement Plans to intensify their focus on other transformational activity. Where possible, Partnerships are advised to consider synergies between PCIF-funded VTP activity and wider Board governance and funding.
- With the introduction of the Mental Health and Wellbeing in Primary Care Services programme, partnerships are requested to use this additional funding to build on the existing investment from PCIF and other funding streams to create additional capacity. Partnerships are asked to use this year to consider whether there are any practical challenges in allocating and reporting on Mental Health Workers across different funding streams (PCIF, MHWPCS and other funding streams) and whether there would be benefits/opportunities to aligning reporting. We would ask partnerships to feedback as appropriate and we will write out with further guidance at financial year-end working alongside Mental Health and Wellbeing policy colleagues.
- We note that current investment projections from PCIP trackers assume the majority of the PCIF will be spent on MoU MDT staff. From 2022-23, new investment in the Primary Care Improvement Fund can be used for a wider range of costs (such as premises, training, digital, fixed-term contracts and redesign and change management) as long as they support delivery of the MoU MDT and are agreed with the GP Sub-Committee.

### *Future PCIF Funding*

As previously noted, robust financial planning is critical to support effective and efficient use of resources and to enable continued investment in PCIF. To this end, the Scottish Government, in collaboration with other MoU Parties, will be reviewing and updating the PCIP trackers and financial reporting templates this year to ensure

they remain fit for purpose. Using this information, we will review the PCIF position mid-year, during the process of allocating tranche 2 of the funding.

Scottish Government will also work with Public Health Scotland and local evaluators to understand the current evaluation landscape, the work already underway at local level and any gaps that might exist. This work will inform further development of the monitoring and evaluation of PCIPs at the national level, in turn allowing us to better target investment in future years. **However, the Cabinet Secretary has agreed that £170 million will be the minimum budgeted position for future years. In future years, where Partnerships have used the full £170m minimum budgeted position, Scottish Government will ensure additional funding is available to apply agenda for change uplifts to staff recruited through the PCIF and ensure fulfilment of the terms of the MOU2 dated 30 July 2021. Any further investment will be subject to joint assessment and benefits case at each annual budget round.**

To help inform our ongoing review of the current monitoring and evaluation landscape, we also request sharing of Primary Care Improvement Plans this year. These can be sent to: [PCImplementation@gov.scot](mailto:PCImplementation@gov.scot)

#### *GP Sustainability Payment – 2022-23*

The second tranche of the GP Sustainability Payments will be paid out later in the year.

I look forward to working with you as we continue to drive forward on delivering primary care reform.

Yours faithfully



**Naureen Ahmad**  
Deputy Director - Primary Care Directorate



## ANNEX A

### PRIMARY CARE IMPROVEMENT FUND: ALLOCATION BY BOARD AND INTEGRATION AUTHORITY

#### Allocation By Territorial Health Board

NHS Board Name	NRAC Share 2022-23	PCIF NRAC Share 2022-23 (£)	PCIF tranche 1 2022-23 (£)	less PCIF baselined funds (£)	less PCIF IA reserves (£)	PCIF initial allocation 2022-23 (£)
Ayrshire & Arran	7.32%	12,440,274	8,708,191	-569,300	-4,050,213	4,088,679
Borders	2.15%	3,647,718	2,553,403	-161,300	-79,201	2,312,902
Dumfries & Galloway	2.97%	5,043,683	3,530,578	-229,100	0	3,301,478
Fife	6.86%	11,663,366	8,164,356	-521,800	-3,453,067	4,189,489
Forth Valley	5.46%	9,286,259	6,500,382	-415,000	0	6,085,382
Grampian	9.81%	16,672,511	11,670,758	-755,400	-10,567,097	348,261
Greater Glasgow & Clyde	22.18%	37,705,607	26,393,925	-1,718,200	-11,434,501	13,241,224
Highland	6.58%	11,188,302	7,831,812	-494,100	-2,785,450	5,239,790
Lanarkshire	12.28%	20,878,060	14,614,642	-947,700	-5,216,468	8,450,474
Lothian	14.97%	25,449,756	17,814,829	-1,132,000	-5,578,785	11,104,045
Orkney	0.49%	838,060	586,642	-75,000	-886,857	0
Shetland	0.48%	809,431	566,602	-76,200	-125,574	364,828
Tayside	7.80%	13,258,304	9,280,813	-601,900	-8,946,318	522,576
Western Isles	0.66%	1,118,667	783,067	-103,000	-318,806	361,261
<b>Total</b>		<b>170,000,000</b>	<b>119,000,000</b>	<b>-7,800,000</b>	<b>-53,442,336</b>	<b>59,610,387</b>

