



Aberdeen City Health & Social Care Partnership
A caring partnership



ABERDEEN CITY IJB

MEDIUM TERM FINANCIAL FRAMEWORK

2020/21 – 2024/25



Contents

Executive Summary.....	4
Key areas identified to close the financial gap	5
1. Introduction.....	6
2. Key Principles.....	7
3. Context (National and Local).....	8
Legislation Context.....	8
Scottish Government Context	8
National Demand Context	9
Local Context	9
4. Planning Assumptions	11
2019/20 Budget and Outturn	11
Reserve Position	11
5. Projected expenditure and new resources	13
Budget Assumptions	14
Pay Award –	14
Transitioning Children (Learning Disabilities).....	14
Prescribing –.....	14
Out-of-Authority Placements –	14
Demographics –	15
Hosted Services –	15
National Care Home Contract –	15
Scottish Living Wage on non-NCHC contracts.....	15
Carers Act –.....	15
Additional Funding –.....	15
Funding Adjustments –.....	15
6. Options to close the financial gap	17
Programme of Transformation.....	18
Managing Demand and Inflation	18
Future Service Redesign	20



7. Risk Assessment	21
Appendix 1: Services Provided by ACHSCP	23
Community Health Services (£37 million 2019/20)	23
Community Nursing Services	23
Allied Health Professionals	23
Public Health and Wellbeing	24
The Public Dental Services (PDS).....	24
Hosted Services (£22.8 million 2019/20).....	24
Learning Disabilities Services (£35.8 million 2019/20).....	25
Mental Health & Addictions (£20.6 million 2019/20)	25
Older People and Physical & Sensory Disabilities (£75.6 million 2019/20)	26
Criminal Justice (£92,000 net – funded by ring-fenced grant)	26
Primary Care Prescribing (£41 million 2019/12).....	26
Primary Care (£39.3 million 2019/20).....	27
Set-Aside Notional Budget (£46.4 million 2019/20)	27



Executive Summary

The five-year financial framework sets out the forecast income and expenditure for the Integration Joint Board (IJB). Whilst the funding levels contained in this budget have only been set for one year (2020/21) we have based future projections on historic trends and planning assumptions on advice from our key partners.

An overview of five-year financial framework is set out below:

Summary	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Budget Pressures	13,405	11,871	10,993	11,288	11,505
Funding Estimates	<u>(7,715)</u>	<u>(5,774)</u>	<u>(5,774)</u>	<u>(5,774)</u>	<u>(5,774)</u>
	5,690	6,097	5,219	5,514	5,731
Programme for Transformation:					
Managing Demand	(2,050)	(2,597)	(2,143)	(2,191)	(2,191)
Conditions for Change	(2,640)	(1,000)	0	0	0
Accessible and responsive infrastructure	(500)	0	0	0	0
Data and Digital/Prevention	(500)	(500)	(500)	(500)	(500)
Future Service Redesign	<u>0</u>	<u>(2,000)</u>	<u>(2,576)</u>	<u>(2,823)</u>	<u>(3,040)</u>
Shortfall	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Based on the projected income and expenditure figures the IJB will require to achieve savings between £5.2m and £6.1m over the next five financial years. The aim of this strategic financial plan is to set out how the IJB would take action to address this financial challenge across the key areas noted overleaf:



Themes identified in our Programme of Transformation to close the financial gap



Managing Demand

This programme focuses on reducing unscheduled care and demand in a range of settings and services. It also aims to improve the delivery of services which add value for our communities.



Conditions for Change

Our workforce is our most important asset. It is important that our staff are supported to undertake their roles as well as possible. The roll-out of digital systems to support collaboration and increased flexibility will also be a key priority within this workstream, along with supporting operational staff to work more closely together in localities.



Accessible and responsive infrastructure

Working with our partners to plan the future places and spaces that will be necessary to effectively deliver our services will be key to the delivery of our strategic plan. This portfolio will include work to allow people with complex needs to be cared for without the need to look out of area. It will also include influencing work to ensure that the future built environment is fit for purpose and fits with the changing needs of our population.



Data and Digital/Prevention

Digital and technology has the ability to increase efficiency and improve outcomes for people in our communities in a sustainable manner.

Prevention focuses on promoting healthy independent living and working with communities to build resilience and the ability to self-manage. The workstream will include the development and delivery of our locality plans.



Future service redesign

Identifying and implementing opportunities to redesign services to identify alternative models of care in line with the ambitions of the IJB Strategic Plan.



1. Introduction

The Aberdeen City Health and Social Care Partnership (ACHSCP) has now been operating for almost four years. During this time significant progress has been made in terms of integrating the services delegated from its partners Aberdeen City Council (ACC) and NHS Grampian (NHSG).

The Aberdeen City Integration Joint Board (IJB) is the governing body of the ACHSCP and agrees an annual budget following the delegation of funding from its partners each financial year.

