



INTEGRATION JOINT BOARD

Minute of Special Budget Meeting

7 March 2017

Health Village, Aberdeen

Present: Jonathan Passmore MBE (Chairperson); Councillor Len Ironside CBE (Vice Chairperson); and Councillors Cameron, Jean Morrison MBE (as substitute for Councillor Donnelly, for items 4-5) and Young (for items 1-4); and Rhona Atkinson, Dr Nick Fluck and Professor Mike Greaves (NHS Grampian Board members); and Jim Currie (Trade Union Representative, Aberdeen City Council (ACC)), Jenny Gibb (Professional Nursing Adviser, NHS Grampian), Bernadette Oxley (Chief Social Work Officer, Aberdeen City Council (ACC)), Kenneth Simpson (Third Sector Representative), Dr Caroline Howarth (NHS Grampian, as substitute for Dr Stephen Lynch), Faith-Jason Robertson-Foy (Carer Representative), Dr Howard Gemmell (Patient/Service User Representative) and Judith Proctor (Chief Officer, Aberdeen Health and Social Care Partnership (ACHSCP)).

Also in attendance: Alex Stephen (Chief Finance Officer, ACHSCP), Kevin Toshney (Acting Head of Strategy and Transformation, ACHSCP), David Pflieger (Director of Pharmacy and Medicines Management, NHS Grampian, for item 5) and Iain Robertson (Clerk, ACC).

Apologies: Councillor Donnelly, Dr Stephen Lynch, Gill Moffat, Dr Satchi Swami and Tom Cowan.

The agenda and reports associated with this minute can be located at the following link:-

<http://committees.aberdeencity.gov.uk/ieListMeetings.aspx?Committeed=516>

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OPENING REMARKS

1. The Chair opened the meeting and announced that Dr Stephen Lynch had been appointed as the Partnership's Clinical Director after a robust recruitment process and congratulated Dr Lynch on his appointment. The Chair also submitted his apologies for the IJB's next meeting on 28 March 2017 and noted that this would be Councillor Ironside's last IJB meeting before his retirement from public life and advised that he wanted to place on record his personal thanks for the support and inspiration provided by Councillor Ironside to him and the Board during the integration of health and social care in Aberdeen City. Thereafter this sentiment was endorsed by all Board members.

The Board resolved:-

- (i) to congratulate Dr Stephen Lynch on his appointment as the Partnership's Clinical Director;
- (ii) to thank Councillor Ironside for his service and leadership during the integration of health and social care in Aberdeen City; and
- (iii) otherwise note the information provided.

DECLARATION OF INTERESTS

2. Members were requested to intimate any declarations of interest.

The Board resolved:-

To note that no declarations of interest were intimated at this time.

DETERMINATION OF EXEMPT BUSINESS

3. The Chair moved that no items on today's agenda be considered as exempt business.

The Board resolved:-

To agree that all items on today's agenda be open to the press and public.

IJB BUDGET

4. The Board had before it a report by Alex Stephen (Chief Finance Officer, ACHSCP) which updated the Board on the funding delegated by Aberdeen City Council and NHS Grampian for health and social care activities in 2017-18 and advised on budget pressure facing the IJB in 2017-18 and budget savings identified by officers to close the funding gap. The report highlighted the position with regard to the Board's reserves and future year budget projections along with budget risks and assumptions underpinning the budget and sought approval of a budget protocol to be used in future financial years for the creation and approval of the IJB budget.

The report recommended:-

That the Board –

- (a) Agree the budget savings identified in Appendix A of this report;

- (b) Agree the use of integration and change funds amounting to £2,241,000 to close the budget gap;
- (c) Agree the Bon Accord contract level for 2017-18 of £26,289,000 and budget assumptions noted in section 2.7;
- (d) Agree the 2017-18 provisional IJB budget in Appendix B;
- (e) Agree the earmarking of £2.5million of 2016-17 underspend into a risk provision and £500,000 for replacement of essential equipment;
- (f) Agree the Budget Protocol in Appendix E;
- (g) Agree the directions to Aberdeen City Council and NHS Grampian contained in Appendices F and G; and
- (h) Request that a report be brought back to the IJB on 28 March 2017 with a proposal to distribute additional funding for the Living Wage and sleepovers.

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
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

Integration and Change Funding for 2017/18	£'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

Alex Stephen spoke to the report and explained that revisions requested at the Board's previous meeting on 31 January 2017 had been actioned. He highlighted that pressures within the prescribing budget were less than originally estimated and variances within the mainstream budget now stood at £2.241million. He noted that the Executive Team aspired to use Transformation Funding to cover budget variances on a one off basis but this would be dependent on whether the level of public sector efficiencies continued throughout future years. He added that the Executive Team was committed to recovering the £2.241million through identification of further efficiency savings where possible.

