To: **Renfrewshire Integration Joint Board**

On: **16 September 2016**

Report by: **Chief Finance Officer**

Heading: **Financial Report 1st April 2016 to 31st July 2016**

1. Purpose

1.1. The purpose of this report is to advise the Integration Joint Board (IJB) of the Revenue and Capital Budget current year position as at the 24th July 2016 (Social Work) and 31st July 2016 (Health), and to provide an update on:

1.2.

- Health Board Contribution to the IJB
- Implementation of the Living Wage
- Financial planning proposals for budget setting
- Integrated Care Fund (ICF) proposed governance arrangements

2. Recommendation

It is recommended that the IJB note:

- The financial position to date is an overspend of £457k with a potential full year adverse variance of £1.378m;
- The NHSGGC budget allocation for 2016/17 including the notional Set Aside budget for 2016/17;
- The due diligence work update on the Health Board Contribution to the IJB which has highlighted areas of financial risk to the Health Care budget allocation for 2016/17;
- At this point there are no approved plans are in place to deliver against the health services savings gap of £1.378m which accounts for the reported overspend position reported in the first quarter of this financial year and the potential full year adverse variance;
- The forecast position for the remainder of the financial year assumes the overspend position will continue unless service changes and cost reductions are achieved;
- That the NHS Board has identified that non-recurring funding is available to offset the in-year shortfall against savings targets and that discussions are underway to determine how non-recurring funding will be allocated to Partnerships within this financial year thereby reducing the potential in-year overspend;
- The progress of the Living Wage Implementation Project;
- The establishment of a HSCP strategic integrated service and financial planning model; and
- The proposed ICF governance arrangements.

It is recommended that the IJB:

- Approve that cost savings options to restore recurring financial budget balance to the Health budget in 2016/17 will be presented to the HSCP for review in November 2016.
- Request an additional one-off payment by NHSGGC to fund any identified shortfall due to the impact of unallocated savings.
- Request written assurance from the Director of Finance for NHSGGC that no future savings targets will be applied in respect of the 2015/16 unallocated savings of £7.8m.
- Delegate authority to the Chief Officer to issue updated Directions on their behalf, as required.

---

3. Summary

3.1. The overall revenue position for the HSCP at 31st July 2016 is an overspend of £457k as detailed in the table below (and Appendix 1), with a projected year-end adverse variance of £1.378m.

Division	Current Reported Position	Previously Reported Position
Social Work – Adult Services	£2k underspend	Breakeven
Renfrewshire Health Services	£459k over spend	Breakeven
Total Renfrewshire HSCP	**£457k overspend**	**Breakeven**

3.2. The key pressures are highlighted in section 4 and 5.

3.3. Appendix 2 provides a reconciliation of the main budget adjustments applied this current financial year to bring us to the net budget as reported.

---

4. <u>Social Work – Adult Services</u>

Current Position: **Net underspend £2k**
Previously Reported: **Breakeven**

4.1 **Older People**
Current Position: Net underspend of £79k
Previously Reported: Net overspend of £4k

Currently, the position within Older People is an underspend. This underspend has been achieved by the use of resources from the integration monies allocated by the Scottish Government for Adult Social Care for 2016/17. As previously reported, there are significant and increasing pressures within the care at home service despite additional funding being invested by the Council in the service as part of the 2016/17 budget process. In order to achieve a breakeven position within the homecare service in 2016/17, further investment of £1.1m in the current year is required.

A report was presented to the IJB on 24th June 2016 which included a position statement on the Care at Home service, and, proposals for the modernisation of the service. The report highlighted the need for an appropriate ICT system to support the service and outlined work that was in progress to finalise a business case for a Care at Home Management, Monitoring and Scheduling system. The business case has now been approved and work is underway to develop a tender for a suitable system with implementation scheduled to commence during 2017/18.

It is anticipated that the introduction of this technology will realise a number of benefits and will result in efficiencies that will assist with the current financial pressures experienced within the service. The costs of the proposed system

and its implementation will be met from the planned slippage of the 2015/16 Integrated Care Fund allocation.

4.2 **Physical Disabilities**

Current Position:	Net overspend of £121k
Previously Reported:	Net overspend of £5k

As previously reported, this overspend is due to increases in the purchase of equipment to support service users to stay in their own homes reflecting the shift in the balance of care to the community and their associated needs. This increase reflects the well documented impact of changing demographics where more people with complex needs require support. In addition, pressures are emerging within the Adult Placement budget due to the impact of Self Directed Support (SDS) as detailed in paragraph 4.5

4.3 **Learning Difficulties**

Current Position:	Net underspend of £82k
Previously Reported:	Breakeven

As part of the 2016/17 budget allocation for adult social care, Renfrewshire Council invested £170k in Learning Difficulties day services in order to meet growing demand for the future, specifically in relation to transitions. Due to the timescales required to undertake the feasibility process associated with changes to the physical environment and the recruitment of staff there has been limited call on the budget to date, however from September 2016 onwards staff will be in post and service changes undertaken as the redesign moves forward in preparation to enable services meet demand in 2017 onwards.

This underspend offsets pressures within their Adult placement budget due to the impact of SDS along with increased demand on the service as detailed in 4.5.

4.4 **Mental Health**

Current Position:	Net overspend of £36k
Previously Reported:	Breakeven

As detailed in 4.5, the overspend within Mental Health Services relates to pressures within the Adult Placement budget reflecting both the impact of increasing demand and SDS.

4.5 **Self Directed Support (SDS)**

In line with current legislation, all clients who have been assessed as requiring support from adult social care are given a number of options regarding how they wish their care to be provided:

- **Option 1:** The person chooses to take the budget as cash via a direct payment (Direct Payment)
- **Option 2:** The person chooses to select their support and have the local authority make arrangements to provide it on their behalf (Directing the Available Support)
- **Option 3:** The person chooses to have the local authority select their support and make arrangements to provide it on their behalf (Arranged Services)

- **Option 4:** The person chooses a mix of the above options for different types of support (Mixed Package).

To enable us to fund those packages where a client chooses either Option 1 or 2, the budget is removed from the council service that would normally have provided that element of the care package. This affects our day care services, external and internal home care, and adult placement and respite budgets. For day care, internal homecare and older people's respite, the budgets which fund options 1 and 2 are payroll budgets. Therefore, as the number of clients choosing options 1 and 2 increases these services will become less financially sustainable. Prior to the introduction of SDS, demand for services such as Day Care was limited by the availability of places whereas now their SDS budget is made available to them more immediately. Previously, SDS services users had fewer options to choose from and may have declined a service such as day care. SDS now enables people to tailor their interventions and in so doing receive social care funding they might not have accessed previously. Whilst this is a positive development it adds to the real and growing pressures on the budget.

As part of the 2016/17 budget allocation for adult social care Renfrewshire Council invested £220k in the adult placement budget, however, due to the rising pressures within this budget, as detailed above, the current projected overspend position is being managed through the use of non-recurring monies which will only be available in the current year. As part of our planning for next year, we will consider how these demand and cost led pressures can be mitigated and managed in 2017/18

---

5. Renfrewshire Health Services

Current Position: **Net overspend (£459k)**
Previously Reported: **Breakeven**

5.1 Addiction Services

Current Position: Net underspend of £34k
Previously Reported: n/a

Currently, the net position within Addiction Services is an underspend due to vacancies within the medical cohort of staff. These are currently being recruited to.

5.2 Adult Community Services *(District and Out of Hours Nursing; Rehabilitation Services, Equipu and Podiatry)*

Current Position: Net underspend of £53k
Previously Reported: Net underspend of £62k

This net underspend is due to a number of contributory factors: within District nursing and the rehabilitation services there are a number of vacancies which are actively being recruited to. In addition, there is an underspend within the podiatry service due to the impact of maternity leave, vacancies and career breaks some of which are covered by bank staff. These underspends offset pressures in relation to the community equipment budget (EQUIPU), travel costs and enteral feeding related costs.

5.3 **Children's Services**

Current Position: Net underspend of £48k
Previously Reported: n/a

The underspend within Children's services is mainly due to lower than anticipated payroll costs reflecting the position staff are currently placed on the pay scale, along with savings associated with career breaks.

5.4 **Hosted Services** (***support to GP's for areas such as breast screening, bowel screening)***

Current Position: Net underspend of £76k
Previously Reported: Net underspend of £57k

This underspend reflects historical underspends within the service due to vacant administrative and special project posts.

5.5 **Mental Health**

Current Position: Net overspend of £165k
Previously Reported: Net overspend of £49k

Overall, Mental Health services are reporting an overspend of £165k. As previously reported, this overspend is due to a number of contributing factors within both adult and in-patient services which are offset by an underspend within the adult community budget due to vacancies within the service.

As highlighted throughout 2015/16 and in previous reports this financial year, the main overspends within in-patient services relate to significant costs associated with patients requiring enhanced levels of observation across all ward areas which is not a separately funded element of service. Reliance is on the nurse bank to provide safe staffing levels to meet this level of demand and activity. In addition, pressures continue in relation to maintaining the recommended safe staffing and skill mix for registered nurse to bed ratios.

5.6 **Other Services *(Business Support staff; Admin related costs, hotel services and property related costs including rates and rental costs)***

Current Position: Net overspend of £496k
Previously Reported: Net overspend of £53k

The overspend within other services is due to the additional allocation of savings by NHSGGC to Renfrewshire, for which no agreed savings plan is yet in place.

5.7 **Prescribing**

Current Position: Breakeven
Previously Reported: Breakeven

The reported GP Prescribing position is based on the actual position for the year to 31 May 2016. The overall position across all Partnerships to 31 May 2016 is an overspend of (£0.259m) with Renfrewshire HSCP reporting a £0.45m overspend. However, under the risk sharing arrangement across NHSGG&C the over spend has been adjusted to report a cost neutral position.

As GP Prescribing is extremely volatile, there continues to be an element of financial risk and this will continue to be carefully monitored throughout 2016/17. Variances specific to Renfrewshire HSCP are currently being investigated by Prescribing Advisors.

6. 2016/17 Capital Programme

Description	Original Budget	Revised Budget	Spend to Date	Still to Spend
Anchor Centre Roof Replacement	£400k	£400k	£0k	£400k
Total SW	**£400k**	**£400k**	**£0k**	**£400k**

Work on the roof replacement has now commenced and it is anticipated that the work will be completed and invoiced before Christmas.

---

7. Garden Assistance Scheme and Housing Adaptations

Description	Full Year Budget	Year to date Budget	Spend to Date	Year-end Projection
Garden Assistance Scheme	£296k	£91k	£114k	£296k
Housing Adaptations	£932k	£166k	£108k	£932k
Total	**£1,228k**	**£257k**	**£222k**	**£1,228k**

7.1 As highlighted in the due diligence report presented to the IJB on March 18 2016, in addition to the adult social care budget, under the Public Bodies (Joint Working) (Scotland) Act 2014 Housing Adaptations and Gardening Assistance functions and associated budgets, which sit within the Council's Development and Housing Services Directorate, were delegated to the IJB on 1 April 2016.

7.2 The summary position for the period to the 24th July 2016 is reported in the table above and reports an overall spend of £222k to date with an anticipated year-end breakeven position. Members should note that the current years budget for Housing Adaptations includes one-off additional non-recurring monies (£174k) to assist with the current waiting list issues.

---

8. Implementation of the Living Wage - update

8.1 Renfrewshire Council has recently received Full Living Wage Accreditation from the UK Living Wage Foundation and NHS GCC is working towards achieving Full Living Wage Accreditation by the end of this year.

8.2 Renfrewshire Health and Social Care Partnership remain wholly committed to delivery on this so that all care workers providing direct personal care and housing support services to adults in Renfrewshire should be paid the Living Wage of £8.25 per from 1st October this year.

8.3 Following initial contact with providers in scope (those who are currently paying the living wage), a financial model has been developed which calculates an increase in individual provider hourly rates based on a number of key factors. This hourly rate will cover the direct costs incurred by providers, less a provider contribution of 25%.

8.4 Providers have confirmed that they are also wholly committed to the process however they have expressed concern that the 25% contribution may not be sustainable. As well as direct costs associated with increasing salaries to £8.25, providers will incur significant indirect costs associated with the need to maintain grade differentials. Provider's current salary models reflect the level of workforce skill, experience and responsibility, removing lower grades and

introducing a flat pay rate of £8.25 for care assistants and care workers presents a significant risk for providers in respect of staff development, motivation and retention. The funding provided by the Scottish Government did not take account of the impact of this element.

8.5 Renfrewshire Health and Social Care Partnership will continue to work closely with providers to deliver the Living Wage commitment by 1st October 2016 however the Integrated Joint Board is asked to note the potential risk that providers may be unwilling to agree to proposed hourly rates which do not reflect the whole cost to provider organisations.