This medium-term financial framework (MTFF) aims to pull together in one place all the known factors affecting the financial position and sustainability of the organisation over the medium term. For the purposes of this financial strategy the medium term is defined as five years, given the organisation has only been operating since April 2016 and the current uncertainty in public sector funding levels due to the continuing period of financial constraint. However, it is clear that the profile seen in the first five years will continue unless further action is taken to manage demand.

This MTFF will establish the estimated level of resources required by the ACHSCP to operate its services over the next five financial years and also estimate the level of demand pressures likely to be experienced by these services. It takes cognisance of the IJB's Strategic Plan and the Aberdeen City Health & Social Care Integration Scheme as well as any other strategies agreed by the IJB since it became operational. It will also take cognisance of the strategies, plans and policies of its partners where relevant to the operation of the delegated services.

The MTFF will assist in delivering the Strategic Plan, further improve strategic financial planning and maximise the use of resources across the medium term.



2. Key Principles

In both its shadow and live form, the IJB has established some key principles which it has been working to in relation to its financial planning:

- 1) The use of its resources must be aligned and help in the delivery of the priorities contained in the strategic plan.
- 2) Spending should be contained within the original budgets set during the budget-setting process; where this is not possible recovery plans will be required to cover any overspends to protect the partners' budget positions.
- 3) The transformation programme and activities approved by the IJB will seek to either manage increasing demand or generate financial savings.
- 4) Given the type of services provided and the reliance placed on these by service users the IJB may agree to fund 'double running costs' whilst the proof of concept and benefits are established of the transformation projects, providing this can be accommodated within current budgets.
- 5) There is a clear preference towards the delivery of recurring savings and that budgets should be balanced on a recurring basis, the use of one-off savings only being used where part of the overall MTF.
- 6) A strong preference for working in partnership with ACC, NHSG, the third sector and the other two Grampian IJBs to deliver the best and most efficient services possible within the financial allocations delegated.

Information on the services provided by ACHSCP is shown in further detail in Appendix 1.



3. Context (National and Local)

Legislation Context

The Board's role and function is set out in the underpinning legislation – the *Public Bodies (Joint Working) (Scotland) Act 2014*. The purpose of the integration policy can be summarised as being necessary in order to reshape our whole health and care system in Scotland to enable us collectively to sustain good quality services at a time of unprecedented change and challenge – budgets are reducing, our population is ageing and we are contending with a reducing working age population and a reducing workforce supply – more than in any other time in recent memory. The system must change and adapt to the new pressures it faces and health and social care integration is seen as a key mechanism toward that.

IJBs were set up in order to change the patterns of behaviour, planning and delivery across health and social care and, in large part, to achieve change through an approach which challenges the status quo; deliberately setting strategy, planning and then, utilising delegated budgets, directing and commissioning the NHS and local authority partner organisations to delivering more joined-up, community-based models and in doing so, utilising resources 'locked' in traditional silos.

Scottish Government Context

The Scottish Government has been clear that the integration of health and social care is one its priorities. It has stated its intention to shift the balance of care from large hospitals into community settings and committed that more than half of frontline spending will be incurred in community health services by the end of this parliament.

The Scottish Government has also indicated that one of its priorities is the adoption of the Scottish Living Wage across the care sector. In this regard, additional funding has been allocated to the IJBs in each of the last three financial years to fund this policy commitment.

The General Practitioners (GP) Contract is negotiated between the British Medical Association (BMA) and the Scottish Government and was agreed for implementation from 1 April 2018.



National Demand Context

The demand for services is increasing as is evidenced by the following statistics:

- 1 in 4 adults has a long-term illness or disability;
- around 2 million people in Scotland have at least one long-term condition;
- people in Scotland are living longer, but more of those people over the age of 75 are living with a long-term condition and/or significant frailty; and
- overall the population of people over the age of 75 is expected to increase by 63% over the next 20 years.

The Scottish Government estimates that the need for health and care services will rise by between 18% and 29% between 2010 and 2030. Coupled with a shrinking working age population and the known workforce supply challenges, it is clear that the current model of health and care cannot be sustained and that it must change.

Audit Scotland undertook an early review into the changes being brought about through the integration of health and social care in its paper of March 2016. The report, *Changing Models of Health and Social Care*, set out the challenge of increasing demand for services and growth over the next 15 years in Scotland. Among the pressures identified in this were:

- 12% increase expected in GP consultations;
- 33% increase in the number of people needing homecare and a 31% increase in those requiring 'intensive' homecare;
- 35% increase in demand for long-stay care home places; and
- 28% increase in acute emergency bed days and a 16% increase in acute emergency admissions.

The Audit Scotland report went on to say that on the basis of these estimated increases in demand, there would need to be an increased annual investment of between £422 and £625 million in health and social care services in order to keep pace.

