



## **INTEGRATION JOINT BOARD**

### **Minute of Budget Meeting**

**13 February 2018  
Health Village, Aberdeen**

Present: Jonathan Passmore MBE (Chairperson) and Councillor Sarah Duncan (Vice Chairperson); and Councillors Cooke, Donnelly and Samarai; and Rhona Atkinson, Dr Nick Fluck and Luan Grugeon (NHS Grampian Board members); and Dr Howard Gemmell (Patient/Service User Representative), Dr Stephen Lynch (Clinical Director, Aberdeen City Health and Social Care Partnership (ACHSCP)), Judith Proctor (Chief Officer, ACHSCP) and Alex Stephen (Chief Finance Officer, ACHSCP).

Also in attendance: Tom Cowan, Head of Operations, ACHSCP), Sally Shaw (Head of Strategy and Transformation, ACHSCP), Iain Robertson (Democratic Services, ACC) and Alan Thomson (Legal Services, ACC).

Apologies: Mike Adams, Liv Cockburn, Jim Currie, Gill Moffat and Bernadette Oxley.

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

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

**Please note that if any changes are made to this minute at the point of approval, these will be outlined in the subsequent minute and this document will not be retrospectively altered.**

### **OPENING REMARKS**

1. The Chair opened the meeting and noted that as today's meeting was a special budget meeting, no other business would be considered and regular standing items along with today's minute would be reported to the Board's next meeting on 27 March 2018.

### **The Board resolved:-**

To 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 by members for items on today's agenda.

## **DETERMINATION OF URGENT BUSINESS**

3. The Chair advised that he was accepting item 4 (IJB Financial Strategy) on today's agenda as urgent business.

### **The Board resolved:-**

To agree item 4 (IJB Financial Strategy) as urgent business.

## **DETERMINATION OF EXEMPT BUSINESS**

4. The Board noted officers advice that it may consider item 4 (IJB Financial Strategy) as exempt business but members unanimously agreed to consider the report in public session.

### **The Board resolved:-**

To agree to consider item 4 (IJB Financial Strategy) in public session.

## **IJB FINANCIAL STRATEGY**

5. The Board had before it a report by Alex Stephen (Chief Finance Officer, ACHSCP) which (1) updated the Board on the provisional levels of funding delegated by Aberdeen City Council and NHS Grampian for health and social care activities for 2018-19; (2) outlined the budget pressures from 2018-19 onwards and the budget savings identified to potentially close the gap which were included within the Medium Term Financial Strategy; (3) requested approval for the Bon Accord Care provisional 2018-19 contract value; and (4) advised on the risk fund levels within the Medium Term Financial Strategy.

### **The report recommended:-**

That the Board –

- (a) Note the provisional financial allocations proposed to be allocated by the partner organisations;
- (b) Agree the provisional Bon Accord Contract level for 2018/19 of £26,983,000 and budget assumptions noted in section 2.4;
- (c) Consider and endorse the Aberdeen City IJB Medium Term Financial Strategy included as Appendix 1 of this report;
- (d) Note that the IJB previously agreed to earmark £2.5 million in a risk fund and this is included in the Medium Term Financial Strategy; and
- (e) Instruct the Chief Finance Officer to bring back a report to the IJB on the 27 March 2018 detailing the final financial allocations from the partners and updating the Medium Term Financial Strategy.

Alex Stephen advised that unlike the 2017-18 budget process in which grant settlements from partners had been attached with conditions, this year's process was different in that grant settlements were now agreed through local negotiation between the IJB and its partners. He highlighted that the figures within the reports were provisional until so agreed by Aberdeen City Council and NHS Grampian at their annual budget meetings; and that figures and assumptions had also been based on the Barnett Consequentials and the budget settlement approved by the Scottish Parliament.

Mr Stephen provided an overview of budget pressures and highlighted that amongst the most challenging areas were medicines management and service redesign. He noted that the IJB was restricted in the number of services and budgets it had direct control over and explained that budgets such as mental health were ring-fenced; solutions to medicine management would need to be found on a Grampian-wide basis; and the Aberdeen City IJB had little input on the negotiation of the General Medical Services Contract. Mr Stephen concluded by thanking the Executive Management Team and Finance colleagues that had helped develop the Financial Strategy.

Thereafter there were questions and comments on (1) the timetable for Aberdeen City Council and NHS Grampian annual budget meetings; (2) the escalation process to the Board in the event of a significant service overspend; (3) the use of IJB reserves to cover service overspends; (4) the level of confidence that efficiencies and savings could be achieved within target timescales; (5) the challenges of medicines management and the importance of developing a regional approach to address this issue; (6) the reasons behind the level of overspend for hosted services; (7) the review of service pricing and charges, which members were advised remained within the remit of Aberdeen City Council; (8) progress with regards to Bon Accord Care's (BAC) contract review and the Partnership's ongoing engagement with BAC; (9) the possibility of BAC's additional employers pension contribution being reduced or phased in; and (10) how the Partnership would communicate the financial strategy to its partners and stakeholders.

**The Board resolved:-**

- (i) to note the provisional financial allocations proposed to be allocated by the partner organisations;
- (ii) to agree the provisional Bon Accord Contract level for 2018/19 of £26,983,000 and budget assumptions noted in section 2.4;
- (iii) to endorse the Aberdeen City IJB Medium Term Financial Strategy included as Appendix 1 of this report;
- (iv) to note that the IJB previously agreed to earmark £2.5 million in a risk fund and this is included in the Medium Term Financial Strategy;
- (v) to instruct the Chief Finance Officer to bring back a report to the IJB on the 27 March 2018 detailing the final financial allocations from the partners and updating the Medium Term Financial Strategy; and
- (vi) to thank the Chief Finance Officer and his team for producing the Medium-Term Financial Strategy.

**JONATHAN PASSMORE MBE, Chairperson.**