*\*Pharmacists in GP practice funding was baselined in 2018-19, this has been removed from the 2022-23 allocation in the above table.*

## Allocation by Integration Authority

NHS Board Name	IA Name	IA NRAC Share 2022-23 (£)	PCIF NRAC Share 2022-23 (£)	PCIF tranche 1 2022-23 (£)	less PCIF baselined funds (£)	less PCIF local reserves (£)	PCIF initial allocation 2022-23 (£)
Ayrshire & Arran	East Ayrshire	2.37%	4,032,636	2,822,846	-186,694	-1,777,911	858,240
	North Ayrshire	2.70%	4,587,529	3,211,270	-209,033	-1,302,178	1,700,059
	South Ayrshire	2.25%	3,820,108	2,674,076	-173,573	-970,124	1,530,379
Borders	Scottish Borders	2.15%	3,647,718	2,553,403	-161,300	-79,201	2,312,902
Dumfries & Galloway	Dumfries and Galloway	2.97%	5,043,683	3,530,578	-229,100	0	3,301,478
Fife	Fife	6.86%	11,663,366	8,164,356	-521,800	-3,453,067	4,189,489
Forth Valley	Clackmannanshire and Stirling	2.57%	4,367,222	3,057,055	-195,164	0	2,861,891
	Falkirk	2.89%	4,919,037	3,443,326	-219,836	0	3,223,490
Grampian	Aberdeen City	3.81%	6,480,253	4,536,177	-298,317	-4,232,528	5,333
	Aberdeenshire	4.27%	7,251,701	5,076,191	-324,766	-4,714,534	36,891
	Moray	1.73%	2,940,557	2,058,390	-132,317	-1,620,035	306,037
Greater Glasgow & Clyde	East Dunbartonshire	1.85%	3,150,460	2,205,322	-140,141	-837,807	1,227,374
	East Renfrewshire	1.58%	2,685,569	1,879,898	-120,632	-1,233,315	525,951
	Glasgow City	11.99%	20,381,275	14,266,893	-928,315	-3,438,308	9,900,270
	Inverclyde	1.62%	2,747,032	1,922,922	-126,472	-1,223,070	573,380
	Renfrewshire	3.37%	5,721,487	4,005,041	-261,903	-3,161,668	581,470
	West Dunbartonshire	1.78%	3,019,783	2,113,848	-140,737	-1,540,333	432,778
Highland	Argyll and Bute	1.88%	3,199,436	2,239,605	-141,683	-2,785,450	0
	Highland	4.70%	7,988,867	5,592,207	-352,417	0	5,239,790
Lanarkshire	Lanarkshire combined	12.28%	20,878,060	14,614,642	-947,700	-5,216,468	8,450,474
Lothian	East Lothian	1.87%	3,173,726	2,221,608	-140,067	-75,922	2,005,619
	Edinburgh	8.35%	14,191,963	9,934,374	-634,173	-3,921,067	5,379,134
	Midlothian	1.63%	2,765,128	1,935,589	-120,660	-486,844	1,328,086
	West Lothian	3.13%	5,318,940	3,723,258	-237,100	-1,094,952	2,391,206
Orkney	Orkney Islands	0.49%	838,060	586,642	-75,000	-886,857	0
Shetland	Shetland Islands	0.48%	809,431	566,602	-76,200	-125,574	364,828
Tayside	Angus	2.16%	3,674,043	2,571,830	-165,208	-2,700,440	0
	Dundee City	2.86%	4,858,691	3,401,084	-226,196	-3,671,050	0
	Perth and Kinross	2.78%	4,725,571	3,307,899	-210,496	-2,574,828	522,576
Western Isles	Western Isles	0.66%	1,118,667	783,067	-103,000	-318,806	361,261
<b>Total</b>			<b>170,000,000</b>	<b>119,000,000</b>	<b>-7,800,000</b>	<b>-53,442,336</b>	<b>59,610,387</b>