Local Context

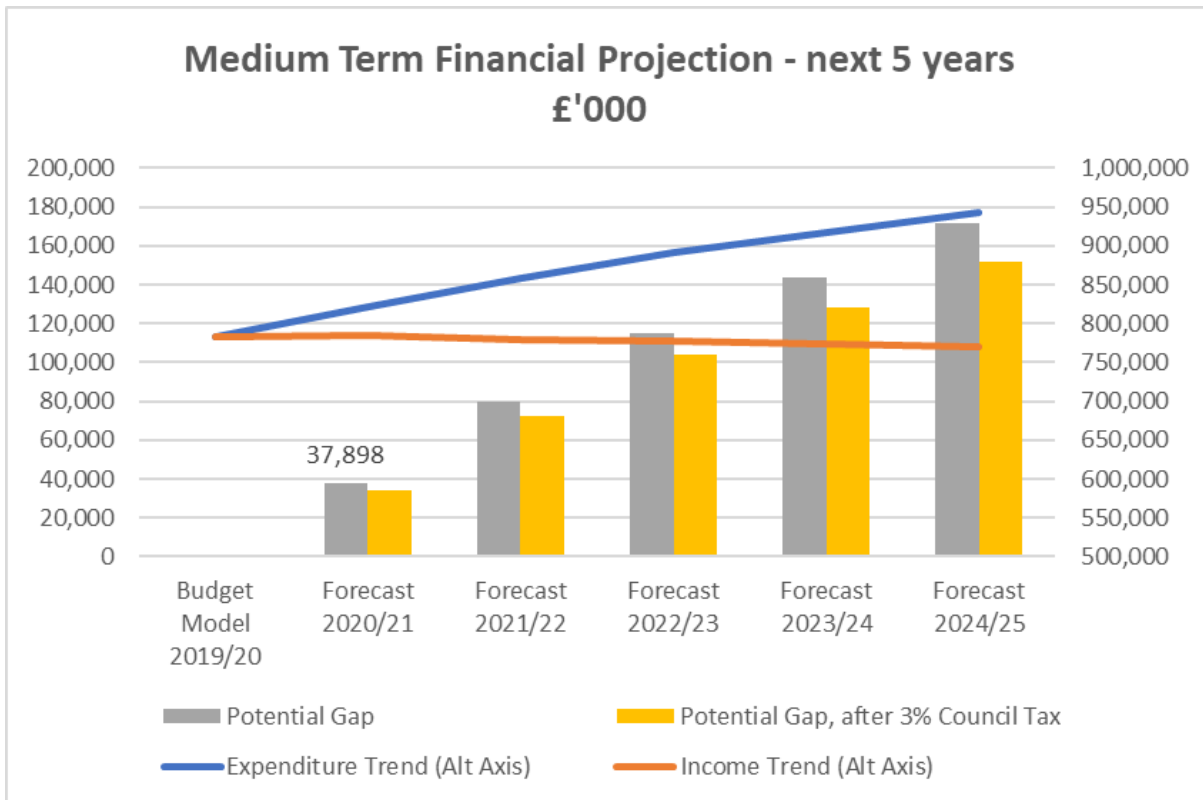
As with all public sector bodies our partners from whom the majority of our funds are received are facing financial challenges as a result of this period of financial constraint, with demand for budget outstripping the resources available and savings



having to be identified annually to balance budgets. Both ACC and NHSG will require to make savings in future years to balance their revenue budgets.

The amount of funding available to both organisations is largely driven by the level of funding received from the Scottish Government through the grant settlement process.

The ACC commissioning-led approach to redesigning services resulted in a financial model that anticipates a need to offset rising demand and costs within an income level that is predominantly constant. This is demonstrated by the following graphs:



Financial gaps are expected in each of the next five financial year which will require to be closed. The IJB will be required to contribute to these financial gaps, as part of the ACC group and a key partner in cross-system working.

In Aberdeen City the majority of Adult Social Care Services are commissioned externally, either through third/independent sector providers or from Bon Accord Care, an ACC subsidiary. Aberdeen City has one of highest average property prices in Scotland. This can impact on the commissioned services by making the costs of financing their assets more expensive than elsewhere in Scotland and by making it difficult for these organisations to recruit and sustain staffing levels due the high cost of living in the city.



ACHSCP also has difficulty recruiting to some professions with long-term vacancies particularly in community nursing, mental health and GPs. Within the city many practices have unfilled GP vacancies.

The level of demand for services is expected to increase year on year. In terms of social care the majority of care provided is to the over-65s. The population projections from the National Records for Scotland indicate that between 2017 and 2022 they estimate the number of over-65s will increase in Aberdeen City by 3,600. This is a 10% increase in this age group from the 2017 forecast position and highlights the scale of the challenge facing the IJB in delivering services to this population group.

