



ABERDEEN, 12 March 2019. Minute of Meeting of the INTEGRATION JOINT BOARD.

Present:- Councillor Sarah Duncan (Chairperson) and Jonathan Passmore MBE (vice Chairperson); Councillors Al-Samarai, Bell and Laing, (as substitute for Councillor Lesley Dunbar); Dr Luan Grugeon (NHS Grampian Board member), Sandra Ross (Chief Officer, ACHSCP) and Alex Stephen (Chief Finance Officer, ACHSCP) and Claire Duncan (Lead Social Worker, ACC) for Graeme Simpson (Chief Social Worker, ACC).

Also in attendance: Martin Murchie (Chief Officer, ACC – as substitute for Frank McGee (Director, ACC), Alan Thomson and Jess Anderson (Legal, ACC),

Apologies: Councillor Lesley Dunbar, Graeme Simpson (ACC), Kim Cruttenden and Prof Steve Hays (NHS Grampian Board members), Mike Adams (NHS Staff Rep), Jim Currie (Trade Union Representative, ACC), Gill Moffat and Faith-Jason Robertson- Foy (Carer Representative), Dr Stephen Lynch (Clinical Director, (ACHSCP)),

WELCOME FROM THE CHAIR

1. The Chair welcomed all to the Budget Meeting of the Integration Joint Board and intimated the apologies.

MEMBERS ARE REQUESTED TO INTIMATE ANY DECLARATIONS OF INTEREST

2. There were no declarations of interest.

MEMBERS ARE REQUESTED TO DETERMINE THAT ANY EXEMPT BUSINESS BE CONSIDERED WITH THE PRESS AND PUBLIC EXCLUDED

3. There was no exempt business.

MEDIUM TERM FINANCIAL FRAMEWORK

4. The Board had before it the report by Alex Stephen, Chief Finance Officer.

INTEGRATION JOINT BOARD

12 March 2019

The report recommended that the Board:

- (i) Note the financial allocations proposed to be allocated by the partner organisations;
- (ii) Approve the Bon Accord Contract level for 2019/20 of £27,233,000 and budget assumptions noted in section 3.8;
- (iii) Formally approve the 2019/20 budget and the Aberdeen City IJB Medium Term Financial Strategy included as appendix 1 of this report;
- (iv) Note that the IJB previously agreed to earmark £2.5 million in a risk fund and that this is included in the Medium Term Financial Framework;
- (v) Instruct the Chief Officer to uplift the direct payments for clients with a staffing element included in their payment by 2.8% from the 1 May 2019 to cover the increase in the Scottish Living Wage;
- (vi) Instruct the Chief Officer to negotiate uplifts for those Social Care providers not covered by the National Care Home Contract; and

The Board heard that the report indicated that this was an extremely tight budget forecast particularly against the backdrop of a revised funding formula by NHS Grampian by utilising the NHSScotland Resource Allocation Committee NRAC formulas. This has resulted in a £150K reduction.

Final Grant Settlement

The Board were reminded that this formula of funding was not the basis upon which the original funding and budget frameworks were based and that the budget had been set against a background of reduced funding from both partnerships.

The Board agreed that following the previous more positive financial contributions, the Board had been able to deliver positive outcomes against the strategy. It was disappointing that the current position would place additional pressures on the Board and its ability to deliver core services.

The Board conceded that whilst the reduction of Council funding had been predicted, the reduction from NHS Grampian against its revised formula was not. The Board were concerned that should NRAC formulas be applied to the basis of funding in future years, funding would continue to reduce and this would introduce additional risks.

Medium Term Financial Framework

INTEGRATION JOINT BOARD

12 March 2019

The Board heard that this indicated the challenging financial position to deliver savings year on year against the reductions received. Together with additional funding requirements in several areas, this clearly introduced additional risk.

The Board heard that mitigation of the risks included: zero-based budgeting exercises; an enhanced drive to deliver efficiencies throughout and that industry wide business toolkits were being applied to assist that delivery which introduced a confidence on the probability of delivering savings.

The Board were reminded that the risk fund remained in a healthy position should those funds be required.

Discussion included concerns around the Scottish Living Wage (SLW) and whilst Scottish Government funding presently assisted that delivery, removal or reduction of funds in that area would introduce an additional risk. The Board agreed that as the workforce were key to the delivery of services and efficiencies, it was important that a close watch be maintained on SLW.

The Board heard that the current reduction in prescription costs would hopefully continue and that projections had been made over the next 5/10 years.

This saving was very much linked upon the prevention and care at home strategy projects delivering their anticipated benefits and efficiencies also.

The Board heard that the revised strategy would see greater emphasis on prevention which albeit carrying an element of risk is very much the way forward. The revised strategy was intended to assist better provision of services and assist greater focus on benefit and efficiency together with digital enhancement to assist.

The Board commended the volume and quality of work carried out in preparing and presenting the Budget Report and extended their appreciation to the Chief Finance Officer.

INTEGRATION JOINT BOARD

12 March 2019

The Board resolved to :-

- (i) Note the financial allocations from the partner organisations and that the Chair write to the respective organisations to convey the Board's concern about the change in basis for funding and potential risks to the IJB's future financial position should this basis of allocation continue in the future;
- (ii) Approve the Bon Accord Contract level for 2019/20 of £27,233,000 and budget assumptions noted in section 3.8;
- (iii) Formally approve the 2019/20 budget and the Aberdeen City IJB Medium Term Financial Strategy included as appendix 1 of this report;
- (iv) Note that the IJB previously agreed to earmark £2.5 million in a risk fund and that this is included in the Medium-Term Financial Framework;
- (v) Instruct the Chief Officer to uplift the direct payments for clients with a staffing element included in their payment by 2.8% from the 1 May 2019 to cover the increase in the Scottish Living Wage;
- (vi) Instruct the Chief Officer to negotiate uplifts for those Social Care providers not covered by the National Care Home Contract; and
- (vii) Make the budget directions contained in appendix 2 of this report and instruct the Chief Officer to issue these directions to the constituent authorities.

- **COUNCILLOR SARAH DUNCAN, Chairperson**

INTEGRATION JOINT BOARD
12 March 2019