8.6 Future Funding: In addition to the HSCP's commitment to deliver the Living Wage by 1 October 2016, a further annual increase to the Living Wage is anticipated. In recent years, the Living Wage has increased annually in November. The increase in November 2015 was 40 pence from £7.85 per hour to £8.25 per hour. At this time Renfrewshire Health and Social Care Partnership are unable to make any commitment to further increase hourly rates to account for future increases in the Living Wage anticipated in November 2016.

---

9. Due Diligence update: NHSGGC Contribution to Integration Joint Board 2016/17

NHSGGC's draft Financial Plan for 2016/17

9.1 NHSGGC's draft Financial Plan for 2016/17 was approved by the NHSGGC Board on 28 June 2016 (Appendix 3). This includes an overall increase in the resources allocated to NHSGGC for 2016/17. However, increased demand and rising costs associated with both staffing and prescribing mean that NHSGGC requires to deliver £69m of recurring savings in 2016/17 to break even. The draft financial plan for 2016/17 identifies a number of savings schemes which are rated according to their ability to be delivered and their impact on services.

9.2 A total £56.5m of savings have so far been identified, £44.8m have been rated as either green or amber, which means the likelihood of these being achieved is relatively high. A further £11.7m have been rated as red which means there is a substantial level of risk in these being delivered.

9.3 The draft financial plan for this year therefore remains out of balance with further savings to be identified from all parts of NHSGGC. The Director of Finance for NHSGGC has confirmed that the financial plan will be reliant on the use of reserves and non-recurrent funding in 2016/17 to achieve a break even position.

9.4 It should be noted that NHSGGC Board members approved this plan with its risks. They have asked all Directors and Chief Officers to identify additional savings plans in order to reduce the residual gap.

2016/17 Financial Allocation to Renfrewshire HSCP

9.5 The Chief Officer for Renfrewshire HSCP received formal notification on the 5 July 2016 of the Partnerships 2016/17 Health allocation (Appendix 4).

NHSGGC budget allocation for Renfrewshire for 2016/17 is a net £151.063m. However, this includes £8.774m of funding allocated to the HSCP is in respect of Renfrewshire's share of the £250m Integration Fund allocated by the Scottish Government for Adult Social Care Services which NHS GGC was

required to allocate directly to Renfrewshire Council. The opening budget for Renfrewshire Health services is therefore £142.289m. The main adjustments applied to confirm the 2016/17 HSCP opening budget are summarised in the table below.

2016/17 Health Financial Allocation to Renfrewshire HSCP	**£k**
2015/16 Renfrewshire HSCP Closing Budget:	149,525.5
less: non recurring budgets (allocated annually)	-4,644.9
= base budget rolled over	**144,880.6**
Additions:	
Pay increases	511.1
National Insurance rebate withdrawal cover	762.8
Superannuation auto enrolment	108.3
Resource Transfer uplift (1.7%)	282.0
Non-pay inflationary uplifts	51.3
Social Care Integration Fund to transfer to Council	8,774.0
	10,489.5
Reductions:	
Transfer of facilities budget to Corporate	-7.0
Transfer of depreciation budget to Corporate	-1,592.0
Realignment of GMS / FHS budgets	-833.8
	-2,432.8
Savings:	
Agreed 2016/17 savings	-496.0
Unallocated savings applied by NHS GGC	-1,378.2
	-1,874.2
Budget allocated as per 2016/17 Financial Allocation 5th July 2016	**151,063.1**

9.6 Appendix 2 provides a reconciliation of the main budget adjustments applied this current financial year to bring us to the net budget as reported in month 4.

Unallocated Savings Target

9.7 As detailed in NHSGGC's draft Financial Plan for 2016/17 the overall funding gap for NHSGGC was £69m, with savings targets of £49m allocated to the Acute/Corporate sector and £20m to Health and Social Care Partnerships. It should also be noted that the draft Financial Plan does not include unallocated savings carried forward from 2015/16 (at which point Renfrewshire health and adult social care services had not been delegated to the IJB) for Partnerships this equates to £7.8m on a recurring basis.

9.8 Although it is clear that NHSGGC has a significant budget challenge the 'proportionate' share approach to allocating savings targets does not reflect the Scottish Government's aim for shifting the balance of care to a greater emphasis on prevention, anticipatory care and improving care and support to enable people to live at home.

9.9 Members should note that in addition to the above savings target there is a possibility that NHSGGC may request further contributions from Partnerships to fund any shortfalls against the 2016/17 Financial Plan. Partnerships are currently seeking assurance that this will not be the case and to date the NHS Board Director of Finance is indicating that the available in-year non recurring funding should be sufficient to cover any shortfalls where it has not been possible to deliver viable savings options in year.

9.10 To date, £10.2m of savings against the Partnership target of £20m has been approved; this includes £496k from Renfrewshire HSCP. This leaves a recurring gap for the HSPC's to deliver of £9.8m, of which £1.378m is Renfrewshire HSCP's share.

9.11 At this stage there are currently no plans in place to deliver against the above savings gap of £1.378m. IJB members should be aware that this has resulted in a reported overspend for the Health component of the Partnerships budget of £459k, with a year-end projected recurring overspend of £1.378m.

9.12 NHSGGC has identified in its draft Financial Plan for 2016/17 that there is potentially £32m of non-recurring monies available to offset the current unallocated savings target across all services. Discussions are currently underway with the Director of Finance for NHSGGC to agree the amount of non-recurring monies which will be made available to Partnerships in the current year against the unallocated savings target.

9.13 Due to the level of unallocated savings applied to Renfrewshire HSCP's Health budget, there is a clear risk that the HSPC will not be able to achieve a recurring financial balance in 2016/17. Currently it is estimated that for 2016/17 the HSCP Health budget carries a financial risk of £1.378m, for which there are no reserves in place to provide cover.

Delivering Additional Savings

9.14 Given the constraints within which Partnerships currently operate it is not clear how the unallocated savings of £1.378m can be delivered. The table below shows the budgets against which savings can be applied (based on the Partnerships 2016/17 opening budget):

Health Revenue Budgets against which savings can be applied

	Annual Budget £000's
Total Net Opening Budget	**144,859**
less: budgets against which savings cannot be applied (by partnerships):	
Resource Transfer	(16,590)
Family Health Services	(77,078)
Share of Hosted services	(19,940)
	(113,608)
= relevant / directly managed budget against which savings can be applied	**31,252**
% of budget against which savings can be applied	**21.57%**

9.15 The savings gap of £1.378m represents a 4.4% reduction in the Partnership's directly managed Health budget, the majority of which is staff related costs. Given the NHS in Scotland has a no redundancy policy any approved service redesign must offer lifetime protection to existing staff. In addition, there remains a commitment to sustain existing staffing levels within a number of services. It is therefore difficult to easily define and describe how the savings gap can be delivered on a recurring basis within existing NHSGGC employee terms and conditions.

9.16 Members are therefore asked to note that the Health component of the HSCP budget is not in recurring balance and that the Chief Officer will bring an update on the in-year financial position and outline savings proposals to the November 2016 meeting of the IJB. Such savings will be required to achieve recurring financial balance against the 2016/17 budget allocation, at least from April 2017 onwards. These will be in addition to further such savings that are expected to be required for the financial year 2017/18 to address health service related funding challenges.

9.17 Members should also note that the level of savings required are expected to impact on the Partnership's ability to deliver the outcomes identified in the draft Strategic Plan. Details of the risks and impact of all savings options will be included in the proposals to the next IJB meeting in November 2016.

Other Budget Pressures within the Health Budget Allocation

9.18 The Due Diligence update presented to members on 18 March 2016, referred to a number of budget pressures within the Partnerships Health allocation, for which no additional resource has been allocated in the 2016/17 budget allocation from NHSGGC, namely:

9.19 *Special Observations within Mental Health Services*: significant costs associated with increasing numbers of patients requiring enhanced levels of observation across all ward areas which is not a separately funded element of service, and pressures in relation to maintaining the recommended safe staffing and skill mix for registered nurse to bed ratios.

9.20 C*hanges to GP contract*: which may require local recurring funding from the HSPC outwith the core General Medical Services (GMS) Contract.

9.21 *Prescribing budget:* the prescribing budget is currently showing a significant NHS Board wide overspend, and it is unlikely that a year-end break-even position will be achievable. NHSGGC maintains a risk sharing arrangement not to pass any over-spends to HSCPs however, this is dependent on the NHS Board's financial position.

Set Aside

9.22 As detailed in the Due Diligence update to the IJB on 18 March 201, the IJB has delegated responsibility for the strategic planning and commissioning of a range of in scope hospital based services for unscheduled care. The Director of Finance for NHSGGC notified the Chief Finance Officer of the Renfrewshire notional set aside allocation for Renfrewshire on 17th August 2016.

9.23 The services within the scope of the Set Aside budgets for the HSCP are:

- Accident and emergency provided in a hospital
- Inpatient hospital services relating to the following specialities
  - general medicine;
  - geriatric medicine;
  - rehabilitation medicine;
  - respiratory medicine;
  - psychiatry of learning disabilities;
  - psychiatry for older people;
  - accident and emergency services provided in a hospital;
  - inpatient hospital services relating to the following specialties:
- palliative care services provided in a hospital;

- inpatient hospital services provided by general medical practitioners (N/A in NHSGGC);
- services provided in a hospital in relation to an addiction or dependence on any substance; and
- mental health services and services provided by GPs provided in a hospital except secure forensic mental health services.

9.24 The Director of Finance for NHSGGC has worked with the six Partnerships within NHSGGC to develop a methodology to apportion these in scope hospital based services within the unscheduled care budget based on HSCP's anticipated consumption. The notional allocation for 2016/17 is £32.3m as detailed in Appendix 5.

9.25 Details of the methodology used to calculate the notional set aside is included in Appendix 6.

Assurance statement

9.26 The delegated Health budget for 2016/17 has been assessed against criteria based on the national guidance (Integrated Resources Advisory Guidance), (applicable to the Health component of the 2016/17 RHSCP budget), set out in the table below:

Due Diligence Assessment Criteria

1.	the identification of the former Community Health Partnership budget to be delegated is clear, including hosted services
2.	the identification of the NHSGGC's budget relating to the delegated set aside (Acute Services) budget is clear
3.	the identification of that part of the Council's former SW and Housing budgets relating to the delegated services is clear
4.	the treatment of corporate support services is clear
5.	the prior year figures can be reconciled back to Council and NHSGGC budget papers and final management accounts, or equivilent.
6.	the review of prior years and into 2015/16 show adequate budget provision for the delegated functions.
7.	the assumptions used in rolling forward the budget from 2014/15 to 2015/16 plans and the associated risks are fully transparent.
8.	material non-recurrent funding and expenditure budgets for the delegated services and related risks are transparent.
9.	the medium term financial forecast for the delegated services and associated assumptions and risks is reviewed
10.	savings and efficiency targets and any schemes identified are clearly identified and the assumptions and risks are understood by all partners
11.	corporate efficiency targets are clear from parent organisation Board papers
12.	demand management activity in relation to health and adult social care services is transparent
13.	the amount set aside for the IJB consumption of large hospital services is consistent with the methods recommended in the IRAG guidance on the set aside resource and that the assumptions and risks are assessed
14.	the budget has been set taking into account: • Cost inflation • Activity change such as demographic pressure • Cost impact of any legislative changes • Efficiencies

9.27 Members should note that in approving Integration Schemes, NHSGGC agreed to the IJB's being established on a financially viable basis. It is the opinion of the Chief Financial Officer that the 2016/17 Health care budget allocated to the HSCP is not sufficient to sustain the outcomes delivered in 2015/16 and to deliver on those highlighted within the draft Strategic Plan. Recurring savings will therefore be required in order to deliver a balanced budget in 2016/17.

9.28 In the case where NHSGGC is unable to provide non recurring relief to offset the in-year shortfall against the unallocated savings target, the Chief Financial Officer recommends that in line with the IJB's Financial Governance Manual, "Managing Overspends" (para 3.4.3 on page 15 approved by the IJB on 18 September 2015):

"If the recovery plan is unsuccessful and there are insufficient general fund reserves to fund a year-end overspend, then the partners have the option to:

- Make additional one-off payments to the IJB;
- Provide additional resources to the IJB which are then recovered in future years, subject to scrutiny of the reasons for the overspend and assurance that there is a plan in place to address this; or
- Reprioritise in-year expenditure subject to other governance arrangements."

9.29 The IJB should request an additional one-off payment by NHSGGC to fund the identified shortfall, given that the budget allocated for the first year of the Partnership having full responsibility for the delegated Health budget was not sufficient to meet the identified costs associated with their delivery. In addition, the IJB should request written assurance from the Director of Finance for NHSGGC that no future savings targets will be applied in respect of the 2015/16 unallocated savings of £7.8m given that these relate to a period prior to the delegation of services to the partnerships.

9.30 The risk register for the HSCP be updated to reflect the risks highlighted in this report.

---

10. Financial Planning Proposals for HSCP Budget Setting

10.1 At its meeting on 24 June 2016, IJB members received an update on the HSCP's Change and Improvement Programme. This programme is intended to deliver adult social care in-year financial savings and demand pressure mitigation measures.

