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**To: Renfrewshire Integration Joint Board**

**On: 18 March 2016**

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**Report by: Chief Internal Auditor**

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**Heading: Health and Social Care Integration – Financial Assurance Audit**

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## **1. Summary**

- 1.1 On the 1<sup>st</sup> of April 2014 the Public Bodies (Joint Working) (Scotland) Act received Royal Assent. This legislation placed a joint duty on the Council and Health Board to integrate planning for and delivery of certain adult health and social care services. The Council and Greater Glasgow and Clyde Health Board have elected to use a “body corporate” arrangement, delegating the services to a third body called the Integration Joint Board.
- 1.2 As part of the 2015/2016 Council Internal Audit Plan a review has been undertaken to provide members with an opinion on the financial governance and financial assurance undertaken in the determination of the Council's Social Care budgets to be integrated.
- 1.3 The Scottish Government established the Integrated Resources Advisory Group (IRAG) to develop professional guidance in relation to financial matters including the framework for financial governance and financial assurance. The purpose of the audit review was to ensure that a robust process has been followed to establish the financial governance arrangements for the Integration Joint Board and that the financial assurance guidance prepared by the IRAG had been followed in relation to establishing the budgets to be transferred from the Council to the Integration Joint Board.
- 1.4 Internal Audit is able to provide a reasonable level of assurance over financial governance and financial assurance relating to Renfrewshire Council and its responsibilities to the Renfrewshire Integration Joint Board. Moving forward there will need to be continued monitoring of the financial risks that have been identified through the due diligence process. Risk registers in this regard should be comprehensive, transparent and regularly monitored.
- 1.5 The report attached includes, at Appendix 1, the outcome of the assurance work undertaken by the internal auditor for NHSGGC which was presented to the NHSGGC's Board and facilitates the requirement for the Council and NHSGCC to prepare a joint report for the Integration Joint Board.
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## **2. Recommendations**

- 2.1 That the Board notes the content of the Internal Audit Report.
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## Implications of the Report

1. **Financial** - the report provides financial assurance in relation to the process followed for making budget allocations to the Integration Joint Board.
2. **HR & Organisational Development** - none.
3. **Community Planning** - none.
4. **Legal** - none.
5. **Property/Assets** - none.
6. **Information Technology** - none.
7. **Equality & Human Rights** - The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's and NHS GC&C website.
8. **Health & Safety** - none.
9. **Procurement** - none.
10. **Risk** - The report indicates that there needs to be robust monitoring of the financial risk exposures for the Integration Joint Board.
11. **Privacy Impact** - none.

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**List of Background Papers** – none.

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**Author:** Andrea McMahon, Chief Internal Auditor

# Internal Audit Report

## Integration Joint Board Health and Social Care Integration Financial Assurance Audit

Date	March 2016
Audit Ref:	SYS137/2016/001





# Contents

<b>Management Summary</b> .....	1
<b>Detailed Report</b> .....	3
1. Persons referred to in report.....	3
2. Introduction.....	3
3. Background .....	3
4. Objectives.....	3
5. Scope .....	3
6. Basis of opinion .....	4
7. Key audit assurances .....	4
8. Key risks arising from the audit review.....	4
9. Detailed findings.....	4
10. Overall Audit Opinion.....	7
<b>Action Plan</b> .....	8



# Management Summary

## 1. Introduction

- 1.1. On the 1<sup>st</sup> of April 2014 the Public Bodies (Joint Working) (Scotland) Act received Royal Assent. This legislation placed a joint duty on the Council and Health Board to integrate planning for and delivery of certain adult health and social care services. The Council and Greater Glasgow and Clyde Health Board have elected to use a “body corporate” arrangement, delegating the services to a third body called the Integration Joint Board.
- 1.2. One of the most important items of business for the Integration Joint Board will be to obtain assurance that its resources are adequate to allow it to carry out its functions and to assess the risk associated with this. The purpose of this audit is to provide independent assurance on the financial governance, financial assurance and risk assessment arrangements in place.

## 2. Objectives of audit

- 2.1 The objectives of the audit were as follows:
  - Confirm that the financial governance arrangements included in the Integration Scheme are in line with the provisions of the Act, Regulations and professional guidance;
  - Agree the baseline budget information to underlying records;
  - Assess the framework for setting each budget including detailed assumptions, recurring and non-recurring funding and expenditure, savings and efficiency targets and financial forecasts;
  - Confirm that both parties have had sight of relevant budget information from the other party and the underlying process for deciding them.

