

Budget	Saving	£'000 Description	Rationale	Risks
1 Commissioned services inflationary increases	(315)	Care providers would receive no increase in funding other than any increases agreed for sleepovers, living wage and through the National Care Home Contract if applicable.	That providers will receive above inflationary increases for living wage, sleepovers and where applicable the National Care Home Contract.	Providers may not be financial viable without a general inflationary increase and this may result in the number of services provided in the city reducing.
2 Reduce out of authority placements	(125)	Review placements provided by Aberdeen City which should be funded by other councils. A charging protocol is currently being finalised which should provide future financial savings.	Councils have a responsibility to pay for their own clients	The other councils may not fund the care packages and a lengthy negotiation process may be required.
3 Direct payments	(200)	Direct payment clients currently receive a contingency payment amounting to 8 weeks. Change to four weeks contingency.	Reducing the contingency level to four weeks will result in a similar level of contingency as provided by other Councils.	No risks - if clients run out of funding then they will contact the SDS team who will provide support.
4 Care Package Review	(400)	Review care packages to determine whether they are still fit for purpose and meet the eligibility criteria.	Sometimes care packages are in excess of the eligibility criteria and can be reduced as patients' conditions improve. By strictly enforcing the eligibility criteria all clients will receive a consistent level of service. This exercise will be undertaken by an external company.	The review may show areas where the level of service provided is below the eligibility criteria, potentially exposing the partnership to greater costs.

Budget	Saving £'000	Description	Rationale	Risks
5 Work in collaboration with other Councils to reduce the costs of expensive packages	(50)	Look to reduce the costs of some packages by working in collaboration with other councils.	Some of these packages are expensive and by working together it should be possible to negotiate better rates.	Providers may not accept the lower rates and alternative accommodation and services are scarce.
6 Financial assessment process	(100)	Improve process for calculating financial assessments.	By improving this process clients will know quicker how much contribution, if any, they require to make to their care package. Speeding up this process will give clients more certainty and reduce potential arrears.	The level of additional income that could be generated is difficult to estimate. However, the risk fund would be available to cover any shortfall.
7 Income Generation	(350)	Review charging levels across the Partnership and look for ways to generate more income to support core services - making best use of our assets etc.	Additional income will help to support delivery of core services. There may also be commercial interest in using some of our buildings.	No risks identified at this point, with proposals to come forward at later date.
8 Self Directed Support (SDS)	(59)	Removal of budget for organisation providing support to SDS clients.	Contract has come to an end and has not been renewed. Support now being provided in-house.	No risk
9 Remove historic underspends	(260)	Removal of historic underspends across the partnership.	Funding not required at current level of activity	No risk
10 Outreach team	(280)	These funds were set aside to develop a new team, however, given changes to the structure following integration it is now felt this team should not be established.	Funding and posts are no longer required or fit strategic plan.	No staff are in post so risk of non delivery is low.

Budget	Saving	£'000 Description	Rationale	Risks
11 Training and Overtime	(206)	Managers to consider ways to reduce overtime and training budgets.	These costs can be managed down without having a large impact on service users. Budgets will still exist for overtime and training but at a reduced level.	A reduced level of training may impact on the quality of the service provided by staff. However, this will be mitigated by ensuring that appropriate training opportunities are available and delivered internally.
12 Administration and accommodation review	(100)	Reduce use of administrative bank staff and undertake a review of administrative work undertaken across the Partnership.	There are varying levels of administrative support being provided across the City. The rationale for the review is to establish a consistent level of service and consider how new technology can be used to best effect.	No redundancies will be required as a result of this review and any reduction in posts will be as they become vacant. The majority of this saving will come from bank staff reductions and by having a multi-skilled administrative team.
13 Review of parking across the partnership	(60)	Review number of car parking passes available to staff and rationalise where possible.	It maybe possible to reduce the cost of car parking by having staff claim any allowable costs, rather than being provided with a car parking pass.	Staff can still claim for allowable costs.

Budget	Saving	£'000 Description	Rationale	Risks
14 Review and assessment of the Partnership overall management model	(710)	The Partnership structure has been discussed and agreed previously at the IJB.	Where staff are employed in transformational roles then they should be charged against the integration and change fund. Where it is possible to reduce the number of posts without making someone redundant then this will be considered and actioned.	A report will be brought back on the whole management structure once finalised.
15 Vacancy Management	(1,100)	Establish a vacancy management process for the Partnership to review and scrutinise vacant posts.	There has traditionally been a high level of staffing turnover in the City.	The clinical risk associated with delays in filling posts will be assessed. Critical posts will continue to be filled and bank staff will be used to cover any gaps in front facing services.
16 Hosted Services	(522)	The hosted services are showing a budget pressures across the whole of Grampian.	This has been removed on basis that it requires all three IJBs to agree to an increase or decrease in funding for hosted services.	A budget process for hosted services is being worked on by the three chief officers.
(4,837)				