10.2 The report of 24 June 2016 committed to bring further advice and recommendations to members once the 2016/17 integrated budget was finalised; taking account of NHSGGC saving targets to be delivered in 2016/17 and future years for both parent organisations.

10.3 In light of the challenging financial position and the underlying recurring financial imbalance facing the IJB, a more strategic integrated service and financial planning model is required. Therefore, a dedicated HSCP Finance and Planning Group is being established, jointly led by the Chief Finance Officer and Head of Strategic Planning, to develop a three year financial planning cycle which will align with our Strategic Plan. Terms of Reference can be found in Appendix 7.

10.4 The HSCP will seek to proactively transform our health and social care services, exploiting the opportunities integrated working offers with service

redesign being informed by a strategic commissioning approach. The Finance and Planning Group will adopt a collaborative approach, working in consultation with our key stakeholders including staff, the HSCP Leadership Network, the Strategic Planning Group and parent organisations.

10.5 This in turn will support the long term financial sustainability of the Partnership and deliver the savings required to address the IJB's medium term budget deficit. This process will involve transformation projects, as part of the Partnership's wider Change and Improvement Programme, being developed on a continuous basis and presented for approval to the IJB throughout each year and across financial years.

10.6 To support this new strategic financial planning model, the Chief Officer and Chief Finance Officer will regularly brief the Chair and Vice Chair of the IJB on savings options in relation to the annual financial planning process for both health and social care and proposed integration transformation projects.

---

11. Integrated Care Fund

11.1 As of 1 April 2016, the IJB assumed responsibility for Renfrewshire's Integrated Care Fund (ICF). The current funding allocation is £4.14m per year which includes a Renfrewshire Council contribution of £650k.

11.2 At the last meeting on 24 June 2016, IJB members agreed that new local governance arrangements should be put in place and that supporting Terms of Reference for a reformed ICF Group would be brought to the next meeting.

11.3 In light of the new strategic financial planning approach being introduced by the HSCP, as set out in section 10 of this report, it is now recommended that this fund is managed in line with all other IJB funding streams. This approach aligns with recent national guidance which recommends that "planning and reporting arrangements for the ICF should be congruent with the broader requirements on Health and Social Care Partnerships".

11.4 It is therefore recommended that the HSCP's new Finance and Planning Group plan for and manage Renfrewshire's ICF allocation as part of its wider, strategic approach to integrated service and financial planning which will work in collaboration with the IJB's Strategic Planning Group.

11.5 The HSCP will also work with the Third Sector, Providers and Community Groups to develop an appropriate interface forum, to provide strong engagement with the HSCP's strategic commissioning process; to influence the effective use of IJB resources and make recommendations on the allocation of resources available in line with local priorities.

---

12. Directions

12.1 Directions are the mechanism by which the IJB instruct the constituent authority to carry out the delegated functions. These are documents which set out how the IJB expect the constituent bodies to deliver each function, and spend IJB resources, in line with the Strategic and Financial Plans.

12.2 As approved by the IJB on 18 March 2016, the Chief Officer issued Directions to the parent organisations on 1 April 2016. In line with national guidance,

there is a requirement for the IJB to update Directions to reflect any change in local circumstances (e.g. budget change, a change of payment) in relation to their respective delegated functions.

12.3 Members are asked to delegate authority to the Chief Officer to issue updated Directions on their behalf, as required. A copy of updated Directions will be shared with members.

Implications of the Report

1. **Financial –** Financial implicaitons are discussed in full in the report above.
2. **HR & Organisational Development** – none
3. **Community Planning** - none
4. **Legal –** none
5. **Property/Assets –** none.
6. **Information Technogloy –** none
7. **Equality & Human Rights –** The recommendations containted 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 publised on the Council's website.
8. **Health & Safety** – none
9. **Procurement** – Implementation of the living wage impact on existing contracts with providers and their aiblity to dleiver within the allocated funding package
10. **Risk –** There are a number of risks which should be considered on an ongoing basis: a) adequate funding to deliver core services, delivery of additional unallocated savings within the current finiancial year and the allocation of non-recurring funds by NHSGGC Board to meet this shortfall in 2016/17.
11. **Privacy Impact** – none.

List of Background Papers – none

Author: Sarah Lavers, Chief Finance Officer

Appendix 1

Social Work Revenue Budget Position
1st April 2016 to 24th July 2016

Subjective Heading	Annual Budget	Year to Date Budget	Actual to Date	Variance		
	£000's	£000's	£000's	£000's	%	
Employee Costs	25,720	7,922	7,730	192	2.4%	underspend
Property Costs	363	112	118	(6)	-5.4%	overspend
Supplies and Services	1,555	479	508	(29)	-6.1%	overspend
Contractors	44,756	13,785	13,876	(91)	-0.7%	overspend
Transport	722	222	203	19	8.6%	underspend
Administrative Costs	231	71	73	(2)	-2.8%	overspend
Payments to Other Bodies	9,343	2,878	2,852	26	0.9%	underspend
Capital Charges	-	-	-	-	0.0%	breakeven
Gross Expenditure	**82,690**	**25,469**	**25,360**	**109**	**0.4%**	**underspend**
Income	**(21,800)**	**(6,714)**	**(6,607)**	(107)	1.6%	overspend
NET EXPENDITURE	**60,890**	**18,755**	**18,753**	**2**	**0.01%**	**underspend**

Position to 24th July is an underspend of **£2k** **0.01%**
Anticipated Year End Budget Position is a breakeven of **£0** **0.00%**

Client Group	Annual Budget	Year to Date Budget	Actual to Date	Variance		
	£000's	£000's	£000's	£000's	%	
Older People	41,275	12,714	12,635	79	0.6%	underspend
Physical or Sensory Difficulties	5,209	1,604	1,725	(121)	-7.5%	overspend
Learning Difficulties	11,898	3,665	3,583	82	2.2%	underspend
Mental Health Needs	1,115	343	379	(36)	-10.5%	overspend
Addiction Services	743	229	235	(6)	-2.6%	overspend
Integrated Care Fund	650	200	200	-	0.0%	breakeven
NET EXPENDITURE	**60,890**	**18,755**	**18,757**	**(2)**	**-0.01%**	**overspend**

Position to 24th July is an underspend of **£2k** **0.01%**
Anticipated Year End Budget Position is a breakeven of **£0** **0.00%**

Health Revenue Budget Position
1st April 2016 to 31st July 2016

Subjective Heading	Annual Budget	Year to Date Budget	Actual to Date	Variance		
	£000's	£000's	£000's	£000's	%	
Employee Costs	43,892	14,597	14,428	169	1.2%	underspend
Property Costs	611	217	223	(6)	-2.8%	overspend
Supplies and Services	18,596	2,085	2,223	(138)	-6.6%	overspend
Purchase of Healthcare	44	15	17	(2)	-13.3%	overspend
Resource Transfer	16,872	5,624	5,624	-	0.0%	breakeven
Family Health Services	79,436	26,279	26,276	3	0.0%	underspend
Savings	(1,454)	(485)		(485)	100.0%	overspend
Capital Charges	-	-	-	-	0.0%	breakeven
Gross Expenditure	**157,997**	**48,332**	**48,791**	**(459)**	**-0.9%**	**overspend**
Income	**(5,093)**	**(2,287)**	**(2,287)**	-	0.0%	breakeven
NET EXPENDITURE	**152,904**	**46,045**	**46,504**	**(459)**	**-1.00%**	**overspend**

Position to 31st July is an overspend of	**(£459k)**	**-1.00%**
Anticipated Year End Budget Position is an overspend of	**(£1,378k)**	**0.00%**

Client Group	Annual Budget	Year to Date Budget	Actual to Date	Variance		
	£000's	£000's	£000's	£000's	%	
Addiction Services	2,391	560	526	34	6.1%	underspend
Adult Community Services	13,708	4,219	4,166	53	1.3%	underspend
Children's Services	5,236	1,746	1,698	48	2.7%	underspend
Learning Disabilities	977	326	330	(4)	-1.2%	overspend
Mental Health	19,051	6,366	6,531	(165)	-2.6%	overspend
Hosted Services	3,451	1,173	1,097	76	6.5%	underspend
Prescribing	35,260	11,651	11,651	-	0.0%	breakeven
GMS	21,416	7,074	7,073	1	0.0%	underspend
Other	20,471	6,806	6,806	-	0.0%	breakeven
Planning and Health Improvement	1,123	367	373	(6)	-1.6%	overspend
Other Services	9,817	(162)	334	(496)	306.2%	overspend
Resource Transfer	16,872	5,624	5,624	-	0.0%	breakeven
Integrated Care Fund	3,131	295	295	-	0.0%	breakeven
NET EXPENDITURE	**152,904**	**46,045**	**46,504**	**(459)**	**-1.00%**	**overspend**

Position to 31st July is an overspend of	**(£459k)**	**-1.00%**
Anticipated Year End Budget Position is an overspend of	**(£1,378k)**	**0.00%**

for information:

1. Adult Community Services includes: District and Out of Hours Nursing; Rehabilitation Services, Equipu and board wide responsibility for Podiatry
2. Children's Services includes: Community Services - School Nurses and Health Visitors; Specialist Services - Children's Mental Health Team, Speech Therapy
2. GMS = costs associated with GP services in Renfrewshire
3. Other = costs associated with Dentists, Pharmacists, Optometrists
4. Hosted Services = board wide responsibility for support to GP's for areas such as eg breast screening, bowel screening
5. Other Services = Business Support staff; Admin related costs, hotel services and property related costs including rates and rental costs.

Appendix 2

2016/17 Health Financial Allocation to Renfrewshire HSCP

	£k
2015/16 Renfrewshire HSCP Closing Budget:	149,525.5
less: non recurring budgets (allocated annually)	-4,644.9
= base budget rolled over	**144,880.6**
Additions:	
Pay increases	511.1
National Insurance rebate withdrawal cover	762.8
Superannuation auto enrolment	108.3
Resource Transfer uplift (1.7%)	282.0
Non-pay inflationary uplifts	51.3
Social Care Integration Fund to transfer to Council	8,774.0
	10,489.5
Reductions:	
Transfer of facilities budget to Corporate	-7.0
Transfer of depreciation budget to Corporate	-1,592.0
Realignment of GMS / FHS budgets	-833.8
	-2,432.8
Savings:	
Agreed 2016/17 savings	-496.0
Unallocated savings applied by NHS GGC	-1,378.2
	-1,874.2
Budget allocated as per 2016/17 Financial Allocation 5th July 2016	**151,063.1**
Subsequent Budget Adjustments posted in month 4	
Keepwell funding 16/17	31.8
Auto enrolment	73.9
Staffing budget adjustments and general uplifts (staff transfe	123.4
Family Health Services Adjustment	-78.0
Prescribing budget increase	1,949.8
ICF payments to Acute (to be reversed)	-259.9
	1,841.0
Health Budget as reported @ 31 July 2016	**152,904.1**

2016/17 Adult Social Care Financial Allocation to Renfrewshire HSCP

	£k
2016/17 Renfrewshire HSCP Opening Budget:	60,875.2
	60,875.2
Additions:	
Net Payroll Ajustments relfecting transfers of staff to HSPC / Council	14.8
Adult Social Care Budget as reported @ 24 July 2016	**60,890.0**

NHS Greater Glasgow & Clyde

NHS BOARD MEETING

Director of Finance **June 2016** **Paper No: 16/32**

Financial Plan 2016/17

The Board is requested;

- **To consider the content of/and approve the 2016/17 Financial Plan; and**
- **To note the need for a change in financial planning for 2017/18 and beyond.**

Purpose of Paper:-

The purpose of this paper is to present the 2016/17 Financial Plan to the Board.

The Plan outlines the key elements of income and expenditure underpinning the financial challenge, together with explanation of financial pressures, potential investments and costs savings required. The Plan also outlines key risks to be managed and tangible actions to be implemented for the Board to have a chance of financial break-even.

The Plan also outlines the need for a change in financial planning for 2017/18 and beyond.

Key issues to be considered:-

The Board is facing the significant challenge of requiring £69m of recurrent in-year savings in order to break even. A comprehensive planning process involving all Directors and a wide range of managers, and in concert with the IJBs, set out to identify savings schemes to address the financial gap.

Within this Financial Plan, "green and amber" savings totalling £44.8m full year effect (£34.9m part year effect) have been identified. In addition, a range of "red rated" schemes have been identified, including some service redesign propositions totalling £11.7m full year effect (£8.6m part year effect). Consideration must also be given to both the underachievement of the Acute Cost Containment Programme and unachieved saving from 2015/16.

Taking into account all savings schemes identified, on a full-year effect for 2016/17, the Board still has a gap of £9.1m (rounded up to £10m). It is proposed at this stage that these savings maybe realised through the National Workstreams, or alternatively from additional savings schemes identified across the key parts of the business in-year.