Population Health Directorate  
 Drug Policy Division & Health Improvement Division  
 E: [Drugsmissondeliveryteam@gov.scot](mailto:Drugsmissondeliveryteam@gov.scot)



ADP Chair  
 Integration Authority Chief Officer

Copies to:  
 NHS Board Chief Executive  
 Local Authority Chief Executive  
 NHS Director of Finance  
 Integration Authority Chief Finance Officer  
 ADP Chairs and Co-ordinators

6 October 2022

Dear ADP Chair and Integration Authority Chief Officer

## **SUPPORTING THE DELIVERY OF ALCOHOL AND DRUG SERVICES: 2022-23 FUNDING ALLOCATION, PROGRAMME FOR GOVERNMENT FUNDING AND MINISTERIAL PRIORITIES – TRANCHE 1 ALLOCATION UPDATE**

1. We are writing to follow up on our letter of 23 June and provide a further update on the first tranche of 2022-23 allocations for Alcohol and Drug Partnerships (ADPs) which have been issued this month.

### **Available Resources**

2. As noted in the 23 June letter, the funding being made available for ADP work in 2022-23 is £106.8 million, which includes baseline funding plus £50.3 million available for in-year allocation.
3. Given the overall financial pressures across health and social care it is prudent and sensible to use existing reserves that have been built up over time before allocating new funding. On that basis, we previously advised that Integration Authorities would be expected to draw down existing reserve balances in the first instance before accessing new funding, to avoid a build up being carried forward into future financial years.

### **Methodology for Tranche One Allocation**

4. We will be making two in-year allocations of ADP funding on a 70:30 basis. The initial tranche of allocations issued this week totals £12.3 million. This allocation is based on 70% of the £50.3 million available for in-year allocation and takes account of £29.0 million reserve balances at March 2022 as reported by CFOs. Annex A breaks down the total funding available as well as the first tranche of funding being allocated, split by Health Board and by IA.

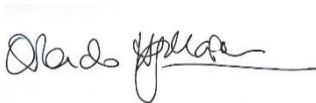
## Methodology for Tranche Two Allocation

5. Second tranche allocations will follow later this financial year, subject to supporting data and evidence regarding additional ADP funding required in 2022-23. We requested information confirming latest spend incurred, forecast spend and reserves balances in our letter of 14 September with returns due back by 28 October. This information will inform tranche 2 allocations and it is therefore our intention to taper that final allocation to match forecast spend, taking into account any in-year slippage that is expected to arise.

## Scope of ADP funding

6. For 2022-23, ADP funding should continue to be used to deliver the priority services set out in the 23 June letter. The funding must be delegated in its entirety to IAs. The funding for the PfG and National Mission uplift elements is considered an earmarked recurring allocation. The specific programme funding is currently considered non-recurring while we continue to review the next steps on each of these programmes.
7. I look forward to working with you as we continue to drive forward on delivery of the National Mission and our commitments to Alcohol treatment and recovery.
8. If you have any queries on the content of this letter, please contact Fiona Robertson at: [Drugsmissondeliveryteam@gov.scot](mailto:Drugsmissondeliveryteam@gov.scot).