## 3. Key audit assurances

- 3.1 The financial governance and assurance arrangements in place were found to be in line with the Act, Regulations and professional guidance.
- 3.2 There is a well established budget setting process within the Council and due consideration was given to all material adjustments. The baseline budget was agreed to supporting records and the assumptions made were reviewed and found to be reasonable

## 4. Key risks arising from the audit review

- 4.1 Given that the Health Board budget will not be finalised until after the 1<sup>st</sup> of April 2016, the partnership budget is unlikely to be determined in line with the legislation
- 4.2 There are a number of financial risks facing the Board and these require to be adequately addressed within the risk register.

## 5. Overall audit opinion

- 5.1 Based on the work undertaken and the discussions with Officers, the Council’s Internal Auditor is able to provide reasonable level of assurance over financial governance and financial assurance relating to Renfrewshire Council and its responsibilities to the Renfrewshire Integrated Joint Board. Moving forward there will need to be continued monitoring of the financial risks that have been identified through the due diligence process. Risk registers in this regard should be comprehensive, transparent and regularly monitored





# Detailed Report

## 1. Persons referred to in report

- 1.1 The following personnel were the main officers who assisted us during the review:
- Sarah Lavers, Chief Financial Officer

## 2. Introduction

- 2.1 As part of the 2015/2016 Internal Audit Plan a review has been undertaken to provide Council members with an opinion on the financial governance and financial assurance undertaken in the determination of the Council's Social Care budgets to be integrated.

## 3. Background

- 3.1 On the 1<sup>st</sup> of April 2014 the Public Bodies (Joint Working) (Scotland) Act received Royal Assent. This legislation placed a joint duty on the Council and Health Board to integrate planning for and delivery of certain adult health and social care services. The Council and Greater Glasgow and Clyde Health Board have elected to use a "body corporate" arrangement, delegating the services to a third body called the Integration Joint Board.
- 3.2 One of the most important items of business for the Integration Joint Board will be to obtain assurance that its resources are adequate to allow it to carry out its functions and to assess the risk associated with this. The purpose of this audit is to provide independent assurance on the financial governance, financial assurance and risk assessment arrangements in place.

## 4. Objectives

- 4.1 The objectives of the audit were as follows:
- Confirm that the financial governance arrangements included in the Integration Scheme are in line with the provisions of the Act, Regulations and professional guidance
  - Agree the baseline budget to underlying records
  - Assess the framework for setting each budget including detailed assumptions, recurring and non recurring funding and expenditure, savings and efficiency targets and financial forecasts
  - Confirm that both parties have sight of relevant budget information from the other party and underlying process for deciding them

## 5. Scope

- 5.1 Obtained a copy of the Integration Scheme, the Act, Regulations and associated professional guidance and reviewed to ensure that the financial governance arrangements are in line with the details set out in the Integrated Resources Advisory Group recommended guidance.
- 5.2 Interviewed the appropriate officers and obtained and assessed documentation pertaining to the baseline budget in order to agree these to the supporting records

- 5.3 Obtained explanations in terms of the budget setting framework in order to assess the assumptions made, the impact of recurring and non recurring funding and expenditure, savings and efficiency targets and financial forecasts
- 5.4 Obtained explanations in terms of the sharing of budget information and the underlying process for deciding them between the Council and the Health Board.

## **6. Basis of opinion**

- 6.1 In arriving at our opinion we comply with the Public Sector Internal Audit Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance.
- 6.2 For the area under review we consider the overall adequacy and effectiveness of risk management, control, and governance processes. Collectively we refer to these activities as “the system of internal control”.
- 6.3 The audit was based on sampling and therefore errors and/ or omissions may exist which have not been identified.

## **7. Key audit assurances**

- 7.1 The financial governance and assurance arrangements in place were found to be in line with the Act, Regulations and professional guidance.
- 7.2 There is a well established budget setting process within the Council and due consideration was given to all material adjustments. The baseline budget was agreed to supporting records and the assumptions made were reviewed and found to be reasonable.

## **8. Key risks arising from the audit review**

- 8.1 Given that the Health Board budget will not be finalised until after the 1<sup>st</sup> of April 2016, the partnership budget is unlikely to be determined in line with the legislation.
- 8.2 There are a number of financial risks facing the Board and these require to be adequately addressed within the risk register.