Any Financial Implications from this Paper:-

Due to the timing of the implementation and impact of these schemes in-year, the Board has again recognised the need to cash manage the business towards the realisation of these savings. This will be achieved through the further utilisation of non-recurring provisions and reserves. For 2016/17, this will include a timing benefit repayable in future years through the reversal of historic provisions totalling £32.5m for NHSGGC.

This reliance on non-recurring sources of funding and reserves to achieve in-year balance is clearly not sustainable. The continued use of non-recurring funds and reserves in 2016/17 to fund day-to-day business will create a significant risk to the sustainability of the Board into 2017/18 and beyond. There is a real risk the Board enters 2017/18 with minimal reserves.

Although not a direct financial implication, this paper also highlights the need for a change in financial planning for 2017/18 and beyond. Due to the scale of the financial challenge and underlying recurring financial imbalance, a transformation programme will be required to deliver a step change in the size and scale of recurring savings and efficiencies needed in 2007/18 and beyond.

Any Staffing Implications from this Paper:-
A number of savings schemes involve elements of workforce rationalisation.

Any Equality Implications from this Paper:- None.

Any Health Inequalities Implications from this Paper:- None

Has a Risk Assessment been carried out for this issue? If yes, please detail the outcome:-

To have a chance of break-even, definitive management action and tangible results must be achieved around the following key risks;

- Achievement of the Acute cost containment programme, locum agency spend and sickness absence rates driving nurse bank and agency spend;
- Continued support from the Scottish Government around the achievement of key waiting times targets, particularly in the winter period;
- Managing any changes to the unscheduled care model within the current financial envelope;
- Achievement of all savings schemes outlined above, including service redesign propositions;
- Continued work to finalise, consult, approve and deliver the “red” rated schemes; and
- Achievement of £10m savings from the National Workstreams and/or identification, presentation and delivery to the October 2016 Board meeting of additional schemes equal to that sum from the three key areas of the business.

In terms of quantifying risk inherent in achieving break-even, and in addition to the unidentified £10m FYE gap, it is estimated the Financial Plan carries financial risk of between £20m to £25m. Should this risk crystallise, there are insufficient reserves to provide cover. It would require receipts from projected land sales to ensure financial balance. However, the complexity and uncertainty over the timing and level of receipt of land sales must also be highlighted.

Highlight the Corporate Plan priorities to which your paper relates:-

Improving Quality, Efficiency and Effectiveness

Author – Director of Finance
Tel No – 0141 201 4470
Date – 22nd June 2016

16/32

NHS Greater Glasgow and Clyde

2016/17 - Financial Plan

June 2016

1. INTRODUCTION

1.1 This document presents the Board's 2016/17 Financial Plan (the Plan).

1.2 The Plan outlines the key elements of income and expenditure underpinning the financial challenge, together with explanation of financial pressures, potential investments and costs savings required.

1.3 The Plan also outlines key risks to be managed and tangible actions to be implemented for the Board to have a change of financial break-even.

1.4 The Plan highlights the significant and unprecedented financial challenge facing NHSGGC in 2016/17. Directors and Management have worked extensively to identify and design savings schemes to address the financial gap identified. This continued effort and dedication will also be required to deliver such a challenging savings programme.

1.5 The purpose of this paper is to present the 2016/17 Financial Plan to the Board. The Board is asked to;

- Approve the overall Plan and its underlying assumptions;
- Approve the setting of budgets and savings, allocated proportionately to each part of the business;
- Approve the budget with a £10m gap, to be met from the outcomes from the National Workstreams, or from £10m of additional savings schemes on a proportionately basis from each budget holder and presented to the October 2016 Board meeting;
- Approve the on-going work and discussions to address recurrently the underachieved projected 2015/16 recurrent savings (Acute £3m and HSCPs £7m);
- Approve the continued use of non-recurrent funding and reserves to manage the business in-year, accepting the diminishing levels of reserves and significant risks this creates to the financial sustainability of the Board;
- Approve the level of risk inherent in the Plan and the potential to use remaining reserves to cover this risk if required; and

1.6 The Board is also asked to note the need for a change in financial planning for 2017/18 and beyond. This will require the development and embedding of a more collegiate, continuous improvement environment that delivers savings on a more consistent basis. In addition, due to the scale of the financial challenge and underlying recurring financial imbalance, a transformation programme will be required to deliver a step change in the size and scale of recurring savings and efficiencies needed in 2007/18 and beyond.

Mark White
Director of Finance

2. BACKGROUND AND CONTEXT

2.1 In line with every year, the Board has been working through the financial planning cycle for several months. The financial planning process for 2016/17 has been particularly challenging as we interpret the amended Acute structure, including the running of the new Queen Elizabeth University Hospitals, and the formation of Integration Joint Boards (IJBs).

2.2 As we survey both the political and financial landscape into 2016/17 and beyond, it is imperative the Board establishes a process which ensures financial decisions which relate to a coherent strategic direction. This involves moving forward in concert with the IJBs. The Board now shares responsibility for strategic planning with the IJBs but retains responsibility for the allocation of the NHS budget between the services for which we retain direct operational responsibility and those managed by IJBs. IJBs need to develop and approve integrated service and financial plans for the NHS and Council services which are legally delegated to them before the end of this financial year.

2.3 While the LDP process has enabled Boards to set budgets beyond the beginning of the financial year, that flexibility has been in a context of relative certainty when we can set, or come close to setting, a balanced financial plan. As we continue to work through the financial planning process, setting a balanced Financial Plan is becoming more difficult each year.

2.4 That challenge also needs to be considered against the current overspends within the Acute Division, largely to sustain services in terms of staffing to ensure we deliver the national targets and meet pressures.

2.5 Therefore, in the current year, and going forward, we are significantly challenged to meet the costs of our current configuration of services and to deliver the required national targets.

3. STRATEGIC POSITION

3.1 The Board has a strategic direction which sets our purpose as:

> "***Deliver effective and high quality health services, to act to improve the health of our population and to do everything we can to address the wider social determinants of health which cause health inequalities."***

3.2 That purpose is amplified with five strategic priorities to move us towards achieving that purpose, these are:

- Early intervention and preventing ill-health;
- Shifting the balance of care;
- Reshaping care for older people;
- Improving quality, efficiency and effectiveness;
- Tackling inequalities.

3.3 The Board needs to set a fresh strategic direction for 2016/17 in Partnership with IJBs which are developing their own strategic plans. In many respects we have the material to set that clear strategic direction and to develop, alongside IJBs, the detailed service change plans which we need to put in place to deliver.

3.4 NHSGCC has:

- A mental health strategy progress through final capital development to deliver modern mental health services;
- A Clinical Strategy which maps out a clear direction for acute services, although not yet translated into detailed service plans and with a number of delivery challenges to be resolved;
- A pattern of change in community services which has improved the range and efficiency of those services but not yet the more radical developments to enable us to change the acute sector;
- Emerging local thinking about the development of primary care which we need to use to shape the national direction.

3.5 However, the financial and policy constraints within which we are working present real challenges to coherently move forward the five strategic priorities which will deliver our purpose. One of the key aims of the 2016/17 (and beyond) planning process is to make changes which align with our strategic direction, priorities and clinical strategies and enable us to deliver financial balance.

3.6 Further points of context are:

- The increasing demand (scheduled and unscheduled) and costs of acute services, means that we have made minimal progress in shifting resources to substantially develop primary care and community services;
- There are major workforce issues, filling staffing gaps is a major current cost problem, driven by:
    - medical workforce issues, which will only worsen;
    - staffing models which increase the unit costs of our current services; and
    - high levels of sickness absence;
- Immediate pressures on number of points on the system;
- Social care budget pressures including major issues in the care home sector;
- GP services struggling with demand pressures;
- real pressures on services which are impacted on by increasing numbers of vulnerable people;
- Drugs costs driven by the changed national regime.

4. PROPOSED PRINCIPLES FOR PLANNING

4.1 In order to ensure that we make financial decisions which align with our strategic direction we have established the proposed principles for planning. These have shaped the planning programme. The principles are:-

- Make financial decisions for 2016/17 which are in line with and enable us to move in coherence with our purpose, strategic direction and related strategies;
- Continue to give priority to patient facing services and ensuring these are always high quality and safe;
- Continuing to play our part in trying to reduce the inequalities which affect our population and have a strong focus on equality impacts in making our decisions;
- Ensure that our decisions do not have unintended consequences such as unplanned transfers of pressures, responsibilities or costs to other parts of the system;
- Our approach is whole system not localised savings targets, and is driven by:-
    - cost scrutiny in every part of the organisation, led by the local teams;
    - a whole system programme of change to deliver cost reduction;
- Our aim is to continue to deliver the key Scottish Government targets;
- We focus first on changes which make clinical and service sense and increase efficiency and productivity and reduce our unit costs;
- Where we propose to restrict access to services or stop planned developments we will have a clear framework for prioritisation of patient care linked to clinical benefit;
- We are committed to shifting the balance of care and resources but also recognise the pressures on acute services.
- All new national initiatives and proposals which have financial implications will be tested against our strategy and reported to Board for decision;
- Our decision making is under pinned by evidence about what delivers the safest, highest quality and most cost effective healthcare;
- We explicitly consider risks and benefits in making decisions;
- We remain committed to the importance of innovation and research to shape changes in the way we deliver care;
- We will work across boundaries with other Health Boards and public bodies to identify ways in which we can deliver services more efficiently.

We recognise that the scale of the challenge we face means that we are entering a period of significant change. Fundamental principles of our decision making are:-

- A commitment to engagement with patients and the wider public;
- A commitment to fully engage with our staff and their representatives in shaping, planning and delivering the changes to services which will be required.

5. DETAILED FINANCIAL POSITION

5.1 The Scottish Government set out its budget to the Scottish Parliament in December 2015. This set out an up lift of £511m or 5.3 % to the Health budget. The £511m is split £476m to territorial Boards and £35m to Special Boards. The table below highlights the key strands of funding available to NHS Scotland territorial Health Boards, and demonstrates how these translate for NHSGGC.

TABLE 1: The total uplift 2016/17

	All Boards £m	NHS GGC £m	Paragraph reference
Base Uplift @ 1.7%	147.0	33.7	5.2
Social Care Funding	250.0	59.4	5.3
SGHSCD Uplift	476.0	93.1	
Income from Other Boards		6.9	5.4
Reduction in Bundled Funding		(7.0)	5.5
Reduction in New Medicines Fund		(5.4)	5.6
Total Uplift		**87.6**	

5.2 A general uplift is provided by SGHSCD to support Boards in meeting expected additional costs related to pay, supplies (which includes prescribing growth and utilities charges) and capital charges.

5.3 SGHSCD has provided £250.0m, to be directed to Integrated Health and Social Care Partnerships, to ensure improved outcomes in social care.

5.4 By applying an agreed general inflationary uplift to the value of service level agreements with other NHS Boards related to patient services provided by NHSGGC, NHSGGC can reasonably expect to receive further income of around £6.9m in 2016/17. This includes a further £2.0m from NHS Highland as it stabilises its SLA value.

5.5 SGHSCD has confirmed that funding outwith Boards' recurring allocations will be reduced. The total reduction is likely to be £7.0m, comprising Alcohol (£2.1m), Drugs (£2.2m) & other bundled funding (£2.7m).

5.6 In 2015/16 the SGHSCD distributed £85m of receipts from the Pharmaceutical Price Regulation Scheme as income to Boards. For NHSGGC this represented £20.1m of income. In our initial 2016/17 financial planning, in the absence of any other information, we assumed a similar 2015/16 position. However, it was confirmed that in 2016/17 SGHSCD estimated the receipts to be approximately £60m (down from an initial estimate of £90m). As such, our share in 2016/17 is likely to be £14.7m. This represents a reduction of £5.4m of income.

5.7 A summary of the Financial Plan is shown below. Each of the items is explained in more detail in **Appendix 1**.

TABLE 2: The overall financial position 2016/17

		Jan 16 £m
2016/17 Funding Uplift		
Total uplift		87.6
Carry Forward from 2015/16		
Forecast recurring over/under commitment		(0.0)
Cost Drivers		
Pay Cost Growth		(50.5)
Prescribing Cost Growth		(25.6)
Energy Cost Growth		(0.0)
Capital Charges Growth		(4.0)
Other Cost Inflation		(10.1)
		(90.2)
Service Commitments		
Social Care		(59.4)
Pressures and Investments		(7.0)
		(66.4)
Cash Releasing Financial Challenge		**(69.0)**
Cash Releasing Financial Challenge		**3.3%**

5.8 Important points to note in relation to the pharmacy number in the above table are;

- prescribing savings of £3.0m (Acute) & £5.0m (Primary Care) which have been netted off the relevant prescribing uplifts;
- Reductions in prices of drugs for the treatment of Hepatitis C will release £9.1m.

