

Report

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| Report to: | South Lanarkshire Integration Joint Board |
| Date of Meeting: | 26 March 2024 |
| Report by: | Director, Health and Social Care |

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| Subject: | Integration Joint Board Financial Plan 2024/2025 |
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ outline the implications of the 2024/2025 grant settlement for each partner
- ◆ outline the Integration Joint Board (IJB) Financial Plan for 2024/2025 which sets out the budget for each partner and includes details of each partner's budget pressures, key financial assumptions and key risks
- ◆ outline the 2024/2025 contributions from each partner and the management and operational actions and proposed savings options to address the funding gap
- ◆ note the requirement to vary the directions with each partner for 2024/2025
- ◆ approve the delegation of authority to the IJB Chief Officer to finalise the 2024/2025 funding allocations as part of the budget process, in consultation with the NHS Lanarkshire (NHSL) Director of Finance and the South Lanarkshire Council (SLC) Executive Director of Finance and Corporate Resources
- ◆ note the requirement to continue to progress the Sustainability and Value Programme to secure financial sustainability in the medium term
- ◆ note the requirement to update the IJB Board Medium Term Financial Forecast and to consider the financial implications in the longer term

2. Recommendation(s)

2.1. The Integration Joint Board is asked to approve the following recommendation(s):-

- (1) that the statutory responsibility to set a balanced budget for 2024/2025 is noted;
- (2) that the 2024/2025 financial planning assumptions agreed with the NHSL Director of Finance and the SLC Executive Director of Finance and Corporate Resources be noted;
- (3) that the contributions from NHSL and SLC to the IJB for the financial year 2024/2025 as highlighted at section 4 be noted;
- (4) that, as outlined at paragraph 4.4.3, the joint approach developed for North Lanarkshire and South Lanarkshire University Health and Social Care Partnerships (HSCPs) to identify health care savings options is endorsed;
- (5) that the net funding gap of £33.037m (NHSL - £13.494m; SLC - £19.543m) be noted;

2. Recommendation(s) (Cont.)

- (6) that the IJB consider and give due regard to the Equality Impact Assessments and the Fairer Scotland Duty Assessments relating to the proposals in this report and as referred to at Section 9 of this report;
- (7) that the proposed savings options of £3.966m for NHSL and £10.182m for SLC, as detailed at section 4, which addresses £14.148m of the net funding gap of £33.037m, be approved;
- (8) that, following consideration of the separate report to the IJB in respect of the outcome of the public consultation on the re-provisioning of the internal residential care services, the savings option of £1.499m is considered and approved, as detailed at paragraph 4.3.3;
- (9) that the management and operational actions of £7.128m for NHSL and £7.862m for SLC, as detailed at section 4, which addresses £14.990m of the net funding gap of £33.037m, be noted;
- (10) that, in line with the joint approach agreed by the IJB Chief Officers, the reliance on the achievement by the North Lanarkshire IJB of the Mental Health Redesign saving of £2.400m be noted;
- (11) that the reliance on the non-recurring bridging funding outlined at paragraph 4.6.4 be approved;
- (12) that the proposal to continue to adopt for 2024/2025 the current approach for the management of underspends or overspends by the lead partner for the Hosted Service as outlined at 4.1.16 be approved;
- (13) that the IJB Financial Plan 2024/2025, which sets out a balanced budget in-year, be approved subject to a mid-year review by October 2024 of the IJB financial assumptions, in consultation with both partners, to test the original assumptions, projections and information for ongoing validity with a view to reprioritising where appropriate;
- (14) that the requirement to vary directions on behalf of the IJB, which is detailed in a separate report, be noted;
- (15) that the delegation of authority to the IJB Chief Officer to finalise the 2024/2025 funding allocations as part of the budget process, in consultation with the NHSL Director of Finance and the SLC Executive Director of Finance and Corporate Resources, as outlined at paragraph 4.7, be approved;
- (16) that, in order to secure financial sustainability in the medium term, the Sustainability and Value Programme approach and the Sustainability and Value Option Appraisal Screening Scale at appendix 7 continue to be endorsed; and
- (17) that the requirement to update the IJB Medium Term Financial Plan and to also consider the financial implications over the longer term be noted.