## **9. Detailed findings**

### **9.1 Preparation for Integration**

- 9.1.1 In line with the IRAG guidance a Shadow Integration Joint Board was established with the remit to ensure continuity in governance arrangements and oversight of the integration. The first meeting of the Shadow Integration Joint Board took place on the 5<sup>th</sup> of February 2015 and it received adequate updates on the integration work and the development of the financial and governance arrangements during the period prior to the approval of the Integration Scheme by the Scottish Government.

### **9.2 Financial Governance**

- 9.2.1 The Integration Scheme sets out the detail as to how the Council and Greater Glasgow and Clyde Health Board will work jointly to integrate and plan for services in accordance with the Act. The Finance arrangements are detailed within clause 8 and include the role of the Chief Finance Officer, the methods for determining the budget to be made available to deliver the services and the financial management and reporting arrangements.

- 9.2.2 The Integration scheme was reviewed against the provisions of the Act, the associated Regulations, and the Model Integration Scheme. The auditor is satisfied that that due consideration has been given to the provisions set out in the above documents.
- 9.2.3 The Scottish Government established the Integrated Resources Advisory Group (IRAG) to consider the financial implications of integrating health and social care, and to develop professional guidance. The guidance included the expected financial governance and assurance arrangements. Following approval of the Integration Scheme, the Renfrewshire Integrated Joint Board was established on 27 June 2015. Since then the IJB has approved a number of financial assurance and governance arrangements including:
- Appointment of the Chief Officer and Chief Financial Officer;
  - Financial regulations;
  - Financial governance manual;
  - Risk management and insurance;
  - Internal audit; and
  - Audit committee.
- 9.2.4 The auditor is satisfied that the required financial assurance and governance arrangements are in place to support the delegation of functions to the Integrated Joint Board on 1 April 2016. The auditor can also confirm that the Council's Financial Regulations and Scheme of Delegation have been updated to reflect the delegation of functions to the IJB.

### 9.3 Financial Assurance

- 9.3.1 The IRAG guidance requires that the Council's internal auditors provide a report to the council's audit committees (copied to the Shadow Integration Joint Board) on the assurance process that has been carried out by the Council. The assurances provided in this section are, therefore, limited to the process followed by the Council in establishing the budgets to be delegated to the IJB in 2016/17. The internal auditor for NHSGGC has undertaken a separate assurance exercise which was presented to the NHSGGC's Board and has been shared with the IJB at Appendix 1 of this report.

#### *Baseline budget*

- 9.3.2 In determining the baseline budget allocations for 2015/16 the Chief Financial Officer undertook an exercise to reconcile the previous 3 years budgeted and actual figures to the financial ledger. This exercise was undertaken in line with the IRAG guidance and the auditor independently confirmed the budgeted and actual expenditure agreed to the underlying records. There is sufficient evidence to confirm that NHSGGC has undertaken a similar exercise and this information has been shared with the Council.
- 9.3.3 The functions delegated from Renfrewshire Council to the Integration Joint Board represent all Adult Social Care functions of the Council, along with the budget for these functions. In addition the Council must also delegate Housing Adaptations and Gardening Assistance budgets to the IJB. The auditor confirmed that the budget for each delegated function per the integration scheme agreed to the financial ledger.
- 9.3.4 Only those budgets that can be directly influenced by the IJB have been delegated. Year end resource allocations such as central support charges have been retained centrally within the Council budget. This approach appears to be reasonable.

#### *Adjustments to the baseline for 2016/17*

- 9.3.5 The Council has a well established budget setting process which takes account of inflation, demand pressures, efficiencies and legislative requirements through the "unavoidables"

process. The auditor can confirm that the budget setting process for 2016/17 is consistent with prior years.

The auditor examined the working papers supporting the calculation of all material adjustments to the baseline budget. It was identified that adjustments have been made to take account of:

- The impact of adults with incapacity legislation on adult protection referrals;
- Inflationary increases on care contracts;
- Demand pressures in relation to demographic growth;
- Anticipated efficiencies including the shift in the balance of care from care homes to care at home services;
- The impact of the national minimum/living wage;
- Pay inflation;
- The impact of the national insurance contracting out change and
- The impact on pension costs in relation to auto-enrolment.

9.3.6 The auditor is satisfied that there is adequate supporting documentation in relation to each material adjustment made and that the underlying assumptions used in the calculations are reasonable.

9.3.7 The auditor was advised that there is no material non-recurrent funding and expenditure included within the Council budgets to be delegated to the IJB. Non-recurring funding in relation to the Older People Change Fund ceases in 2015/16 and has therefore not been included in the rolled forward budget for 2016/17. Additional monies have been provided by the Scottish Government through the Integration Care Fund and it has recently been confirmed that this will be treated as recurring funding from 2016/17.