4. Planning Assumptions

2019/20 Budget and Outturn

During the 2019/20 budget process the IJB agreed £4 million of savings to help close the budget gap. The mainstream budget is currently forecast to overspend by £2.5 million.

The main areas that have contributed to the overspend are:

- 1) Prescribing – an increase in the cost and demand for medicines.
- 2) Out-of-Area Placements – This is the placement of patients outwith the area where for clinical reasons they require specialist treatment not available in Grampian. There has been a rise in the number of patients going out of area and a corresponding increase in costs.
- 3) Hosted Services – An increase in the running costs of the services at Woodend due to lack of budget for night-time consultant cover and also an increase in the costs of running the GMED (GP out-of-hours service) and the Forensic Medical Examiner service.

To date Aberdeen City IJB has been able to manage its financial pressures without calling for additional funding from its partners and it is anticipated will use its risk fund to cover the forecast overspend in 2019/20.



Reserve Position

The IJB is subject to the audit and accounts regulations and legislation of a body under Section 106 of the Local Government (Scotland) Act 1973 and is classified as a local government body for accounting purposes by the Office for National Statistics (ONS). The IJB is able to hold reserves which should be accounted for in the financial accounts of the Board.

Reserves are generally held to do three things:

- create a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- create a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves; and
- create a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

The Chief Finance Officer has previously considered that a risk fund of £2.5 million should be maintained roughly equivalent to 1% of the budget less the set-aside funding. This risk fund is likely to be fully utilised in 2019/20 to cover the forecast overspend. At this time and rather than increasing the savings target to £8.2 million, it is recommended that the risk fund should not be replenished. This is a similar position to many other IJBs in Scotland.

During the financial year the Chief Officer and Chief Finance Officer intend to review service budgets to determine if it would be possible to develop a digital and technology fund to move forward the digital transformation of the Partnership. Also, during the financial year consideration will be given to reinstating the risk fund in 2021/22.



5. Projected expenditure and new resources

This reflects the known commitments and income likely to be received in 2020/21

Each year cost pressures will arise during the financial year as service delivery moves to cope with demand. The main cost pressures which the IJB will face over the next five financial years are as follows:

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
<u>Budget Pressures</u>					
Pay Inflation and Incremental Drift	2,532	2,608	2,686	2,767	2,850
Transitioning Children - Learning Disabilities	613	631	650	670	690
Prescribing (additional costs)	858	1,141	1,175	1,210	1,210
Digital and Technology Fund	0	2,000	1,000	1,000	1,000
Mental Health Spend including Locums	400	0	0	0	0
Out-of-Authority Placements (additional costs)	115	362	200	200	200
Demographics	2,980	1,608	1,656	1,706	1,708
	7,498	8,350	7,367	7,553	7,658
<u>Current Budget Pressures</u>					
Prescribing	1,142	0	0	0	0
Out-of-Authority Placements	185	0	0	0	0
Hosted Services	1,257	38	39	40	41
	2,584	38	39	40	41
<u>New Requirements</u>					
National Care Home Contract (NCHC) 3.60%	1,567	1,614	1,662	1,712	1,763
Scottish Living Wage on non-NCHC 3.33%	1,340	1,441	1,484	1,529	1,575
Carers Act	416	428	441	454	468
	3,323	3,483	3,587	3,695	3,806
Budget Pressures	13,405	11,871	10,993	11,288	11,505



Funding Adjustments

Funding Estimates from the Council	(3,531)	(1,590)	(1,590)	(1,590)	(1,590)
Funding Estimates from NHS	(4,184)	(4,184)	(4,184)	(4,184)	(4,184)
Shortfall	5,690	6,097	5,219	5,514	5,731

Budget Assumptions

Pay Award – For staff an increase of 3% has been budgeted for. It is anticipated that the level of increase will be at a similar level for future years.

Transitioning Children (Learning Disabilities) – Children transition into the adult learning disabilities section once they reach a certain age. At this point they are reassessed by the care managers from the adult learning disabilities team and a new care package is created reflecting eligibility criteria. Pressure has been experienced on this budget in this financial year and the number of children transitioning has been costed at £613,000 in 2020/21. Please note, this is only an estimate based on an average care package; the care package for some transitioning children will be far higher than the average depending on the complexity of the disability.

Prescribing – The cost of the drugs prescribed by GPs usually increases year on year. The IJB has limited control over this budget, as it is unable to control the prices of drugs which are set nationally and influenced by factors such as supply and demand, currency movements and patents. It is also unable to control demand as it is a clinical decision as to whether a GP decides to prescribe a medicine. Aberdeen City already performs well nationally in terms of prescribing and has one of the lowest costs per head of population. This makes trying to generate efficiencies from this budget difficult.