3. Background

- 3.1. As a result of the Public Bodies (Joint Working) (Scotland) Act 2014, the Integration Joint Board (IJB) has a statutory responsibility to set a balanced budget. The funds for the IJB are delegated from NHSL and SLC for the purpose of delivering the delegated functions as set out in the Integration Scheme. Additionally, the Health Board will also 'set aside' an amount in respect of large hospital functions covered by the Integration Scheme.
- 3.2. Sound governance and financial sustainability are fundamental to the delivery of the South Lanarkshire IJB Strategic Commissioning Plan 2022-25, including the following transformational priorities highlighted by communities and stakeholders:
 - Delivering upon our statutory responsibilities on their behalf.
 - Protecting the most vulnerable and at-risk in our communities.

3. Background (Cont.)

- 3.3. As the delegated funds come from NHSL and SLC, the level of funding available to the IJB is heavily influenced by these organisations' grant settlements from the Scottish Government. Both NHSL and SLC face challenges balancing their respective budgets due to budget pressures exceeding the provisional level of funding available. This is consistent with the pressures across public services nationally.
- 3.4. The South Lanarkshire IJB is recognised as having a strong track-record of sound financial management and robust financial governance. However, the size of the funding gap for 2024/2025 is such that there will be unavoidable implications for what and how services and support are provided. In essence, in order to protect services and supports for the most vulnerable and at-risk across our communities, other areas of activity have to be delivered differently, be reduced or stop. The current and projected financial challenges inevitably mean that service levels cannot be maintained and difficult decisions will need to be taken.
- 3.5. In its published 2022/2023 Audit of the Scottish Government Consolidated Accounts (November 2023), Audit Scotland stated that the delivery of public services in their current form is not affordable, with inflationary pressures and public sector pay settlements having a significant impact. Audit Scotland has also been clear over many years now that the NHS in Scotland faces significant and growing financial pressures, including from those costs of inflation and recurring pay awards. These pressures are making a financial position that was already difficult - and has been exacerbated by the Covid-19 pandemic - even more challenging.
- 3.6. In its October 2023 overview report on Local Government in Scotland, Audit Scotland highlighted that increasing cost pressures jeopardise the sustainability of local services, stating that:-

The scale of the challenge that lies ahead is greater than anything local government leaders (elected members and senior officers) will have ever experienced. Councils must work on three planning horizons: continue to deliver services here and now, identify and make improvements in the short term and plan for the longer-term radical change. This is an incredibly hard thing to do with an exhausted workforce but with councils' future funding position forecast to reduce in real terms, radical change is necessary so that councils can continue to serve their communities, respond to needs, meet demand and improve outcomes for people in the future.

- 3.7. In its February 2024 report on NHS in Scotland 2023, Audit Scotland highlighted that the NHS needs to move away from short-term firefighting to long-term fundamental change, stating that:-

Significant service transformation is required to ensure the financial sustainability of Scotland's health service. Rising demand, operational challenges and increasing costs have added to the financial pressures on the NHS and, without reform, its longer-term affordability.

- 3.8. The Scottish Government's Medium-Term Financial Strategy published in May 2023 included the statement that tough and decisive action must be taken to ensure the sustainability of public finances and that future budgets can be balanced.