#### *Annual Financial Statement*

9.3.8 The legislation requires that the IJB must publish an annual financial statement (budget) at the same time as it publishes its first strategic plan. The annual financial statement must set out in relation to the strategic plan the amount that the IJB intends to spend in the implementation of the plan. At the time of this review the Scottish Government's 2016/17 local government finance settlement had only recently been announced and the Council's budget for 2016/17 is still to be agreed by the Council. It is understood that the Health Board settlement will not be finalised until after 1 April 2016. The final budget for the IJB cannot be determined until the final budgets have been set for the partner organisations. It is, therefore, unlikely that the annual financial statement for 2016/17 will be published by 1 April 2016, as required by the legislation.

#### **Recommendation 1**

We would recommend that legal advice is sought in relation to the possible consequences of being unable to publish the annual financial statement as required by the Act. Furthermore, should this be the case the Chief Officer should consider disclosure of the relevant facts in the annual governance statement.

## **9.4 Risk Management**

9.4.1 The IJB has approved a risk management policy and strategy, currently, the risk register concentrates on the key risks relating to the preparation for full integration. Regular updates have been provided to the board in relation to the risk register.

9.4.2 The due diligence process undertaken by the Chief Officer and the Chief Finance Officer has identified a number of significant financial risks which require to be effectively managed in

order to ensure the financial stability of the IJB resources available to support the strategic plan. At the time of this audit review the partner organisations were working together to develop a detailed risk register for post integration, this work is on-going.

**Recommendation 2**

The risk register, once developed, should ensure that there is sufficient transparency in relation to the financial risks, mitigating controls and the actions required to further mitigate the risks. Furthermore, we would recommend that wherever possible the risks should be quantified and should be appropriately classified.

**10. Overall Audit Opinion**

- 10.1 Based on the work undertaken and the discussions with Officers, the Council's Internal Auditor is able to provide reasonable level of assurance over financial governance and financial assurance relating to Renfrewshire Council and its responsibilities to the Renfrewshire Integrated Joint Board. Moving forward there will need to be continued monitoring of the financial risks that have been identified through the due diligence process. Risk registers in this regard should be comprehensive, transparent and regularly monitored.



## Action Plan

Rec No.	Recommendation	Responsible Officer	Agreed Completion Date	Response	Priority
<b>Financial Assurance</b>					
01	We would recommend that legal advice is sought in relation to the possible consequences of being unable to publish the annual financial statement as required by the Act. Furthermore, should this be the case the Chief Officer should consider disclosure of the relevant facts in the annual governance statement.	Sarah Lavers/Ken Graham	01/03/16	Advice has been sought and the final due diligence report and financial plan will be delayed until the June Board when the Health budget is clarified. A due diligence update without the financial plan will go to the March meeting.	B
<b>Risk Management</b>					
02	The risk register, once developed, should ensure that there is sufficient transparency in relation to the financial risks, mitigating controls and the actions required to further mitigate the risks. Furthermore, we would recommend that wherever possible the risks should be quantified and should be appropriately classified.	Sarah Lavers / Jean Still	01/03/16	Risk register will be updated in line with the recommendation	A





# *NHS Greater Glasgow and Clyde*

## Health and Social Care Integration: Opening Health Budgets

Final Report

September 2015

**pwc**

# Contents

1. Background and Scope 3
2. Findings 5
- Appendix 1. Work performed over Integrated Budgets 7

This report has been prepared by PwC at the request of the Head of Finance for NHS Greater Glasgow and Clyde.

This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose.

## **Introduction**

In April 2014, the Scottish Government passed the Public Bodies (Joint Working) (Scotland) Act 2014 (‘the Act’) as part of its programme to improve the quality of Boards and Local Authorities to integrate health and social care services through the integration of planning and delivery of certain services. The Act places a requirement on NHS

## Introduction

In April 2014, the Scottish Government passed the Public Bodies (Joint Working) (Scotland) Act 2014 ('the Act') as part of its programme to improve the quality of experience for users of health and social care services through the integration of planning and delivery of certain services. The Act places a requirement on NHS Boards and Local Authorities to integrate health and social care budgets, holds both jointly accountable for nationally agreed outcomes and introduces a requirement to strengthen the role of clinicians, care professionals and the third and independent sector in the delivery of care.