Yours sincerely



Orlando Heijmer-Mason  
Deputy Director, Drug Policy Division  
Population Health Directorate



Karen MacNee  
Deputy Director, Health Improvement Division  
Population Health Directorate

## **List of Appendices**

### **APPENDIX 1: ADP Tranche 1 Allocation by Board and Integration Authority**

## Appendix 1: ADP Tranche 1 Allocation by Board and Integration Authority

	Funding stream	MAT Standards	Taskforce Response Fund	IA NRAC Share 22/23	Additional PfG uplift	Additional National Mission uplift	Residential Rehab	Whole family Approach framework	Lived and Living Experience	Total ADP Funds Available	ADP Tranche 1 Available (70%)	Less ADP reserves	ADP Tranche 1 Allocation (IA)	ADP Tranche 1 Allocation (Board)
NHS Board Name	Integrated Authority Name	See previous funding letter	Drug prevalence		NRAC	NRAC	NRAC	NRAC	NRAC					
TOTAL		£10,313,775	£3,000,000		£17,000,000	£11,000,000	£5,000,000	£3,500,000	£500,000	£50,313,775	£35,219,643	£29,036,318	£12,293,795	£12,293,795
Ayrshire & Arran	East Ayrshire HSCP	£215,080	£83,726	2.37%	£402,900	£260,700	£118,500	£82,950	£11,850	£1,175,706	£822,994.20	£1,049,000	£0	£443,243
	North Ayrshire HSCP	£250,360	£83,726	2.70%	£459,000	£297,000	£135,000	£94,500	£13,500	£1,333,086	£933,160	£890,000	£43,160	
	South Ayrshire HSCP	£340,000	£49,189	2.25%	£382,500	£247,500	£112,500	£78,750	£11,250	£1,221,689	£855,182	£502,000	£353,182	
	NHS Ayrshire & Arran (programme management)	£67,000								£67,000	£46,900		£46,900	
Borders	Scottish Borders HSCP	£200,154	£26,688	2.15%	£365,500	£236,500	£107,500	£75,250	£10,750	£1,022,342	£715,639	£0	£715,639	£715,639
Dumfries & Galloway	Dumfries and Galloway HSCP	£269,206	£57,561	2.97%	£504,900	£326,700	£148,500	£103,950	£14,850	£1,425,667	£997,967	£1,604,000	£0	£0
Fife	Fife HSCP	£613,148	£146,520	6.86%	£1,166,200	£754,600	£343,000	£240,100	£34,300	£3,297,868	£2,308,508	£1,700,000	£608,508	£608,508
Forth Valley	Clackmannanshire and Stirling HSCP	£230,899	£85,249	2.57%	£436,900	£282,700	£128,500	£89,950	£12,850	£1,267,048	£886,934	£282,000	£604,934	£1,150,833
	Falkirk HSCP	£259,191	£62,794	2.89%	£491,300	£317,900	£144,500	£101,150	£14,450	£1,391,285	£973,900	£428,000	£545,900	
Grampian	Aberdeen City HSCP	£462,000	£125,589	3.81%	£647,700	£419,100	£190,500	£133,350	£19,050	£1,997,289	£1,398,102	£2,286,000	£0	£444,796
	Aberdeenshire HSCP	£436,600	£62,794	4.27%	£725,900	£469,700	£213,500	£149,450	£21,350	£2,079,294	£1,455,506	£1,267,000	£188,506	
	Moray HSCP	£154,319	£14,129	1.73%	£294,100	£190,300	£86,500	£60,550	£8,650	£808,548	£565,984	£309,693	£256,291	
Greater Glasgow & Clyde	East Dunbartonshire HSCP	£166,874	£37,153	1.85%	£314,500	£203,500	£92,500	£64,750	£9,250	£888,527	£621,969	£652,000	£0	£1,733,677