5.9 In developing the Plan we have assessed relevant risks. It is proposed we retain the Board's £5.0m recurring contingency. It is not appropriate to decide at this stage how these funds will be used but it is clearly prudent to build some central flexibility into a Plan that has £3.0bn of expenditure, potential unexpected pressures and a larger number of areas of significant financial risk.

5.10 In addition, some of the key operational risks that the Board will face in-year 2016/17 include medicines and integration of health and social care. These risks are described below:

- Medicines risks include the cost of new medicines, including those for Hepatitis C, and orphan / ultra-orphan and end of life medicines. In line with SGHSCD guidance, the Plan includes assumptions about funding available from the new medicines fund.

- The Board is responsible for allocations to the new IJBs. In approving Integration Schemes the Board agreed in principle to allocations which reflected IJBs financial and savings plans for 2016/17 with the likelihood of enabling financial balance to be achieved in 2016/17 and the IJBs to be established on a financially viable basis. A number of the savings plans may be non recurrent, posing real challenges for the IJBs to deliver recurrent balance in 2016/17. It is also important to underline the substantial pressures on social care budgets which will flow through from Council allocations to IJBs from 2016/17 onwards.

- The Acute division continues to experience significant cost pressures in Medical pay where significant expenditure on agency and locum cover has been incurred to support activity levels. Actual non elective and elective inpatient activity continues to increase significantly, together with long-term vacancies, difficulties recruiting and the requirement for waiting list initiatives to achieve TTG targets. Nursing pay also continues to be a significant cost pressure, with excess bank and agency spend driven by activity levels and accentuated by higher than average sickness/absence rate.

5.11 Other key risks to the Plan are set out below.

- Savings Schemes: The delivery of savings schemes, including the bed model, at a time when capacity is already stretched is a major challenge.

- Prescribing: Prescribing costs are demand driven and vary throughout the year. Although we believe that our projections of costs and savings are realistic, we continue to monitor this area closely to ensure that we are aware of any changes in prescribing patterns.

- Referral to Treatment Standard: To help support delivery of referral to treatment performance, SGHSCD has made available additional non-recurring funding. If funding is no longer available, this may have an impact on our performance.

- Winter Pressures: We recognise the seasonal impact that winter has on demand for services. We need to consider whether we factor in funding non-recurringly to meet the additional costs incurred.

6. SAVINGS TO ACHIEVE FINANCIAL BALANCE

6.1 The assessment of the financial position in 2016/17 was first conducted in October 2015 and presented to the Board at an Away Day. Whilst the projections were evolving and subject to continual updating, in parallel, the Executive Management team commenced a process to identify a set of strategic savings initiatives that would deliver the required savings to achieve financial balance.

6.2 As outlined above, this process continued through the winter months, with a summary of progress delivered to the Board Seminars / Away Days in February and early April 2016.

6.3 A process of consultation was also conducted with staff side and with the Scottish Government Health and Social Care Directorates.

6.4 As savings schemes were identified within the Board, each was quantified in terms of its full year effect / current year effect and allocated a “risk rating” (green, amber or red) in terms of;

- its achievability/likelihood;
- accuracy of the projected saving;
- extent of impact and consequences;
- requirement for Board approval / public consultation.

6.5 The breakdown of these numbers, split into green/amber and red, is provided in greater detail below and in **Appendices 3-5**;

TABLE 3: Breakdown of savings position 2016/17 - Green and Amber Schemes

NHSGCC	CYE	FYE	
Green and Amber Schemes	**16/17 £m**	**16/17 £m**	
Corporate Budgets			
Department			
Facilities	7.00	9.06	**Refer appendix 3**
Finance	0.50	0.50	**Refer appendix 3**
HI&T	1.51	1.51	**Refer appendix 3**
HR	0.60	0.60	**Refer appendix 3**
Nursing	0.20	1.20	
Public Health	0.95	0.95	**Refer appendix 3**
Corp Planning and Policy	0.25	0.25	
Corp Affairs	0.25	0.25	
Medical Director - Corporate	0.70	0.70	**Refer appendix 3**
Procurement	2.15	3.40	**Refer appendix 3**
	14.11	**18.42**	
Balance sheet management			
Re-assessment of asset lives and non-cash DEL	**3.00**	**3.00**	
Partnerships			
Staff and service rationalisation	7.75	7.75	**Refer appendix 4**
Bundled funding (including A&D)	1.80	1.80	**Refer appendix 4**
	9.55	**9.55**	
Bundled funding - Board share			
E- health - held from Strategic Fund	**1.30**	**1.30**	
Acute			
Various Acute local schemes	5.52	10.72	**Refer appendix 5**
Review use of Douglas Inch Forensics Estate	0.00	0.04	
	5.52	**10.77**	
Other initiatives			
Additional Pharmacy Efficiencies - DOACs	1.00	1.00	
Cease supply of gluten free bread	0.50	0.80	
	1.50	**1.80**	
Total Green and Amber Schemes	**34.98**	**44.83**	

TABLE 4: Breakdown of savings position 2016/17 - Red Schemes

NHSGCC			
Red Schemes			
	£m	**£m**	
Corporate			
VAT Reclaim Schemes	1.50	1.50	
	1.50	**1.50**	
Balance sheet management			
Re-assessment of asset lives and non-cash DEL	**3.00**	**3.00**	
Partnerships			
Physio	0.14	0.14	
Health Improvement	0.40	0.70	
	0.54	**0.84**	
Acute			
Clinically led service redesign propositions 2016/17	**3.09**	**5.89**	
Miscellaneous			
Reduction in medicines waste	0.50	0.50	
	0.50	**0.50**	
Total Red Schemes	**8.63**	**11.73**	

6.6 It is also important to highlight a number of clinically led service redesign initiatives included within the above schedules. Work continues around these, including dialogue and consultation where required.

Assumptions and Investments

6.7 Within the Financial Plan there are a number and range of assumptions and proposed investments (Table 1 and Appendix 1 point 7). As these are constantly subject to analysis and revision, the following key amendments require to be highlighted and adjusted with this LDP:

- Auto-enrolment – within the pay cost growth figure of £50.5m in Table 2 and Appendix 1 (point 1) is a provision of £5m for auto-enrolment to superannuation. This figure represents a prudent estimate of the number of staff who would enrol. However, since the April pay-run, a significant number of staff have opted out of the pension scheme and we expect more staff to opt out through June 2016. This provision has therefore been reduced to £3m.
- Service Investments – we continue to provide a range of specialist national services. The initial provision of £1.3m for increasing costs for Deep Brain Stimulation will be contained within the current service provision and income recovery model.

Overall Position and Remaining Gap

6.8 Summarised below in Table 5 is a summary of the current overall position.

TABLE 5: The overall savings position 2016/17

NHSGCC	CYE	FYE
Savings Summary	**16/17**	**16/17**
	£m	**£m**
2016/17 Savings Target	**69.00**	**69.00**
Savings summary achievability		
Green	20.08	20.35
Green/Amber	9.40	12.85
Amber	5.50	11.63
Total Green and Amber	**34.98**	**44.83**
Red	8.63	11.73
Total savings identified to date	**43.61**	**56.56**
Remaining gap - further savings required	**25.39**	**12.44**
Revisions to initial assumptions/investments	-3.30	-3.30
	22.09	9.14
Acute Division - cost containment cover	7.50	0.00
Cash requirement in-year	**29.59**	**9.14**

6.9 Acute Management drafted a £10m cost containment strategy in December 2015 to take effect before the 31st March 2016 in order to start the new financial year at, or close to, balance. However, this has proved extremely challenging, with the pressures around increasing demand and vacancies driving locum agency spend and sickness absence rates driving nurse bank and agency spend, and the continual use of winter beds which have remained open at a cost of circa £1.2m per month.

6.10 The Board will require to provide cash coverage (£7.5m) whilst the cost containment programme delivers. In addition, the Acute Division underachieved projected 2015/16 recurrent savings by £3m and HSCPs underachieved by £7m. These were covered non-recurrently in-year by each Division. However, further work and discussions are currently on-going to establish if these can be covered internally again in 2016/17.

6.11 It is clear from the above table that in addition to £11.7m of complex and challenging "red risk" rated schemes, on a full-year effect for 2016/17, the Board still has a savings gap of £9.1m (rounded up to £10m). It is proposed at this stage that these savings maybe realised through the National Workstreams.

National Workstreams

6.12 Through the joint work of the Chief Executives, Directors of Finance and Scottish Government colleagues a number of workstreams have been developed both to support Boards in their local delivery of savings plans, and to examine whether a national approach to certain propositions can be agreed and delivered. Work is on-going to determine whether these national initiatives will have a further positive impact locally.

6.13 A number of these workstreams are already incorporated in our local schemes (and 2016/17 cost containment programme) but a small number could deliver savings to NHSGGC. This includes a review of effective prescribing medicines and Shared Services for both corporate and clinical support functions.

6.14 However, until the outcome of these national workstreams become clear and for the purposes of achieving financial balance, the £10m will be allocated proportionately, and the three parts of the business are therefore required to identify additional schemes to close the gap – and present these to the October 2016 Board meeting. Should the national workstreams subsequently deliver the projected savings in-year, these additional local savings schemes will be deferred into 2017/18.

Allocation of Budgets

6.15 In order to ensure that we make financial decisions which align with our strategic direction we established a set of the principles which have previously been reported to the Board. These principles, explained above, have underpinned a whole system approach to financial planning and addressing savings in 2016/17.

6.16 However, in order to set budgets across the organisation, and to enable IJB Chief Officers to start setting Commissioning Strategic Plans the Board's uplift (1.7% / £33.7m) and cost pressures (£102.7m) must be apportioned across the three key parts of the business (Table 6 below) proportionately. This was performed on an indicative basis and communicated in writing to Chief Officers (and Non-executives) in March 2016 to enable financial planning. The £59.4 million allocated wholly to IJBs to fund Social Care has been excluded. It is for each individual IJB to separately negotiate their share of these monies.

TABLE 6 – 2016/17 Allocation of Uplift and Cost Pressures Across the Board

	Corporate Functions and Acute £m	Partnership £m	Total £m
Allocation of Uplift	20.8	12.9	33.7
Cost Pressures	69.8	32.9	102.7
2016/17 Gap	**49.0**	**20.0**	**69.0**

6.17 Upon approval of this Financial Plan, all budget holders will be formally notified of their budgets and the need to find additional savings to achieve the £69m target.

Managing in-year

6.18 As outlined above, Directors and Managers continue to work to address the remaining savings gap and finalise a balanced Plan. Due to the timing of the implementation and impact of these schemes in-year, the Board has again recognised the need to cash manage the business towards the realisation of these savings.

6.19 This will be achieved through the further utilisation of non-recurring provisions and reserves. For 2016/17, this will include a timing benefit repayable in future years through the reversal of historic provisions totalling £32.5m for NHSGGC. This was identified as part of the national Balance Sheet Flexibility Group and involves reclassifying the funding source of pre-2010 provisions, particularly in relation to Pension and Injury Benefit provisions. This does not impact on the actual level of provision, just the funding source, and will involve a charge to the RRL as the liabilities crystallise over a number of future years.

7. SUMMARY AND CONCLUSION

7.1 This Financial Plan demonstrates how the Board has worked, and will continue to work, to achieve financial balance in 2016/17. A significant number of savings schemes have been identified to address the financial gap. However, many of these are "red" rated and as such, there are significant risks around their delivery.

7.2 The current Plan contains a £10m FYE gap. The Board has previously intimated it has a risk appetite for setting a budget with a gap. Whilst this gap is expected to be covered by the outcomes from the National Workstreams, to mitigate that risk, each key budget holder will be required to (proportionately) present schemes to this value at the October 2016 Board meeting.

7.3 In addition, discussions and wider consultations remain ongoing with Scottish Government colleagues around various elements of this Plan.

Managing the Risk

7.4 It is clear from the above detail there is a real risk the Board will not achieve financial break-even in 2016/17. There are numerous risks to achieving break-even, the more operational risks of which are summarised above at paragraph 5.12.

7.5 To have a chance of break-even, all these risks must be managed. In addition, definitive management action and tangible results must be achieved around the following key risks;

- Achievement of the Acute cost containment programme, locum agency spend and sickness absence rates driving nurse bank and agency spend;
- Continued support from the Scottish Government around the achievement of key waiting times targets, particularly in the winter period;
- Managing any changes to the unscheduled care model within the current financial envelope;
- Achievement of all savings schemes outlined above, including service redesign propositions;
- Continued work to finalise, consult, approve and deliver the "red" rated schemes; and
- Achievement of £10m savings from the National Workstreams and/or identification, presentation and delivery to the October 2016 Board meeting of additional schemes equal to that sum from the three key areas of the business.

7.6 In terms of quantifying risk inherent in achieving break-even, and in addition to the £10m FYE gap outlined above, it is estimated the Plan carries financial risk of between £20m to £25m. Should this risk crystallise, there are insufficient reserves to provide cover. It would require receipts from projected land sales to ensure financial balance. However, the complexity and uncertainty over the timing and level of receipt of land sales must also be highlighted.