The legislation allows for either an Integration Joint Board (IJB) to be established in a corporate body arrangement or for the Local Authority or Health Board to take the lead in a Lead Agency arrangement. On 18 February 2014 the Board of NHS Greater Glasgow and Clyde (NHSGGC) approved the body corporate model of delivery and IJBs are in the process of being established with the following local authorities:

- East Dunbartonshire Council;
- Glasgow City Council;
- Renfrewshire Council;
- East Renfrewshire Council;
- Inverclyde Council; and
- West Dunbartonshire Council.

Since the Act was passed in April 2014, a number of regulations and orders have been issued by the Scottish Government, including:

- The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 - sets out the governance arrangements for the IJB;
- The Public Bodies (Joint Working) (Integration Scheme) (Scotland) Regulations 2014 - prescribes matters that must be included in a joint integration scheme required by the Act;
- The Public Bodies (Joint Working) (Prescribed Health Board Functions) (Scotland) Regulations 2014 - sets out the functions that must be transferred; and
- Public Bodies (Joint Working) (Prescribed Local Authority Functions etc.) (Scotland) Regulations 2014 - sets out the functions that must be transferred.

The Integrated Resources Advisory Group (IRAG) was also set up by the Scottish Government to consider the financial implications of integration and develop guidance for Local Authorities and Health Boards. IRAG has released the document 'Professional Guidance, Advice and Recommendations for Shadow Integration Arrangements' which covers matters such as financial reporting, financial planning and financial management and also provides illustrative accounts.

In addition, the Scottish Government published a guidance note 'Guidance for Integration Financial Assurance' which recommended that financial assurance be carried out over the proposed initial budgets to be delegated to the IJB.

In the context of this highly complex and high profile changing environment, and the Scottish Government Guidance note, NHSGGC engaged PwC to carry out a specific scope of work. The agreed scope, per our terms of reference, was as follows:

- Assess the framework for setting each budget including detailed assumptions, savings (recurring and non-recurring) efficiencies, activity and scenario planning.
- Agree baseline budget information to underlying records (where possible).
- Confirm that the both parties have had sight of relevant budget information from the other party and the underlying process for deciding them.
- Confirm that pooled budgets have been appropriately approved.
- Review the process and approach to ensure the effective use of national integration funding provided to the partnership

Our findings from this work are contained in the remainder of this report.

Overall, we have not identified any control deficiencies or other findings to report. We note that the budget setting approach followed by NHSGGC to establish opening budgets for each IJB detailed above is consistent with the budgeting approach undertaken in prior years. The allocations to IJBs were, at the time of testing, still indicative, and subject to further scrutiny and analysis within NHSGGC. However, the financial plan and budgeting approach have been considered and approved at Board level. Contributions from Local Authority partners were approved in February 2015, in line with Local Authority budgeting schedules.

Further work remains to agree remaining elements of proposed delegated budgets and to identify all required savings/plans to address cost pressures.

## Integrated Budgets

*Document and assess the framework for setting each budget including detailed assumptions, savings (recurring and non-recurring) efficiencies, activity and scenario planning and agree baseline budget information to underlying records (where possible)*

The budget allocations to the six LJBs are detailed below, the majority of which (£1,001.2m) will be delegated from NHSGGC. It should be noted however that the Local Authority budget setting process is not in scope for this review.

LJB	From NHSGGC (£'m)	From Council Partners (£'m)	Total (£'m)
East Dunbartonshire	64.6	41.9	106.5
Glasgow City	613.8	395.9	1,009.7
Renfrewshire	134.7	91.7	226.4
East Renfrewshire	47.7	47.1	94.8
Inverclyde	68.6	48.8	117.4
West Dunbartonshire	71.8	60.6	132.4
Total	1,001.2	597	1,598.2

Testing carried out in relation to the opening health board budgets is documented in Appendix 1. Our observations on the budgets to be transferred to the LJB are set out below.

### Observations

- At the time of our review, the Cash Releasing Efficiency Savings (CRES) reflected in the NHS proposed delegated budget have not yet been fully identified. The Financial Plan (presented to the Board on 23 June 2015) reported a CRES target of £40.9m of which £33.9m has been identified, leaving a shortfall of £7m. However, management has clarified that none of this gap relates to community or primary care services and will not impact on allocations to LJBs. This shortfall is to be addressed non-recurring in 2015/16. Identifying the savings remains a focus for NHSGGC, and will continue to be monitored as budgets are finalised.
- The proposed delegated budgets used as the basis of our testing do not include 2015/16 pay and price inflation, being a roll-forward of the 14/15 budgets. A paper was presented to the Board on 23 June 2015, outlining the necessary uplifts as a result of pay and price changes. These allocations have now been processed and added to the indicative 2015/16 budgets shown above.