	East Renfrewshire HSCP	£172,622	£41,863	1.58%	£268,600	£173,800	£79,000	£55,300	£7,900	£799,085	£559,360	£527,000	£32,360	
	Glasgow City HSCP	£1,066,000	£622,711	11.98%	£2,036,600	£1,317,800	£599,000	£419,300	£59,900	£6,121,311	£4,284,918	£2,676,000	£1,608,918	
	Inverclyde HSCP	£212,767	£78,493	1.62%	£275,400	£178,200	£81,000	£56,700	£8,100	£890,660	£623,462	£843,000	£0	
	Renfrewshire HSCP	£305,726	£141,287	3.37%	£572,900	£370,700	£168,500	£117,950	£16,850	£1,693,913	£1,185,739	£2,551,000	£0	
	West Dunbartonshire HSCP	£158,000	£57,561	1.78%	£302,600	£195,800	£89,000	£62,300	£8,900	£874,161	£611,913	£872,166	£0	
Highland	NHS Greater Glasgow & Clyde (programme management)	£132,000								£132,000	£92,400		£92,400	£2,006,325
	Argyll and Bute HSCP	£171,171	£29,304	1.88%	£319,600	£206,800	£94,000	£65,800	£9,400	£896,075	£627,253	£185,000	£442,253	
Lanarkshire	Highland HSCP	£422,129	£73,260	4.70%	£799,000	£517,000	£235,000	£164,500	£23,500	£2,234,389	£1,564,072	£0	£1,564,072	£4,231,608
	North Lanarkshire HSCP	£570,866	£188,383	6.36%	£1,081,200	£699,600	£318,000	£222,600	£31,800	£3,112,449	£2,178,714	£0	£2,178,714	
	South Lanarkshire HSCP	£532,991	£209,314	5.92%	£1,006,400	£651,200	£296,000	£207,200	£29,600	£2,932,705	£2,052,894	£0	£2,052,894	
Lothian	East Lothian HSCP	£402,230	£48,142	1.86%	£316,200	£204,600	£93,000	£65,100	£9,300	£1,138,572	£797,000	£607,000	£190,000	£595,099
	Edinburgh HSCP	£753,003	£313,972	8.35%	£1,419,500	£918,500	£417,500	£292,250	£41,750	£4,156,475	£2,909,533	£4,170,460	£0	
	Midlothian HSCP	0	£39,770	1.63%	£277,100	£179,300	£81,500	£57,050	£8,150	£642,870	£450,009	£618,000	£0	
	West Lothian HSCP	£250,000	£68,027	3.12%	£530,400	£343,200	£156,000	£109,200	£15,600	£1,472,427	£1,030,699	£718,000	£312,699	
	NHS Lothian (Programme management)	£132,000								£132,000	£92,400		£92,400	
Orkney	Orkney Islands HSCP	£45,119	£1,570	0.49%	£83,300	£53,900	£24,500	£17,150	£2,450	£227,989	£159,592	£364,000	£0	£0
Shetland	Shetland Islands HSCP	£43,960	£8,896	0.48%	£81,600	£52,800	£24,000	£16,800	£2,400	£230,456	£161,319	£359,000	£0	£0
Tayside	Angus HSCP	£194,443	£41,863	2.16%	£367,200	£237,600	£108,000	£75,600	£10,800	£1,035,506	£724,854	£509,000	£215,854	£364,067
	Dundee City HSCP	£710,034	£120,356	2.86%	£486,200	£314,600	£143,000	£100,100	£14,300	£1,888,590	£1,322,013	£1,220,000	£102,013	
	Perth and Kinross HSCP	£247,718	£78,493	2.78%	£472,600	£305,800	£139,000	£97,300	£13,900	£1,354,811	£948,368	£1,318,000	£0	
	NHS Tayside (programme management)	£66,000								£66,000	£46,200		£46,200	
Western Isles	Western Isles HSCP	£60,165	£2,616	0.66%	£112,200	£72,600	£33,000	£23,100	£3,300	£306,981	£214,887	£529,000	£0	£0