7.7 Whilst the Board at this point continues to work toward a balanced budget for 2016/17, it is apparent that again in 2016/17 the Board will be reliant on non-recurring sources of funding and reserves to achieve in-year balance. This position is clearly not sustainable. The continued use of non-recurring funds and reserves in 2016/17 to fund day-to-day business will create a significant risk to the sustainability of the Board into 2017/18 and beyond. There is a real risk the Board enters 2017/18 with minimal reserves.

Financial Planning 2017/18 and Beyond

7.8 As part of the 2015/16 financial planning process, the Board's internal auditors (PwC) were invited to perform a review of the process. The report concluded that "*the financial planning process is operating as intended and has evolved to reflect the significance of the financial gap and establishment of Integration Joint Boards".*

7.9 However, the report also highlighted *"the need for the timing of the financial planning process should commence earlier in the financial year*" and *"transparency at Board level is required of the progress being made to deliver the plan and to support strategic decision making that may be required".*

7.10 There is a need for a change in financial planning for 2017/18 and beyond. This will require the development and embedding of a more collegiate, continuous improvement environment that delivers savings on a more consistent basis. The Board has an excellent track record of achieving savings and improving efficiency. However, due to the scale of the financial challenge and underlying recurring financial imbalance, a transformation programme will be required to deliver a step change in the size and scale of recurring savings and efficiencies needed in 2007/18 and beyond.

7.11 This will include the Board devising a 3-5 year Strategic Plan, drafted in conjunction with IJBs, to ensure a model of affordable service delivery and quality patient care up to, and beyond, 2020.

APPENDIX 1 – NOTES TO SECTION 5 (Table 2)

1. Pay cost growth:

Pay cost growth comprises:

	£m
Provision for 1% uplift	15.3
Provision for additional low pay costs	4.2
Provision for additional Employers' National Insurance	25.0
Provision for discretionary points	1.0
Provision for auto-enrolment to Superannuation	5.0
	50.5

Pay provision: Current indications are that a provision of 1.0% for pay uplift in 2016/17 is reasonable. On top of the 1.0%, provision has been made for a minimum payment of £400 for staff earning up to £22,000.

Superannuation: A provision of £25.0m has been made for the abolition of the employers' 3.4% "contracted out" rebate for staff members of the NHS Superannuation scheme.

Discretionary Points: A provision of £1.0m has been made for the on-going impact of funding additional discretionary points.

Auto-enrolment to Superannuation: A provision of £5.0m has been made for the estimated cost of employees remaining in the superannuation scheme after auto-enrolment.

Incremental pay progression – AfC: The experience of monitoring Agenda for Change (AfC) related pay trends has helped the Board develop a detailed understanding of the effect of incremental pay progression. This has enabled us to carry out a detailed forecast of pay growth for 2016/17, using current staff turnover ratios by staff category. The pay modelling has indicated incremental pay progression for AfC will not be a cost pressure in 2016/17, so no provision has been made for additional costs.

Incremental pay progression – Consultants: There was an increase in average seniority, and hence costs, of consultants in the past two years. This is because of a fall in turnover. However, the pay modelling has indicated incremental pay progression for Consultants will not be a cost pressure in 2016/17, so no provision has been made for additional costs.

2. **Prescribing:** The prescribing cost growth projection for 2016/17 is based on information from the Board's Prescribing Advisers. It includes provision for likely cost increases related to growth in new and existing drug treatments within Acute Sector, including new drugs approved by SMC, and makes a realistic level of provision for likely growth in volume / prices, based on current trends, related to drug treatments prescribed within Primary Care. The results of this work are summarised below.

	£m
Primary Care	20.7
Acute	22.0
Hepatitis C	(9.1)
Gross Uplift	33.6
Primary Care Savings	(5.0)
Acute Savings	(3.0)
Total	**25.6**

Current estimate of Hepatitis C costs for 2016/17 is £10.9m. The existing recurring budget is £20.0m, so a reduction of £9.1m is required

3. **Energy:** Current estimates are, given the recent oil price decline, that no additional provision is required for 2016/17.

4. **Capital charges:** Indexation of asset values is anticipated to add £4.0m to capital charges.

5. **Other costs inflation:** 1.0% general provision has been set aside for inflation on non-pay costs excluding prescribing costs, energy costs, and capital charges costs. 1.7% has been set aside for uplifts to Resource Transfer, inflation on legal / contractual cost commitments and inflation on amounts payable to other NHS Boards, Local Authorities and Voluntary Organisations, related to SLAs.

6. **Social care:** SGHSCD has provided £59.4m, to be directed to Integrated Health and Social Care Partnerships, to ensure improved outcomes in social care.

7. **Pressures and Investments:** £7m has been set aside to fund the following key pressures and potential investments:

	£m	
Nursing Skill Mix	4.0	Potential additional costs
National Services	1.3	Deep Brain Stimulation
Robotic Prostatectomy	0.7	Per business case
Satellite Radiotherapy	0.7	Per business case
Research & Development	0.3	Reduction in funding
	7.0	

APPENDIX 2 – SUPPORTING NOTES TO SECTION 5

1. Represents the excess of recurring expenditure commitments over recurring funding carried forward from 2016/17.

2. An uplift of 1.7% has been assumed.

3. Assumed uplift to existing funding allocations where notification remains outstanding. This includes uplifts to a number of SGHSCD funding allocations, uplifts to national services and service level agreements with other Boards.

4. 0.5% uplift assumed for Primary Care Medical Services (PMS) & non cash limited funding and associated expenditure. Cost neutral impact.

5. For 2017/18 & 2018/19 a provision of 1.0% for general pay uplifts with a minimum of £400 for lower paid staff has been made.

6. This covers anticipated price inflation related to existing PPP commitments plus 1% to cover general inflation and growth on non pay costs.

7. This is based on an assessment of prescribing advisers' outline cost projections for acute and primary care services. For 2017/18 & 2018/19, indicative values based on general uplifts in 2016/17 have been used. This is a volatile area where, depending on drug approvals, cost pressures could be significant.

8. Provision for ongoing real increase in energy costs. The provision is an estimate of the possible increase in tariff charges.

9. Provision for increase in capital charges as a result of indexation of asset values.

10. Provision for inflationary uplift of service level agreements with other NHS Boards related to NHSGGC patients and of resource transfer agreements with local authorities.

11. 0.5% provision for increased spend on PMS & non cash limited services is in line with assumption of 0.5% increase in funding allocation. The overall impact is cost neutral.

12. This grouping includes all other unavoidable service commitments including:

- Robotic prostatectomy full year effect;
- Possible loss of R&D income.

13. Provision for cost pressures to come. This amount required will be kept under review.

14. Cost savings values required to bring the Plan into balance.

APPENDIX 3 – DETAILS OF CORPORATE SAVINGS SCHEMES

Corporate Budgets	CYE	FYE
GREEN AND AMBER SCHEMES	**16/17 £m**	**16/17 £m**
Facilities		
Soft FM pay and staff savings	2.295	3.060
Efficiencies in non essential maintenance budgets	1.500	1.500
Further soft FM pay savings	0.917	1.223
Catering - staff and patients. final phase of patient catering strategy	0.500	0.500
Catering - improve commercial performance of outlets	0.300	0.300
Transport and travel - various rationalisation proposals	0.140	0.247
Biomass boiler and Board wide Energy Saving campaign	0.752	1.014
Replace rental of Clyde channels by outright purchase	0.250	0.507
Various initiatives ahead of National Shared Business Case	0.234	0.507
Other minor schemes	0.116	0.199
	7.004	**9.057**
Finance		
Rationalisation of team structure	0.350	0.350
Audit contracts renegotiations	0.025	0.025
Other minor schemes	0.125	0.125
	0.500	**0.500**
HI&T		
Review of eHealth Record Services	0.370	0.370
eHealth redesign of IT services	0.080	0.080
eHealth staff rationalisation	0.264	0.264
Others/Slippage 15/16	0.800	0.800
	1.514	**1.514**
Human Resources		
Dept Restructuring and rationalisation of posts	**0.600**	**0.600**
Public Health		
changes to national vaccine programme	0.250	0.250
reductions in discretionary spend on professional fees	0.045	0.045
research commissioning	0.051	0.051
HI programme delivery and staffing reduction	0.486	0.486
Other minor schemes	0.114	0.114
	0.946	**0.946**
Medical Director - Corporate		
Various schemes TBC	**0.700**	**0.700**
Procurement		
Commercial/gain share Review of top 50 suppliers	1.000	2.000
NSS/WoS contract/tendering efficiencies	0.750	1.000
Scottish Govt Framework Contracts Temp Workers	0.250	0.250
Various schemes	0.150	0.150
	2.150	**3.400**
Grand Total	**13.414**	**16.717**

APPENDIX 4 – DETAILS OF PARTNERSHIP SAVINGS SCHEMES

Partnerships	CYE	FYE
GREEN AND AMBER SCHEMES	**16/17 £m**	**16/17 £m**
Universal Childrens Services	0.900	0.900
Workforce Planning	3.200	3.200
MH Inpatient Services Redesign	0.600	0.600
Oral Health	0.500	0.500
Integration - realignment in ED	0.250	0.250
Mental Health Strategy	1.000	1.000
Adult Cont Care	1.300	1.300
- Bundled funding (including A&D)	1.800	1.800
Grand Total	**9.550**	**9.550**

APPENDIX 5 – DETAILS OF ACUTE SAVINGS SCHEMES

Acute Budgets	CYE	FYE
GREEN AND AMBER SCHEMES	**16/17 £m**	**16/17 £m**
Workforce		
Admin review and management costs	0.430	0.802
Nursing and AHP reviews	0.353	0.785
Junior Doctors review in W&C	0.100	0.325
Identification of long term vacancies	0.080	0.080
Radiotherapy staff review	0.080	0.080
	1.043	**2.072**
Prescribing Targets across all Directorates	**0.909**	**1.534**
Service Redesign		
Review GGH beds and 7 day wards	0.188	0.226
West MIU	0.310	0.414
Clyde Orthotics to in-house service	0.090	0.125
Diagnostics - Point of Care Testing, DCPB/Med		
Illustration Review, Test Type Changes	0.150	0.250
Regional - Haematology, Rotational Physios Skill Mix, CIC	0.116	0.193
South Day Hospital	0.046	0.092
North - review of Psychology Service	0.025	0.050
North Sector Weight Management & Pain Service Reviews	0.000	0.145
	0.925	**1.495**
Non-pay		
Standardise/Rationalise	0.177	0.350
Procurement - all sectors	0.255	0.690
Diagnostics	0.087	0.115
Regional Services	0.048	0.061
Women & Childrens	0.400	0.800
HoP - system wide procurement review	0.500	1.900
	1.467	**3.916**
Bed Model		
Bed Model - beds identified re activity/occupancy	0.100	0.100
Regional Services Bed Model review of low occupancy	0.135	0.162
	0.235	**0.262**
Productivity		
Speciality Reviews	**0.270**	**0.495**
Others		
Income opportunities		
- Womens and Childrens	0.150	0.300
- Regional Services	0.130	0.130
- Diagniostics	0.025	0.080
Westmarc Review	0.040	0.040
CRES gains 15/16	0.250	0.250
Protection Costs Recovery via Staff Turnover	0.075	0.150
	0.670	**0.950**
Grand Total	**5.519**	**10.724**

NHS Greater Glasgow & Clyde

NHS BOARD MEETING

Director of Finance and Director of Facilities and Capital Planning **June 2016**

Capital Plan 2016/17 to 2018/19

The Board is requested to consider the content of/and approve the Capital Plan 2016/17 to 2018/19

Purpose of Paper:-

The purpose of the paper is to present the Board's Capital Plan for financial years 2016/17 to 2018/19 for approval. Refer to Appendices 1 & 2.

Key Issues to be considered:-

The purpose of the paper is to set out how the Board plans to deploy the initial allocation of capital funds on individual schemes in 2016/17. In recognition that many of the 2016/17 schemes have spend profiles that continue into 2017/18, the Board is asked to approve the capital plan for 2016/17 and 2017/18 and to note the indicative 2018/19 plan at the present time.

Expenditure on all capital schemes will be monitored throughout the year and reported to the Capital Planning Group to ensure that a balanced capital position is maintained. The Capital Planning Group is scheduled to meet on a bi-monthly basis throughout the forthcoming year in order to oversee the process of managing expenditure levels within available funds and ensuring that any new capital funds are approved in line with delegated authority levels.

The Capital Plan 2016/17 to 2018/19 sets out the Board's capital investment intentions across the Acute, Mental health, E health, Formula Allocation and HUB Schemes.

The draft capital plan has been submitted to and approved by the Capital Planning Group (CPG). The plan submitted to the Board for approval has a few minor adjustments to the plan approved by the CPG.