Community Mental Health Spend (including Locums) – An additional provision has been added to reflect the increased cost of this service. The number of locums being used is reducing; however, some of the additional costs associated with these contracts have been offset by vacancies in nursing. A review is being undertaken to move this service into localities and a provision has been provided to cover the additional costs pending completion of the review.

Out-of-Authority Placements – Primarily on health services for clients where a clinical decision has been made that the best form of care is provided outwith the



local area. These services are typically more expensive than what could be provided in-house due to the complexity of the condition requiring treatment.

Digital and Technology Fund – This fund is to be used in order to change the way services are delivered, using digital solutions to make services even more efficient.

Demographics – Before someone is provided a care package they are assessed by care managers against the eligibility criteria. In Aberdeen City care is only provided to those who are assessed as having a high or very high need. The majority of the Adult Social Care clients are over 65 and given the number of over-65s is forecast to increase year on year, a provision has been added to cover the additional costs anticipated as a result of this.

Hosted Services – The service information section provides more detail on these services. The services are managed by one lead authority on behalf of the other two IJBs. Work continues with the Chief Officers across the three IJBs to review and reduce the expenditure for these services.

National Care Home Contract – The National Care Home Contract is currently negotiated annually. There have been a number of discussions about whether there should be a move to local negotiations. The care home market is fragile with some homes closing or changing their business models to deal with the challenging business conditions in which they operate. The majority of the costs incurred by care homes are on staffing which is influenced by the Scottish Living Wage. The level of increase is unknown at present with the care homes seeking a level of increase which is not affordable to the Councils/IJBs. An increase of 3.6% has been costed for 2020/21 onwards.

Scottish Living Wage on non-NCHC contracts – Services are also commissioned which are not governed by the NCHC. These are tendered for locally. In previous years the level of increase agreed by the IJB has been the same as the NCHC increase. However, given the level of increase requested by the NCHC this would not be possible going forward and the level of increase costed is based on the level of increase in the Scottish Living Wage (£9 per hour to £9.30 per hour) adjusted to reflect the staffing element of their costs.

Carers Act – Additional funding has been received to fund the financial implications of the Carers Act.

Funding Adjustments – In previous years additional funding has been transferred to the IJB through the NHS to deal with the Scottish Living Wage increases etc. This financial year the additional money is flowing through the Council's grant settlement.



In 2017/18 Councils were allowed to reduce the IJB's budget by their share of £80 million, which for Aberdeen City was calculated as being £3.090 million. In 2018/19 ACC passed on its share of the reduction in the grant settlement estimated at £832,000. For 2019/20 Councils were allowed to reduce the IJB funding by 2.2% of the 2018/19 budget or their share of £50 million. This amounted to a cash reduction of £1.870 million and it is assumed further reductions will be made in future years.

For the financial year 2020/21 an additional £96 million has been added to the local government financial settlement at a national level. This equates to £3.5 million for Aberdeen City. Aberdeen City Council can reduce this amount by up to 2% and a maximum of £50 million in 2020-21 based on local needs. This would equate to approximately £1.7 million; however, Aberdeen City Council decided not to pass on this reduction on 3 March 2020 and to transfer the full £3.5 million to the IJB.

There is a risk in future years that it might not be possible for ACC to pass over additional funding to the IJB, given the requirement to balance future council budgets (see the graph in the local context section for further information).

NHSG received an increase in their financial allocations for 2020/21 of 3%. The NHSG Budget Steering Group has agreed to pass on Aberdeen City's share of this funding, which amounts to £4.2 million.



6. Options to close the financial gap

Delivery of savings in a health and social care environment is very difficult, as the services used are required by the clients to maintain their current standards of living. Reducing a service may seem like an easy option, but in reality may mean the person needs more expensive support sooner usually as a result of a crisis.

The savings programme for 2020/21 is centred around the following themes which are aligned to our Programme of Transformation:

	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Programme for Transformation					
Managing Demand:					
Management of demographics	0	(1,547)	(1,593)	(1,641)	(1,641)
Managing the inflationary uplift	(250)	(250)	(250)	(250)	(250)
Income from increasing rates	(300)	(300)	(300)	(300)	(300)
Commissioning	(1,500)	(500)	0	0	0
	(2,050)	(2,597)	(2,143)	(2,191)	(2,191)
Conditions for Change:					
Locums and agency staff	(1,000)	0	0	0	0
Localities	(1,640)	(1,000)	0	0	0
	(2,640)	(1,000)	0	0	0
Accessible and responsive infrastructure:					
Primary Care 2C practices	(500)	0	0	0	0
Data and Digital/Prevention:					
Sustainable Services	(500)	(500)	(500)	(500)	(500)
Future Service Redesign:	0	(2,000)	(2,576)	(2,823)	(3,040)
Total	(5,690)	(6,097)	(5,219)	(5,514)	(5,731)



Programme of Transformation

Workstreams have been established and are moving forward with the requirement of providing financial efficiencies to contribute towards closing the budget shortfall in each year.