3. Background (Cont.)

- 3.9. In the Pre-Budget Scrutiny 2024-25: The Sustainability of Scotland's Finances, November 2023 report, the Parliament's Finance and Public Administration Committee attached importance to affordability being a key factor in decision-making.
- 3.10. All public bodies are facing huge financial pressure as a result of public sector pay deals and significant increases in inflation.
- 3.11. The South Lanarkshire IJB External Auditors, Audit Scotland, also stated the following in their 2022/2023 Annual Audit Report of the IJB:
- *With pressures on public sector funding and rising cost pressures, SLIJB face difficult decisions around the model and level of services it can provide in a financially sustainable and safe way.*
 - *Management recognise that the scale of the challenge to make the IJB financially sustainable cannot be underestimated.*
 - *In both delivery of the 2023/24 financial position as well as longer term financial sustainability the IJB face difficult decisions around the level and range of services the IJB can provide.*
 - *All members have a responsibility for working constructively and demonstrating strong cohesive leadership to fulfil the IJB's duties and meet these challenges on behalf of local people.*
- 3.12. Correspondence dated 19 December 2023 from the Scottish Government's Director of Health and Social Care Finance to all Health Boards stated that "the financial pressures across health and social care are, by far, the most challenging since devolution" and then reinforced the need for:
- A clear programme of work and supporting actions to achieve the target of 3% recurring savings on baseline budgets.
 - An improved forecast outturn position compared to your forecast outturn position reported at the start of 2023-24.
- 3.13. In order to secure recurring financial sustainability, on 28 March 2023, the IJB approved the adoption of the Sustainability and Value Programme (SAVP) approach to identify a range of potential savings options for consideration by the IJB.
- 3.14. The agreed screening scale, attached at appendix 7, has been designed to ensure that potential savings options are appraised, prioritised and then presented to the IJB for consideration in a manner consistent with statutory obligations and professional requirements. The screening scale reflects the advice of the HSCP's Medical Director, Nurse Director, Allied Health Professions Director and the SLC Chief Social Work Officer and illustrates the commitment to protect the most vulnerable people in South Lanarkshire.

3. Background (Cont.)

- 3.15. The IJB were previously advised on 18 October 2024 that the statutory duties and regulatory requirements in respect of key public protection and clinical safety services must be met and are not optional. As highlighted at appendix 8, this includes Adult Public Protection Services, Mental Health Services and Assessment and Care Management Services. Professional registration requirements must also be complied with. The demand across these statutory responsibilities has also increased over recent years. A reduction in the budget across these statutory service areas cannot therefore be considered.
- 3.16. IJB Members and IJB Voting Members participated in workshop sessions held on 9 and 15 August 2023 respectively. Whilst not decision-making forums, these interactive sessions provided the opportunity for IJB Members to consider, inform, scrutinise and challenge potential pipeline proposals presented in draft at the sessions. The third workshop held on 30 January 2024 provided an update on the funding gap for 2024/2025 and the progress to date. The workshop on 26 February 2024 presented the IJB Members with the options to set a balanced budget in advance of a briefing pack being circulated and ahead of the reports being issued for the IJB meeting on 26 March 2024.
- 3.17. At the workshop on 26 February 2024, the IJB Standards Officer outlined the duty to set a balanced budget and referred to the legislation, statutory guidance and the approved South Lanarkshire IJB Integration Scheme and Financial Regulations. This responsibility is re-enforced in the IJB Member's Code of Conduct. The IJB Standards Officer also explained that, as part of the duty to set a balanced budget, IJB Members do have the ability to put forward alternative options to the IJB for consideration if they find any part of the savings options presented to be unacceptable.
- 3.18. Alternative options need to have been assessed and confirmed as competent and deliverable, as well as fully costed, in order to be properly considered. Individual IJB Members should therefore discuss proposed alternative options in advance of the IJB meeting with the Chief Officer and the IJB Chief Finance Officer to allow these to be checked for competency and deliverability as well as being fully costed. This would allow a given IJB Member to present their alternative as a competent and deliverable amendment to the paper at the IJB meeting. Copies of any such amendments should be provided to the Clerk to allow for distribution to the IJB members. A briefing note explaining the alternative options process was circulated to IJB Members on 4 March 2024.
- 3.19. The Medium Term Financial Forecast Update report (Item 4) and the Sustainability and Value Programme Update report (Item 5) were presented to the IJB Performance and Audit Sub-Committee (PASC) on 20 February 2024. Both reports can be accessed at the following hyperlink:
- https://www.southlanarkshire.gov.uk/slhscp/downloads/download/100/ijb_meetings_dates_agendas_and_minutes_2024
- 3.20. The Scottish Government's Budget 2024/2025 was announced on 19 December 2023. The Local Government Settlement for 2024/2025 was initially announced on 21 December 2023 with the most recent update being received on 29 February 2024. In order to ensure the IJB complies with its statutory responsibility, this report recommends an IJB Financial Plan for the IJB to consider and approve in order to deliver a balanced budget for 2024/2025.