Any Patient Safety /Patient Experience Issues:- The core capital programme is aimed to improve the quality of the built environment which will lead to improvements to tangible and intangible benefits to the patient experience.

The Formula Capital (minor works) will be invested in spend to save schemes (eg, installation of energy efficient LED lights), schemes that will also positively impact on the backlog maintenance position and condition improvement of the built environment.

Any Financial Implications from this Paper:-

Financing of the capital plan is predicated on the estimated capital receipts for land disposals being realised and Board members should be aware that any under achievement will require the cash flows note in the capital plan to be re forecast. The Director of Finance and the Director of Facilities and Capital Planning will monitor capital receipt forecasts and income generation with support from colleagues seconded from the Scottish Future's Trust (SFT).

Any Staffing Implications from this Paper:- None.

Any Equality Implications from this Paper:- None.

Any Health Inequalities Implications from this Paper:- None

Has a Risk Assessment been carried out for this issue? If yes, please detail the outcome:-

No. However, Board members should be note that risk assessments will be carried out for individual projects noted in the capital plan during the procurement process.

Highlight the Corporate Plan priorities to which your paper relates:-

Improving Quality, Efficiency and Effectiveness

Author – Director of Finance and Director of Facilities and Capital Planning
Tel No – 0141 211 0270
Date – 21st June 2016

APPENDIX 1

Capital Plan 2016/17 to 2018/19

	Allocation 2016/2017 £'000	Allocation 2017/2018 £'000	Indicative Allocation 2018/19 £'000
Forecast Capital Resources	**£85,652**	**£65,364**	**£46,744**
Expenditure			
Gartnavel Hospitals Campus			
OPD Transfer from WIG to GGH	£0	tbc	tbc
Refurbishment of Laboratory at GGH	£400	£0	£0
GGH Theatres	£0	£2,700	£1,300
Level 7 - GGH	£1,010	£0	£0
Gartnavel Tower - Further Works	£180	£0	£0
Relocation of Drumchapel Hospital to GGH (Level 8)	£4,647	£0	£0
Ambulance Bay Works at GGH	£693	£1,500	£0
Improvements to Regeneration Kitchen at GGH	£2,780	£0	£0
Demolition of Shelley Court at GGH	£400	£0	£0
Demolition of Modular Unit at GGH	£50	£0	£0
Demolition of Water Tower at GGH	£130	£0	£0
Development of Masterplan at GGH	£200	£0	£0
Car Parking Provision at Gartnavel Hospitals	£600	£0	£0
Total Gartnavel Hospitals Campus	**£11,090**	**£4,200**	**£1,300**
Glasgow Dental Hospital			
Dental Hospital Phased upgrade	£1,364	£1,000	£500
Total Glasgow Dental Hospital	**£1,364**	**£1,000**	**£500**
Glasgow Royal Infirmary			
Demolition of Lister Building at GRI	£480	£475	£0
GRI Upgrade Wards 12a and 12	£1,500	£0	£0
GRI Upgrade Wards 20 and 21	£0	£2,441	£0
Further Phase of GRI Ward Upgrade Programme	£0	£0	£2,300
Total Glasgow Royal Infirmary	**£1,980**	**£2,916**	**£2,300**
Inverclyde Royal Hospital			
Infrastructure - IRH	£400	£2,000	£1,500
Total Inverclyde Royal Hospital	**£400**	**£2,000**	**£1,500**

APPENDIX 1

Capital Plan 2016/17 to 2018/19

	Allocation 2016/2017 £'000	Allocation 2017/2018 £'000	Indicative Allocation 2018/19 £'000
QEUH and RHC Campus			
QEUH - Remaining Works, including S.75 Payments	£10,736	£0	£0
Remaining Car Parking Provision	£4,012	£0	£0
Demolition of SGH Buildings Post QEUH Migration & Landscaping	£2,192	£0	£0
QEUH Enabling Works - HV/LV Cable	£43	£0	£0
INS - Overcladding & Window Upgrade	£1,947	£0	£0
INS Theatres Suite Redevelopment	£300	£4,000	£2,600
INS Ward 62 Refurbishment	£100	£2,300	£0
INS Infrastructure	£2,520	£2,500	£3,000
INS/ Spinal Unit - Upgrade to Ground Floor Corridor	£200	£0	£0
Neurology Entrance	£100	£1,800	£0
Neurology Recladding	£750	£750	£250
Neurology Link Bridge	£150	£2,000	£0
AMB/ CMB - External Façade Upgrade	£1,000	£0	£0
AMB/ CMB - Internal Refurbishment	£0	£5,000	£2,000
NHSGGC Floor in ICE Building	£6,038	£0	£0
Increase Capacity at Langlands Unit	£1,600	£800	£0
Total QEUH and RHC Campus	**£31,688**	**£19,150**	**£7,850**
Royal Alexandra Hospital			
RAH - Refurbishments and Reconfiguration (Fees)	£350	£0	£0
RAH - ITU	£1,000	£3,200	£0
RAH Infrastructure	£600	£0	£0
Total Royal Alexandra Hospital	**£1,950**	**£3,200**	**£0**
Stobhill Hospital			
Enabling Works for Stobhill site Rationalisation	£264	£0	£0
Development of Rowanbank Clinic	£500	£5,000	£2,500
Total Stobhill Hospital	**£764**	**£5,000**	**£2,500**
Yorkhill Hospital			
Interim Office Accommodation at Yorkhill	£253	£0	£0
Relocation of CAMHS at Yorkhill	£650	£0	£0
Total Yorkhill Hospital	**£903**	**£0**	**£0**
Diagnostics			
Radiotherapy Equipment Replacement	£3,288	£5,681	£6,150
PET Scanner	£0	£0	£2,671
Total Diagnostics	**£3,288**	**£5,681**	**£8,821**

APPENDIX 1

Capital Plan 2016/17 to 2018/19

		Allocation 2016/2017 £'000	Allocation 2017/2018 £'000	Indicative Allocation 2018/19 £'000
Corporate				
Board Wide Formula Allocation for Works Schemes - covering	}	£12,312	£8,000	£10,000
- Backlog Maintenance	}			
- Health & Safety	}			
- Service Developments	}			
- HAI	}			
Laundry Equipment		£1,800	£0	£0
Medical Equipment		£5,084	£3,500	£5,000
Carbon Emissions (Purchase of Carbon Credits)		£100	£100	£100
Energy Invest to Save Schemes		£2,382	£0	£0
eHealth Relocation - Leasehold Improvements		£220	£0	£0
Land Acquisition at Johnstone Hospital		£55	£0	£0
Brand Street - Leasehold Improvements		£200	£0	£0
Works in connection with Sandyford Services		£0	£2,000	£0
Total Corporate		**£22,153**	**£13,600**	**£15,100**
eHeath Schemes				
eHealth Formula		£2,250	£4,650	£2,000
TOTAL HI&T		**£2,250**	**£4,650**	**£2,000**
Mental Health				
Adult Mental Health Programme				
Stobhill Ward 43		£1,662	£0	£0
Stobhill Ward 44		£1,659	£0	£0
Stobhill Broadford		£46	£772	£0
Gartnavel Tate		£1,848	£1,752	£0
Gartnavel Clyde (Design)		£185	£0	£0
Total Mental Health		**£5,400**	**£2,524**	**£0**
Investment in Hub Schemes				
Enabling Costs re Hub Schemes (Land Acquisitions)		£360	£0	£0
Invt of Subordinated Debt in respect of Potential Hub Schemes		£304	£484	£0
Equipping requirements of Hub Schemes		£1,392	£150	£1,549
Contribution to Hub Schemes		£0	£0	£2,400
Total Investment in Hub Schemes		**£2,056**	**£634**	**£3,949**
Total Spend		**£85,286**	**£64,555**	**£45,820**
Net Slipage/(Acceleration)//(Over-commitment) /Unallocated		**£366**	**£809**	**£924**

Appendix 2

Summary of Forecast Disposals

Net Book Value

Site	2016-17					2017-18				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Lennox Castle Hospital (Ph 2)					**£0**		£350,000			**£350,000**
Cowglen Land Excess		£1,500,000			**£1,500,000**					**£0**
Lenzie					**£0**			£2,000,000		**£2,000,000**
Broomhill Surplus Land					**£0**			£4,250,000		**£4,250,000**
Mansionhouse Geriatric Hospital			£525,000		**£525,000**					**£0**
Merchiston Hospital		£6,000,000			**£6,000,000**					**£0**
Stoneyetts Surplus Land					**£0**				£3,000,000	**£3,000,000**
Victoria Infirmary					**£0**				£2,250,000	**£2,250,000**
Johnstone Hospital				£150,000	**£150,000**					**£0**
Irh - Gateside Laundry					**£0**	£300,000				**£300,000**
Maryhill Health Centre				£300,000	**£300,000**					**£0**
Ruchill				£1,250,000	**£1,250,000**					**£0**
Blawarthill	£1,500,000				**£1,500,000**					**£0**
Clarkston		£20,000			**£20,000**					**£0**
Elizabeth Martin Clinic			£50,000		**£50,000**					**£0**
Crail Street	£80,000				**£80,000**					**£0**
Drumchapel				£150,000	**£150,000**					**£0**
Carsewell House					**£0**				£90,000	**£90,000**
Acorn Street					**£0**				£20,000	**£20,000**
Total	**£1,580,000**	**£7,520,000**	**£575,000**	**£1,850,000**	**£11,525,000**	**£300,000**	**£350,000**	**£6,250,000**	**£5,360,000**	**£12,260,000**

Greater Glasgow and Clyde NHS Board

JB Russell House
Gartnavel Royal Hospital
1055 Great Western Road
GLASGOW
G12 0XH
Tel. 0141-201-4444
Fax. 0141-201-4601
Textphone: 0141-201-4479
www.nhsggc.org.uk

NHS
Greater Glasgow and Clyde

David Leese
Chief Officer
Renfrewshire Health and Social Care Partnership
Renfrewshire House
Cotton Street
Paisley
PA1 1AL

Date: 5th July 2016
Our Ref: RC/BOB

Enquiries to: Robert Calderwood
Direct Line: 0141-201-4614
E-mail: mailto:robert.calderwood@ggc.scot.nhs.uk

Dear David

2016/17 Financial Allocation to Renfrewshire Health & Social Care Partnership

The Board approved the 2016/17 Financial Plan for NHS Greater Glasgow and Clyde on 28 June 2016.

The attached paper outlines the main assumptions as they apply to HSCPs and Appendix I gives specific details for your partnership including some recently agreed adjustments to Facilities budgets. Some further adjustments are required for telecoms, property maintenance and rates budgets. The prescribing out-turn figures for 2015/16 which form the basis for setting the current year budget have only recently become available and therefore the net uplift to your current prescribing budget will be applied during July.

The adjustments in the attached schedule will be processed in the Health Board ledger in time for the closure of the June reporting period and should be reflected in the out-turn you report to your HSCP Board for the first quarter of 2016/17.

Yours sincerely

Robert

Robert Calderwood
Chief Executive

NHS
Greater Glasgow and Clyde

FINANCIAL PLAN 2016/2017
UPLIFTS TO PARTNERSHIPS

Summary

The Board's Financial Plan was approved by the Board on 28 June 2016.

This paper provides details of uplifts for pays, non-pays and prescribing growth in 2016/17. This will form the basis for updating budgets for 2016/17.

Salaries Inflation

(1) Agenda for Change

A provision has been made for an increase of 1.0%. In addition, a provision has been made for a flat rate increase of £400 for staff earning less than £22,000.

(2) Medical & Dental

A provision has been made for a general increase of 1.0%.

(3) Other Staff Groups

A provision has been made for a general increase of 1.0%.

(4) Employers' National Insurance

A provision has been made for the abolition of the contracted out rebate of 3.4% in employers' national insurance contributions in respect of staff who are members of the superannuation scheme.

For paragraphs (1) to (4), this gives a composite uplift of 2.98% with the following recurring uplift:

Salaries Inflation	£9,583,168

(5) Incremental Pay Progression – AfC

The experience of monitoring Agenda for Change (AfC) related pay trends has helped the Board develop a detailed understanding of the effect of incremental pay progression. This has enabled us to carry out a detailed forecast of pay growth for 2016/17, using current staff turnover ratios by staff category. The pay modelling has indicated incremental pay progression will not be a cost pressure in 2016/17, so no provision has been made for additional costs.

(6) Incremental Pay Progression – Consultants

The pay modelling has indicated incremental pay progression will not be a cost pressure in 2016/17, so no provision has been made for additional costs.

(7) Auto-enrolment to Superannuation

A provision has been made for the estimated cost of additional staff remaining within the Superannuation scheme following automatic re-enrolment on 1 April 2016. This will be applied to budgets as the actual costs are confirmed.