Summary of Budget Movements

	2017/18
	Total
	£'000
Budget Pressures:	
Staff Increments\Pay Award	2,206
Bon Accord Care - in year pay award and increments	255
Energy	22
Apprenticeship Levy	415
Rate revaluation	9
Prescribing	559
Hosted	522
Settlement (cash cut ACC)	3,090
Totals Budget Pressures	7,078
Budget Savings Identified in Appendix A	(4,837)
Funding from the Transformation and Integration Fund	(2,241)
	0

Aberdeen City Integration Joint Board Budget - Notional 5 Year Position

	Budget	Budget	Budget	Budget	Budget
	IJB	IJB	IJB	IJB	IJB
	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Community Health Services	30,554	32,030	33,507	34,983	36,460
Aberdeen City share of Hosted Services (health)	21,620	22,142	22,664	23,186	23,708
Learning Disabilities	21,540	21,744	21,948	22,152	22,356
Mental Health & Addictions	14,783	15,415	16,047	16,679	17,311
Older People & Physical and Sensory Disabilities	64,595	66,004	67,413	68,822	70,231
Head office/Admin	234	293	352	411	470
Central Living Wage/inflation provision etc	2,079	3,224	4,369	5,514	6,659
Criminal Justice	43	177	311	445	579
Housing	1,860	1,860	1,860	1,860	1,860
Primary Care Prescribing	39,869	40,428	40,987	41,546	42,105
Primary Care	36,060	36,060	36,060	36,060	36,060
Out of Area Treatments	1,220	1,220	1,220	1,220	1,220
Resource Transfer	17,640	17,640	17,640	17,640	17,640
Sub Total: Mainstream position	252,097	258,237	264,378	270,518	276,659

Appendix C

The amount of integration and change funding for 2017/18 is as follows:

	£'000
Integrated Care Fund – baselined	3,750
Delayed Discharge – baselined	1,125
Social Care Transformation Funds (share of £125 million- baselined)	4,750
Social Care Transformation Funds (share of £125 million- baselined)	4,750
Share of £107 million for living wage etc.	4,130
Primary Care share of £72 Million	TBC
Mental Health share of £30 Million	TBC
Total 2017/18 allocation	18,505
Plus: 2016/17 Carry Forward based on position at end of December 2016	9,150
Total Funds Available	27,655

	£'000
Implications of the £107 million:	
Living Wage – additional 6 months of funding to the providers	1,600
Living Wage – move from £8.25 to £8.45 for 11 months	1,145
Sleepovers (under review)	1,113
National Care Home Contract Inflation (still under negotiation)	912
War Pensions Income	18
Carers Bill preparation costs	78
	4,866
Anticipated Spend 2017/18:	
Transfer to support social care re the 2016/17 settlement	4,750
Projects planned in 2017/18	7,861
Total spend anticipated in 2017/18	17,477

The financial implications of the settlement re additional £107 million have been costed on an indicative basis and are likely to reduce following discussions with the providers.

Demographics

The projected increases in the older population will continue to place services under pressure. No provision has been made for demographic movements and the services will need to absorb any movements within the current budgets as they are doing in the current financial year.

Complexity of Care

Increasingly the Partnership is required to provide services for individuals requiring a higher level of care than would have been required previously. The Partnership has shown that it can manage the financial consequences of the higher level of care and will continue to do so.

Care Providers

The majority of social care is provided externally and should a provider decide not to deliver care within the city then this will leave a gap in service provision which might be difficult to fill. This risk is on the Board's strategic risk register and will continue to be monitored frequently.

Localities

As localities are developed and budgets are devolved to new budget holders then the risk of under or overspend increases. This will be mitigated by a comprehensive financial training package for all budget holders in Partnership.

Pay Awards

Pay awards are agreed nationally and this might be at a rate greater than the budget provision allocated. The reserves will provide a financial cushion if required, while recurring savings are identified.

Inflation

Inflation rates are rising and whilst the majority of the Partnership's budget are not impacted by inflation, there could be some minor inflationary budget pressures which the Partnership will need to manage during the year.

Staffing levels

High levels of staff turnover are experienced in some services. The provisional budget includes a saving in relation to staff turnover. If the level of turnover changes due to the employment market conditions in Aberdeen then this may impact on delivery of this saving.

Clinical Standards

The delivery of budget savings is not expected to impact on clinical standards. This will be monitored by staff and the clinical and care governance committee.

Future Budget Cuts and Transformation

It is likely that budget savings will need to be found in future years. The view of the Executive Team is these savings should come from integration and transformation activities. If these activities don't generate the required level of savings or funding saved by the IJB in acute sector isn't passed to the IJB, then there is a risk future budgets will not be balanced.