4. Financial Plan 2024/2025

4.1 Financial Planning Assumptions 2024/2025 – Projected Costs

- 4.1.1 The key highlights in respect of projected costs for social care services and health care services in 2024/2025 are noted below.
- 4.1.2 During 2023/2024, costs of £12.564m were funded using non-recurring funding solutions. This was in line with the IJB Financial Plan 2023/2024 and Budget Recovery Plan 2023/2024. The non-recurring funding solutions will not be available in 2024/2025 however the costs will recur again in 2024/2025.
- 4.1.3 The 2024/2025 pay award for each partner is still subject to ongoing national negotiation. There is therefore a significant risk that the final cost of the agreed pay award for both partners may exceed the estimated cost included within the IJB Financial Plan 2024/2025 at this stage.
- It is expected that an increase in the recurring cost as a result of the NHS pay award agreement will be met by additional recurring Scottish Government funding, consistent with previous years. In line with the Scottish Government guidance for planning purposes, a projected cost for the 2024/2025 pay award is not included in the IJB Financial Plan 2024/2025. The Scottish Government will work with NHSL Directors of Finance to finalise this position once the outcome of the national pay negotiations is known.
 - In respect of the Local Authority pay award, additional Scottish Government funding is not normally made available to meet the cost of the pay award however in 2022/2023 and 2023/2024, additional funding was allocated to meet part of the cost of the pay award. Consistent with previous years, a projected additional employee cost of £2.715m in 2024/2025 is included in the IJB Financial Plan 2024/2025. There is however a financial risk that the national pay award agreed could be higher than the pay award modelled for planning purposes. Discussions are ongoing nationally in respect of the Local Authority pay award.
- 4.1.4 The additional cost of the adult social care pay uplift across commissioned services is projected to be £13.737m. This reflects the Scottish Government announcement on 5 September 2023 in respect of the £12 per hour pay uplift for 2024/2025 for adult social care workers in the private and third sectors, in line with the real living wage foundation rate. Additional funding nationally of £230m will be transferred from the Health and Social Care Portfolio to Local Government to support this uplift. A further £11.5m nationally will also be transferred to meet the inflationary uplift on free personal nursing care rates. As highlighted at paragraph 4.2.2 and consistent with previous years, the share of the additional national funding of £13.737m will be added to the delegated social care services budget to address this cost.
- 4.1.5 National negotiations in respect of the National Care Home Contract (NCHC) rate for 2024/2025 are ongoing between Local Government, COSLA, Scotland Excel, sector representatives and Trade Unions. In addition to the living wage increase referred to at paragraph 4.1.4, a projected increase in the cost of the services commissioned from the independent sector is estimated to be £1.200m. There is a risk that the projected increase in cost could be higher.