The Programme of Transformation is required to deliver savings at a pace and scale in order to close the gap in the budget. Any delay in achieving the benefits from planned transformation will result in the current pressures remaining in the system and these costs will have to be contained within current budgets.

The transformation activities will be required to create capacity in mainstream budgets/services. This capacity will be used:

- to facilitate resources and services moving from the large hospital setting to a local community setting;
- to enable people to be taken care of for longer in their own home, reducing the reliance on the traditional residential care setting;
- to reduce the gap between the amount of funding required to maintain services and the funding available.

In recognising the impact of the financial position, we have in 2020/21 focused our leadership team objectives to align with the programme of transformation to deliver on redesign, savings and conditions for future progress.

Managing Demand

Review of pricing/charging – A workstream has been developed to review the charges included in the IJB budget. Whilst the budget for fees & charges was delegated to the IJB, the charging policy remains with the Council. Therefore, approval will be required from the Council to increase the fees & charges. The workstream will continue to review charges throughout the year with the intention of delivering an additional £300,000 per annum. The purpose of fees & charges for social care is to provide equity based on a financial assessment and to allow services to continue to be delivered to support the population.

Commissioned Services – Aberdeen City commissions the vast majority of its social care from care providers. Commissioning is the largest part of our budget and accounts for over £100 million of our available budget. A Strategic Commissioning Board has been established to review our contracts and the services which we commission. The focus of this Board will not only be to deliver services of a better or equivalent quality than currently commissioned, but also to do so at less cost.



Commissioning decisions will continue to be made at the Integration Joint Board throughout the financial year.

Conditions for Change

Locums and Agency Staff – A review of the use of locum and agency staff within the Partnership to reduce the level of spend primarily in Woodend Hospital, Mental Health Community Services and the medical practices directly run. A cross-system group has been established to look at ways to fill these vacancies and where this is not possible consider redesigning services. The cross-system group has both management and clinical representation from the services identified above. Having clinical representation allows a balance to be maintained between reducing costs and clinical safety.

In addition, we will place a strong focus on understanding and improving unplanned staff absences to reduce the reliance on supplementary staff. This will be aligned with service redesign to ensure we have workforce requirements which reflect available resource and future sustainable models of service delivery.

Localities – By 31 March 2020, all staff will know what locality they are going to be aligned too. Work has commenced at a management level to engage with and support service managers as we move to a locality model which aims to maintain a sense of cross-system working across the whole city. We will use a three-stage model to support the move to localities. Understanding what new models can and will look like will be an underpinning feature. This process will allow us to review and align our headcount as new models of care are developed. We have placed a conservative target on current figures of turnover and vacancies to identify the commitment and requirement to reduce the headcount to match available resources. It will reduce by 60 FTE as a result of this work and these reductions will come naturally.

Accessible and responsive infrastructure:

Medical Practices – Currently the Partnership manages five 2C medical practices within the city. The remaining practices are run by GPs as independent contractors. This objective focuses on the five practices directly run by the Partnership and will seek to develop new models for these services which encourage better collaboration between the practices and more cross-system working. This review will be data led and take consideration of the patient profile and the implications any changes may have on the wider health and social care system.



Data and Digital/Prevention:

Sustainable Services – This objective has a number of themes, such as seeking to reduce:

- the number of GP callouts,
- care home residents admitted to hospital, and
- the cost and volume of medicines being prescribed.

These themes will lead to improvements across both primary and secondary care sectors. The majority of the savings will come from seeking alternatives to medicines (social prescribing), ensuring our prescribing processes and management of patients using medicines is as efficient as it can be and also stopping the prescription of drugs where there is evidence of little clinical value. A cross-Grampian prescribing group provides recommendations to the Partnership on all prescribing matters. In addition, a key driver will be the use of technology to develop more efficient systems across community care which will impact on the key drivers.

Future Service Redesign

All of the Partnership's senior teams have a focus on redesign of services and are constantly modifying service provision to ensure the best service is provided within the agreed budget. A workstream will be developed to determine where service redesign can happen which reduces the costs of service delivery and helps contribute towards closing the financial gap. Once these proposals are more fully developed, they will be incorporated within our Programme for Transformation.