Mr Stephen informed the Board that Aberdeen City Council and NHS Grampian had both agreed their contributions to the IJB on the basis of the Scottish Government's Grant Settlement. He added that the report provided further detail on transformation activity that was taking place within mainstream budgets and cited work related to delayed discharges and the implementation of an integrated management structure as examples of transformation which delivered outcomes as set out within the Strategic Plan.

Thereafter there was discussion on the funding allocated to support the delivery of the Carers (Scotland) Act 2016 and Kevin Toshney (Acting Head of Strategy and Transformation, ACHSCP) advised that the Partnership's Carers Strategy would be presented to the Board in the second half of 2017. There were additional questions on the use of transformation funding to cover variances in mainstream budgets; and resource implications for providing training and overtime to staff.

The Board resolved:-

- (i) to agree the budget savings identified in Appendix A of this report;
- (ii) to agree the use of integration and change funds amounting to £2,241,000 to close the budget gap;
- (iii) to agree the Bon Accord contract level for 2017-18 of £26,289,000 and budget assumptions noted in section 2.7;
- (iv) to agree the 2017-18 provisional IJB budget in Appendix B;
- (v) to agree the earmarking of £2.5million of 2016-17 underspend into a risk provision and £500,000 for replacement of essential equipment;
- (vi) to agree the Budget Protocol in Appendix E;
- (vii) to request that a workshop session on the Budget Protocol be added to the Developmental Timetable;
- (viii) to agree the directions to Aberdeen City Council and NHS Grampian contained in Appendices F and G;
- (ix) to request that a report be brought back to the IJB on 28 March 2017 with a proposal to distribute additional funding for the Living Wage and sleepovers; and

- (x) to thank the IJB's parent bodies and previous members of the Transitional Leadership Group and shadow IJB for supporting the Board's development to such an extent that an integrated budget could be agreed by consensus in such a coherent manner.

PRESCRIBING REPORT

5. The Board had before it a report by Judith Proctor (Chief Officer, ACHSCP) and David Pflieger (Director of Pharmacy and Medicines Management, NHS Grampian) which provided information in relation to actions being taken, or planned by the Executive Team to address the identified risks.

The report recommended:-

that the Board –

- (a) Note the IJB would be following an assertive approach in pursuing medicines efficiencies including maximising the use of generic medication;
- (b) Note the level of financial risk associated with the assumptions of achieving the maximal savings used in the budget assessment, especially relating to Pregabalin for the 2017-18 financial year which presented the biggest savings opportunity and therefore risk to the Aberdeen City IJB prescribing budget; and
- (c) Endorse the approach set out in relation to local measures being put in place to maximise efficiency and local control on the prescribing budget.

David Pflieger spoke to the report and highlighted the issues that would impact on the prescribing budget such as the volume and cost of drugs; and the level of transactions. Mr Pflieger set out the complexity of prescribing which was influenced by a range of factors such as population demographics; compliance with GP contracts and clinical guidance; in addition to legal issues associated with prescribing branded and generic medicines. Further to this, he outlined the controls available to the Board to manage prescribing costs as well as risks linked to these options and oversight arrangements NHS Grampian had put in place to monitor prescribing throughout Aberdeen City.

The Chair advised that he attended an IJB Chairs meeting on 6 March 2017 in which members had discussed local and national issues that impacted on prescribing budgets. He noted that today's budget agreement was a strong statement of intent on how the Aberdeen City IJB would approach the challenges associated with prescribing. The Chair asked if the IJB would be required to make any adjustments to the level of savings related to generic medicines, particularly Pregabalin. Alex Stephen explained that it was unclear at this point how the balance of risk between Pregabalin and generic medicines would fall and highlighted that the IJB's reserves fund was in place as a contingency.

Thereafter there were questions on workload challenges for GPs who would have additional responsibilities to achieve cost efficiencies and how Community Pharmacists could support GPs in this regard; and what measures the Partnership had adopted at both locality and Pan-Grampian level to engage the public in order to increase efficiencies related to prescribing.

The Board resolved:-

- (i) to note the IJB would be following an assertive approach in pursuing medicines efficiencies including maximising the use of generic medication;
- (ii) to note the level of financial risk associated with the assumptions of achieving the maximal savings used in the budget assessment, especially relating to Pregabalin for the 2017-18 financial year which presented the biggest savings opportunity and therefore risk to the Aberdeen City IJB prescribing budget; and
- (iii) to endorse the approach set out in relation to local measures being put in place to maximise efficiency and local control on the prescribing budget.

JONATHAN PASSMORE MBE, Chairperson.