(8) Discretionary Points

A provision has been made for the on-going impact of funding additional discretionary points. This gives the following recurring uplift:

Discretionary Points	£100,000

Supplies Inflation

(1) PPP and similar costs

Provision has been made for the following recurring uplift:

PPP Inflation	£209,813

(2) General non pay uplifts – a provision of 1.0% has been made for other supplies, excluding drugs which will be separately funded. This gives the following recurring uplift:

Supplies Inflation	£603,142

Capital Charges

It is not possible to establish allocations for capital charges costs at this stage until the effects of the revaluation are assessed and capital charge forecasts are finalised. When this is complete the funding allocations for 2016/17 will be confirmed. It has been agreed that capital charges budgets will be removed from partnerships during 2016/17 and managed on a whole system basis.

Prescribing Growth – Primary Care

The prescribing cost growth projection for 2016/17 is based on information from the Board's Prescribing Advisers. It includes provision for likely growth in volume / prices, based on current trends, related to drug treatments prescribed within Primary Care.

The recurring uplift for 2016/17 is:

Partnerships	
Increase in Volume	£12,200,000
New Drugs	£8,500,000
Targeted Cost Savings	(£5,000,000)
Prescribing Growth	£15,700,000

NHS
Greater Glasgow and Clyde

FINANCIAL PLAN 2016/2017
UPLIFTS TO PARTNERSHIPS

Allocations to individual partnerships are currently being finalised and will be applied to budgets prior to closure of the June reporting period. The Board will continue to operate the risk sharing arrangement for prescribing costs during 2016/17.

Resource Transfer

A provision of 1.7% has been made for uplifts to resource transfers. This gives the following recurring uplift:

Resource Transfer	£2,207,688

Cost Savings

Local Cost Savings plans for 2016/17 have not yet been fully developed and quantified. An interim recurring amount of £10.4m has been identified for 2016/17 reflecting the collective cost savings programme to achieve £69.0m.

Chief Officers were advised by the Chief Executive on 14 March 2016 that further recurring local savings will be required during 2016/17 to meet the overall partnerships savings requirement of £20.0m. The allocation of the overall savings requirement is shown in appendix I.

Cost Savings	(£20,000,000)

It is recognised that Partnerships may not be able to release the full £20.0m in 2016/17. Non recurring relief is limited but availability of non-recurring relief to offset the full year effect will be subject to further discussion during the year, so no funding will be released at this stage.

The Board will endeavour to cover 2015/16 unachieved savings of £7.8m from non recurring sources, however further savings schemes may need to be identified as part of the contribution to the £10m of unidentified savings in the Board's financial plan should the national programme of work fail to identify sufficient savings to cover this gap.

Service Commitments

Provision has been made to fund service commitments arising from specific funding allocations. This gives the following recurring uplifts:

Integrated Care Fund	£59,354,000

Funding for other service commitments will be dealt with separately.

NHS
Greater Glasgow and Clyde

FINANCIAL PLAN 2016/2017
UPLIFTS TO PARTNERSHIPS

Appendix I

Details of the specific uplifts and other adjustments are detailed in the table below.

Partnership Budgets	Renfrew £k
Rollover Budgets	*144,880.6*
Uplifts Applied	
Pay incl low pay allowance	511.1
National Insurance rebate withdrawn	762.8
Auto Enrolment (NR - Amounts to M2 only)	108.3
RT Uplift incl addictions RT	282.0
Non Pay Uplift	51.3
PPP	
Net Prescribing adjustment tbc	
Social Care funding	8,774.0
Facilities Budget withdrawn	-7.0
Depreciation Budget Withdrawn	-1,592.0
Savings	
Savings Targets Applied (Month 2)	-496.0
Outstanding Savings Targets to be applied (Month 3)	-1,378.2
2016.17 Opening Budget	**151,896.8**
Anticipated Funding & Minor adjustments	-833.8
2016.17 budget as at 30.06.16	**151,063.0**

Appendix 5

Comparison of 2016/17 Notional Set Aside Budgets with NRAC Share

	2013/14 Activity			2014/15 Activity				Average Activity			2014/15	2015/16	2016/17	NRAC		NRAC Variance
Inpatients	SMR Discharges	Activity OBD	A&E Attendances	SMR Discharges	Activity OBD	A&E Attendances	£000	SMR Discharges	Activity OBD	A&E Attendances	£000	£000	£000	%	£000	£000
Renfrewshire	19,295	100,344		20,539	106,456		24,290	19,918	103,400		24,490	24,735	24,982	14.96838	27,789	2,807
A&E Outpatients																
Renfrewshire			47,148			47,102	4,504			47,125	4,509	4,554	4,599	14.96838	4,517	(82)
Total																
Renfrewshire	19,295	100,344	47,148	20,539	106,456	47,102	28,794	19,918	103,400	47,125	28,999	29,289	29,582	14.96838	32,306	2,725

Notes

1 2014/15 Notional Budget is based on the average of 2013/14 and 2014/15 activity
4 Cost based on PLICS applied to activity by ISD reconciled to 2014/15 Cost Book
3 1% annual uplifts applied to 2014/15 budgets to derive 2016/17 budgets
4 NRAC shares for 2016/17 used as a comparison

2016/17 Notional Set Aside Budgets by Specialty

		2013/14			2014/15						Cost Base					
		Treated in GGC Hospitals			Total in scope IP treatment			Average activity			2014/15	2015/16	2016/17	NRAC		NRAC Variance
HSCP	Specialty	SMR Discharges	SMR OBD	A&E attendances	SMR Discharges	SMR OBD	A&E attendances	£	SMR Discharges	SMR OBD	A&E attendances	£000	£000	£000	%	£000	£000
Renfrewshire	Accident & Emergency	330	507		238	308		122	284	408		169	171	172			
	General Medicine	15,926	50,989		17,234	53,534		13,829	16,580	52,262		14,220	14,362	14,506			
	GP other than Obstetrics	9	25		8	16		6	9	20		16	16	16			
	Rehabilitation	12	136		15	617		150	14	376		124	126	127			
	Respiratory	77	350		57	370		137	67	360		165	167	168			
	Sub Total	16,354	52,007		17,552	54,846		14,244	16,954	53,426		14,694	14,841	14,990			
	Geriatric Assessment				2,870	42,545		8,367									
	Geriatric Long Stay				117	9,065		1,679									
	Geriatric Medicine	2,941	48,337		2,987	51,610		10,046	2,964	49,973		9,796	9,894	9,993			
	Inpatients Total	19,295	100,344		20,539	106,456		24,290	19,918	103,399		24,490	24,735	24,982			
	A&E Outpatients			47,148			47,102	4,504			47,125	4,509	4,554	4,599			
	Total Set aside budget	**19,295**	**100,344**	**47,148**	**20,539**	**106,456**	**47,102**	**28,794**	**19,918**	**103,399**	**47,125**	**28,999**	**29,289**	**29,582**	14.96838	32,306	2,725

Appendix 5

Comparison of 2016/17 Notional Set Aside Budgets with NRAC Share

	2013/14 Activity			2014/15 Activity				Average Activity			2014/15	2015/16	2016/17	NRAC		NRAC Variance
Inpatients	SMR Discharges	Activity OBD	A&E Attendances	SMR Discharges	Activity OBD	A&E Attendances	£000	SMR Discharges	Activity OBD	A&E Attendances	£000	£000	£000	%	£000	£000
Renfrewshire	19,295	100,344		20,539	106,456		24,290	19,918	103,400		24,490	24,735	24,982	14.96838	27,789	2,807
A&E Outpatients																
Renfrewshire			47,148			47,102	4,504			47,125	4,509	4,554	4,599	14.96838	4,517	(82)
Total																
Renfrewshire	19,295	100,344	47,148	20,539	106,456	47,102	28,794	19,918	103,400	47,125	28,999	29,289	29,582	14.96838	32,306	2,725

Notes

1 2014/15 Notional Budget is based on the average of 2013/14 and 2014/15 activity
4 Cost based on PLICS applied to activity by ISD reconciled to 2014/15 Cost Book
3 1% annual uplifts applied to 2014/15 budgets to derive 2016/17 budgets
4 NRAC shares for 2016/17 used as a comparison

2016/17 Notional Set Aside Budgets by Specialty

		2013/14			2014/15						Cost Base					
		Treated in GGC Hospitals			Total in scope IP treatment			Average activity			2014/15	2015/16	2016/17	NRAC		NRAC Variance
HSCP	Specialty	SMR Discharges	SMR OBD	A&E attendances	SMR Discharges	SMR OBD	A&E attendances	£	SMR Discharges	SMR OBD	A&E attendances	£000	£000	£000	%	£000	£000
Renfrewshire	Accident & Emergency	330	507		238	308		122	284	408		169	171	172			
	General Medicine	15,926	50,989		17,234	53,534		13,829	16,580	52,262		14,220	14,362	14,506			
	GP other than Obstetrics	9	25		8	16		6	9	20		16	16	16			
	Rehabilitation	12	136		15	617		150	14	376		124	126	127			
	Respiratory	77	350		57	370		137	67	360		165	167	168			
	Sub Total	16,354	52,007		17,552	54,846		14,244	16,954	53,426		14,694	14,841	14,990			
	Geriatric Assessment				2,870	42,545		8,367									
	Geriatric Long Stay				117	9,065		1,679									
	Geriatric Medicine	2,941	48,337		2,987	51,610		10,046	2,964	49,973		9,796	9,894	9,993			
	Inpatients Total	19,295	100,344		20,539	106,456		24,290	19,918	103,399		24,490	24,735	24,982			
	A&E Outpatients			47,148			47,102	4,504			47,125	4,509	4,554	4,599			
	Total Set aside budget	**19,295**	**100,344**	**47,148**	**20,539**	**106,456**	**47,102**	**28,794**	**19,918**	**103,399**	**47,125**	**28,999**	**29,289**	**29,582**	14.96838	32,306	2,725

Appendix 7

Renfrewshire Health and Social Care Partnership
Finance and Planning Group
***Draft* Terms of Reference**

1. Introduction

1.1. The Finance and Planning Group will be a sub group of the Health and Social Care Partnership (HSCP) Senior Management Team.

1.2. The overarching purpose of the Finance and Planning Group will be to establish a strategic integrated service and financial planning approach within the HSCP; to improve outcomes for our service users where possible, whilst ensuring the Integration Joint Board delivers financial balance.

2. Membership

Member	Designation
Sarah Lavers (Joint Chair)	Chief Finance Officer
Fiona MacKay(Joint Chair)	Head of Strategic Planning and Health Improvement
David Leese	Chief Officer
Jean Still	Head of Administration
Katrina Philips	Head of Mental Health, Addiction and Learning Disability Service
Ian Beattie	Heads of Health and Social Care (Paisley)
Mandy Ferguson	Heads of Health and Social Care (West Renfrewshire)
Frances Burns	Change and Improvement Manager

3. Chairmanship

3.1. The Group will be jointly chaired by the Chief Finance Officer and the Head of Strategic Planning and Health Improvement.

4. Quorum

4.1. The quorum of members at any meeting of the Finance and Planning Group will be at least three members of the Group, including one of the group Chairs and an Operational Head of Service.

5. Meeting Frequency

5.1. The Finance and Planning Group will meet monthly, following every 2nd Senior Management Team meeting.

6. Remit

6.1. Establish a strategic integrated service and financial planning approach within the HSCP;

6.2. Oversee the delivery of the HSCP's Strategic Plan and Financial Plan on behalf of the Integration Joint Board;

6.3. Establish a three year financial planning cycle which will align with our Strategic Plan;

6.4. Work with Renfrewshire Council and NHS GGC to ensure alignment with the IJB's parent organisations' budget planning process and change programmes;

6.5. Provide financial advice and recommendations to the IJB which are underpinned by strategic commissioning and evidence based models;

6.6. Adopt a collaborative approach to service and financial planning, consulting with our key stakeholders including the Strategic Planning Group, HSCP Leadership Network and parent organisations and wider HSCP partners within NHSGGC;

6.7. Enable strong Third Sector, Provider and Community Group engagement with the HSCP's strategic commissioning process; to influence the effective use of the IJB's resources, and make recommendations on the allocation of such resources in line with local priorities;

6.8. Identify and scope projects on a continuous basis and, as part of the Partnership's wider transformation programme, to be presented for consideration and approval to the IJB throughout each year and across financial years; and

6.9. Develop and deliver a supporting transformation Change and Improvement Programme, to where possible, improve outcomes for our service users whilst ensuring the IJB delivers financial balance.

7. Attendance

7.1. Other professional advisors and senior officers will be invited by the Chair(s) to attend as required.

8. Reporting

8.1. The Finance and Planning Group will provide relevant and timely advice to the Integration Joint Board regarding budget and financial planning arrangements and delivery of the Strategic Plan.

8.2. The Finance and Planning Group will present proposed transformation projects for consideration and approval to the IJB, as part of the HSCP's wider transformation Change and Improvement Programme.

9. Conduct of Meetings

9.1. A meeting agenda will be circulated to member in advance of each meeting.

9.2. A record of each meeting will be circulated to group members following each meeting.