7. Risk Assessment

The setting of any budget is the acceptance of the assumptions and risk underpinning the figures. The IJB has its own strategic risk register and the individual services hold operational risk registers. The leadership team has established that the major risks impacting on the MTFE are as follows:

- During the previous budget processes a significant level of turnover savings was added to the budget to reflect the current staffing levels; should these staffing levels improve then this could impact on the delivery of this saving. This is monitored during each budget monitoring and all posts are taken through a vacancy control process.
- The Scottish Government decided to lift the pay cap in 2018/19 and the proposed increases in this financial strategy are based on the information provided. It could be that the level of pay award agreed increases above this level in future years.
- The prescribing budget is a high-risk budget for the IJB. Whilst the decisions to prescribe are made locally, the costs of the drugs and the agreement to introduce new drugs are made nationally. The impact of Brexit might increase the price of drugs further than predicted.
- The increasing level of complexity of need for some of our clients means that major care packages might materialise during the year which we have not budgeted for. The same applies to patients who need out-of-area care and where a clinical decision has been made that this is in their best interests.
- The external care market is fragile, with care providers looking for high inflationary increases to provide stability. These increases are negotiated nationally and may be higher than forecast. Should the national negotiation break down then it is likely that local agreements will need to be negotiated and given the high cost of living in Aberdeen this is likely to be more than what would be agreed nationally.
- The Carers Act and the free personal care to under-65s legislation will increase the demand for these services. Although additional funding has been received for these purposes, until fully implemented it will be difficult to determine whether the resources received are adequate.

All these risks will be monitored and reviewed through the finance monitoring statements on a regular basis.



Appendix 1: Services Provided by ACHSCP

Information on the services provided by ACHSCP is shown below:

Community Health Services (£37 million 2019/20)

Includes budgets for the community health services for each locality, including district nursing, health visiting, allied health professionals, public health and the Public Dental Services (PDS).

Community Nursing Services

The Community Nursing Service for Aberdeen City comprises district nursing, health visiting, school nursing and specialist nursing services. The service has approximately 500 staff (310 wte) delivering services to the population of Aberdeen City. District nurses provide both scheduled and unscheduled nursing interventions predominantly to the elderly population, those with a palliative diagnosis and end-of-life care. These services are delivered both in-hours and out of hours. Health visitors provide universal services to the under-fives practice population in line with the Children and Young People's Act (2014). They also have a remit to deliver the child protection agenda, keeping some of the most vulnerable children safe from harm. School nurses deliver services to children and young people, including the vaccination programme under direction from the Scottish Government. Specialist nursing services deliver nursing interventions which require expert knowledge and they support the work of the general nursing service.

Allied Health Professionals

Allied health professionals (AHPs) are a distinct group of practitioners who assess, diagnose, treat and rehabilitate people of all ages, across health, education and social care, supporting many of our most vulnerable citizens across Aberdeen. They are experts in rehabilitation and enablement, supporting people to recover from illness or injury, manage pain and long-term conditions with a focus on maintaining and improving independence (including helping people to remain in work/return to work) and developing strategies for people to manage longer-term disabilities.

There are six AHP groups (200 staff) working across Aberdeen City HSCP: dietetics, occupational therapy, physiotherapy, podiatry, speech and language therapy and the prosthetics and orthotics service. These AHP services are delivered in a range of clinic, community and education settings, including in the person's own home or in care homes, and provide in-patient care to people in Specialist Older Adult and Rehabilitation services in Woodend, Horizons, Craig Court, Rosewell and



Clashieknowe. This team assess, diagnoses and treats over 45,000 new patients each year.

Public Health and Wellbeing

The main function of members of the public health team is to promote population and community health and wellbeing (as opposed to personal care), addressing the wider determinants of health and health inequalities. They do this by working with, and through, policies and strategies, across agencies and boundaries, providing leadership to drive improvement in health outcomes and the reduction of health inequalities. Their predominant focus is on primary prevention and the wider determinants of health at population level and the range of team members use approaches and skills that include programme development, implementation and evaluation, assessing the impact of policies on people's health; project management, community engagement, and communication with a wide range of stakeholders. Whilst public health team members engage with a wide range of stakeholders, many of the programmes and outcomes they seek to influence and support relate to early years, children and young people. Key national and local priorities for the public's health are alcohol, tobacco, mental wellbeing, diet, physical activity and healthy weight. Team members work in and across localities as well as with local people in communities and multi-agency environments.

The Public Dental Services (PDS)

The PDS provides NHS dental care for priority groups of patients across ten surgery sites in Aberdeen. In addition to core service delivery, the Aberdeen PDS provides the Minor Oral Surgery service for Grampian, providing sessional clinical input to the General Anaesthetic Clinic and has oversight of the Outreach provision for Dundee University undergraduates.

Hosted Services (£22.8 million 2019/20)

A range of services provided on a Grampian-wide basis and managed by one lead IJB, Aberdeen City IJB being the lead for:

- Specialist Older Adult and Rehabilitation Services – comprising the Grampian Specialist Rehabilitation Service and the Specialist Older Adults Service across Aberdeen and Aberdeenshire. These services provide a range of in-patient beds (circa 200), community rehabilitation, specialist medical consultant liaison (including community consultant geriatrician alignment) and specialist services – dealing with wheelchairs, prosthetics and orthotics across Grampian. The services are all largely based at Woodend. There is



also a significant medical in-reach service supporting the 85-bedded acute geriatric service within Aberdeen Royal Infirmary.