- NHSGGC's proposed delegated budget is based on recurring future funding. The partnerships will need to agree a process for accounting for any future in year allocations received which relate to services transferred to the IJBs although many of these are ring fenced and are specifically allocated to council areas at source.
- West Dunbartonshire IJB went live on 1 July 2015, with the remaining IJBs due to go live between 1 September 2015 and 1 April 2016. A number of items remain for discussion in relation to the budgets proposed for transfer to IJBs with later go live dates. The budgets as tested by Internal Audit were indicative, and will be subject to a formal process of analysis, scrutiny and negotiation with local council partners before being finalised. Our discussions with management indicate that the remaining budget proposals should go before IJB Boards for approval before these IJBs go live.

***Confirm that the both parties have had sight of relevant budget information from the other party and the underlying process for deciding them***

The budgets at a partnership and service level have been shared between NHSGGC and its Local Authority partners. A number of reports have been prepared in the budget setting process, which have been shared with shadow IJBs. Although the process for determining the NHSGGC budgets was detailed in reports to the NHS Board, the detailed workings underlying the process have not been shared. However, the scope of this review is such that the workings have been subject to scrutiny by PwC.

***Confirm that each health budget has been appropriately scrutinised and approved***

The integrated budgets for 2015/16 have not yet been formally submitted for scrutiny to each of the (Shadow) Integrated Joint Boards. The budgets have however been presented for scrutiny to the Boards of those IJBs which have either already went 'live' (West Dunbartonshire) and those expected to 'go live' in September 2015, and subsequently approved. It is expected the remaining budget plans will go before the relevant Boards for scrutiny prior to the "go live" date of each IJB either during 2015/16 or by default on 1 April 2016.

***Observations***

- An element of work remains before all of the IJB budget allocations will be finalised, as it is still necessary to calculate the notional set aside budget for unscheduled care services within the scope of integration. All budgets, as tested, will therefore be subject to further alteration, with input from the current CFOs of each Shadow Integration Board before being submitted to the Integrated Joint Board for final approval.

***Review the process and approach to ensure the effective use of national integration funding provided to the partnership***

In July 2014, the Scottish Government announced a £100m Integrated Care Fund for health and social care partnerships to help integrate services and ensure more money is directed to community and voluntary sector preventative services. NHS Greater Glasgow and Clyde was allocated £23.66m over three years from this fund. The 2015/16 allocation of £7.098 million was contained in the Board's base allocation for 2015/16 and has been passed to each partnership based on the Scottish Government Health Directorate agreed allocation.

# Appendix 1. Work performed over Integrated Budgets

## NHS Greater Glasgow and Clyde

The 2015/16 proposed budget transfer to the IJB has been determined using 2014/15 recurring funding as a baseline.

<b>Agreement to supporting documentation</b>	
<b>Baseline Information</b>	Total recurring funding per directorate was agreed to general ledger for 2014/15 and to the 2014/15 financial plan as presented to the Board on 24 June 2014. All figures agreed.
Adjustments were made for known budget changes.	Total baseline budget for 2014/15 per workings noted as £1,130.07, compared to a total baseline budget for 2015/16 of ££1,143.47million, representing a minor increase of £13.4million or 0.01%. The draft IJB budgets are net of budgeted income in 2015/16, and are presently based only on recurring funding.
Reduction for CRES (cash releasing efficiency savings).	NHS Greater Glasgow and Clyde has a 3% efficiency savings target set by the Scottish Government, consistent with other NHS Scotland territorial boards. £58.1million of this is expected to be cash releasing savings, with a further £1.5million non cash releasing savings identified. Per the financial plan, a cash releasing financial challenge of £40.9million has been identified. Recurring savings proposals by divisions have identified in year savings of £33.9million leaving a £7million savings gap to be identified (non-recurringly) in the Acute services division.
2015/16 proposed integrated budget	Proposed integrated budget for 2015/16 per workings agreed to general ledger. All figures agreed.  Agreed uplift and cost pressure details to the Financial Plan presented to the Board on 23 June 2015.
1.8% resource allocation	The draft budget allocations to each IJB are currently based on 2014/15 budgeted recurring expenditure, net of budgeted income. We have agreed draft allocations to 2014/15 budgets without exception.  Uplift in resource allocation agreed to Scottish Government letter. This had not yet been applied to the proposed budget allocations to IJBs at the time of testing but has now been added and the funds passed on to Councils.

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