- Sexual Health Services – based at the Health Village but providing services across seven locations in Grampian.

The Moray and Aberdeenshire IJBs are the leads for the following services: Marie Curie Nursing Service, the Continence Service, Diabetes Managed Clinical Network, Chronic Oedema Service, Heart Failure Service, HMP Grampian Health Services, Police Forensic Examiners, Primary Care Contracts Team and GMED out-of-hours medical services.

Learning Disabilities Services (£35.8 million 2019/20)

The service is committed to integrated working and providing a range of diverse and intensive person-centred services, to promote and support independent living, underpinned by individual and family/carer involvement.

In-house services (127 staff) provide housing support, care at home (on six sites) and a modern specialised day service at the Len Ironside Centre. They also commission a wide range of supported living, residential, care at home, respite and day services; the current contract framework has 20 providers for Supported Living Services and 15 providers for Enhanced Supported Services.

The Care Management Team (18 staff) provide comprehensive assessment, care package commissioning and ongoing support for over 650 adults with learning disabilities and associated complex conditions and needs. This includes our Transitions Service that works closely with Children's Services in the planning and transfer of young people into adult services.

The multidisciplinary Health Team (20 staff - medical, nursing, psychology and allied health professionals) provide specialist health services to over 500 adults with complex and challenging needs.

Mental Health & Addictions (£20.6 million 2019/20)

This includes the provision of services by NHS community mental health service and adult social care services. Within adult social care there are three mental health teams and one old-age psychiatry and rehabilitation team based at Cornhill Hospital. These teams provide social work, care management and a Mental Health Officer



service to people with mental health difficulties and their families, in a hospital-based environment and within the community. In addition to this there are integrated teams for drug and alcohol providing a clinical and care management service for individuals who experience substance misuse. Across these services in adult social care there are around 1,000 service users at any one time.

Older People and Physical & Sensory Disabilities (£75.6 million 2019/20)

This is a care management service for individuals who are aged 65 years and over and for those with physical and sensory disabilities who are assessed as requiring care and support. Such services include provision of day care, care at home, residential care, sheltered and very sheltered housing, occupational therapy and provision of aids and adaptations. The service is made up of five care management teams providing services to 3,100 service users. The sensory disability services are commissioned from North East Sensory Services who have a social work team providing a statutory service to 135 people with a further 3,000 being provided support services.

Criminal Justice (£92,000 net – funded by ring-fenced grant)

Criminal Justice Social Work provides statutory supervision and court reports from the age of 18. The aim of the service is to reduce the risk of reoffending and harm by those who are supervised in the community and assisting with rehabilitation and monitoring to those released from prison. The service is made up of four community teams, a throughcare team, a pre-disposal/court team, an unpaid work team, and a Women's Service. They also undertake group work programmes for those convicted of domestic abuse offences or sexual offences. At any one time around 1,500 clients are open to justice services.

Primary Care Prescribing (£41 million 2019/20)

The cost of drugs prescribed by Aberdeen City GPs to patients covers medicines, dressings, appliances and stock order items prescribed in the community by GPs and other prescribers. Expenditure is impacted by a complex range of factors including how long drugs are patented, the availability of a drug, individual expensive drugs, and an increase in community-based care, amongst others.



Practice pharmacists work in tandem with GP practices to ensure prescribing is efficient and effective. Prescribers are also supported with the Grampian Joint Formulary Scriptswitch software and regular guidance/input from the lead pharmacists.

Primary Care (£39.3 million 2019/20)

Payments made to GPs for provision of services. The costs are largely dictated by the GPs' national terms & conditions of service from the GP contract. Aberdeen has 28 GP practices, providing general medical services to a population of 253,000 registered patients (1 Jan 2018). Whilst different contractual models operate across the city, all GP practices provide core general medical services together with a range of enhanced services. The above expenditure is drawn from the General Medical Services contract funding stream and represents the payments made to GP practices for the services provided to their registered list of patients.

Set-Aside Notional Budget (£46.4 million 2019/20)

Budgets for large hospitals are managed by the Acute and Mental Health sectors of NHS Grampian. The IJBs have a notional budget representing the consumption of these services by residents. The IJBs are responsible for the strategic planning for these services as a result of the legislation which established the IJBs.

The services covered include:

- accident and emergency services at ARI and Dr Gray's - inpatient & outpatient;
- inpatient hospital services relating to general medicine, geriatric medicine, rehabilitation medicine, respiratory medicine, learning disabilities, old age psychiatry, general psychiatry;
- palliative care services provided at Roxburghe House, Aberdeen, and The Oaks, Elgin.

A process has been developed to review these services, which involves staff from acute and the IJBs and is expected to start reporting through the IJBs and NHSG soon.