4. Financial Plan 2024/2025 (Cont.)

4.1 Financial Planning Assumptions 2024/2025 – Projected Costs (Cont.)

- 4.1.6 Due to demand, additional nursing care home placements were made in 2023/2024. The recurring full year effect of this cost in 2024/2025 is an additional £0.797m. This relates to existing nursing care home placements. Consistent with previous years, a further cost of £0.796m is included in the financial plan to reflect the projected part year cost of an additional 5 placements per month. This relates to projected demographic growth. The total increase in costs included is £1.593m.
- 4.1.7 The recurring full year effect of 2023/2024 social care service activity is £1.000m.
- 4.1.8 Adult social care costs are projected to increase by £0.500m as a result of the transition of service users to reflect changing support requirements.
- 4.1.9 Analogue community alert alarms will become obsolete by the planned 2025 switch over to digital services by the UK Telecommunications industry. The move from the current analogue to digital provision will increase the recurring cost of the service by £0.771m. Additional recurring costs of £0.200m are also included in respect of the Home Care Workforce Scheduling system, the contract in respect of which was awarded in October 2023. The local recurring social care cost pressures therefore total £0.971m.
- 4.1.10 A recent actuarial valuation of the Strathclyde Pension Fund concluded that the level of employer pension contributions for Local Authorities will be reduced. Instead of the current contribution of 19.3%, there will be a reduction of 12.8% in the contribution rates to 6.5% for 2024/2025 and 2025/2026. In 2026/2027, the rate will increase back up to 17.5%. The net recurring reduction from 2026/2027 will therefore be 1.8%. The level of costs incurred across the delegated Adult and Older People social care services will therefore be £7.700m lower in 2024/2025. On 21 February 2024, SLC approved that an adjustment would be made between the delegated Adult and Older People services budget and the non-delegated Children and Families services budget on a temporary basis in 2024/2025 to contribute towards their continued social care services cost pressures. The total Social Work Resources Budget for 2024/2025 will remain the same.
- 4.1.11 In order to forecast prescribing expenditure for 2024/2025, an exercise was undertaken to consolidate pharmacy and medical cost projections and trend analysis. Including the 2023/2024 recurring overspend, the cost pressure in 2024/2025 is projected to be £12.335m. Prescribing cost volatility continues to represent the most significant risk within the NHSL element of the health care services budget. Action continues to be taken to review prescribing activity.
- 4.1.12 Additional posts were recruited during 2023/2024 on a permanent basis to meet increasing health care service demands. The recurring cost of these additional posts is projected to be £1.916m.
- 4.1.13 The additional recurring cost of diabetes insulin pumps provided during 2023/2024 is £1.400m.
- 4.1.14 The additional recurring cost across out of area services is £0.634m. There are also a range of other local recurring health care cost pressures including additional walking aids (£0.126m), re-banding costs (£0.106m) and other supply costs (£0.158m) totalling £0.390m.

4. Financial Plan 2024/2025 (Cont.)

4.1 Financial Planning Assumptions 2024/2025 – Projected Costs (Cont.)

4.1.15 The projected health care costs of the following ring-fenced funding allocations are included at sections A and B of appendix 1.

| | |
|----------------------------------|----------|
| Primary Care Improvement Fund | £16.689m |
| Mental Health Outcomes Framework | £2.292m |
| Multi-disciplinary Teams | £2.013m |
| Alcohol and Drug Partnership | £1.150m |
| School Nurse Posts | £0.776m |
| Family Nurse Partnership | £0.773m |
| District Nurse Posts | £0.560m |
| Total | £24.253m |

The ring-fenced funding allocations are not increased to reflect the cost of the pay award. Plans in respect of ring-fenced allocations will therefore require to be reviewed to reflect the potential impact of the cost of the 2024/2025 pay award to ensure costs are contained within the funding available.

4.1.16 The IJB is asked to approve the approach that the lead partner will continue to manage overspends or underspends on Hosted Services for 2024/2025.

4.1.17 In August 2023, the World Health Organisation declared that Covid-19 is no longer a global health emergency. Public Health have also advised there is no requirement to record covid-19 as a notifiable infectious disease.

4.1.18 The increase in costs has been projected based on the information available. There is however uncertainty in respect of some 2024/2025 cost projections due to ongoing national negotiations. A range of estimates have therefore been considered in the preparation of the IJB Financial Plan 2024/2025. The likelihood of further additional potential cost pressures continues to be monitored and assessed.

4.1.19 The increase in projected costs for health and social care services in 2024/2025 is therefore summarised as follows:

| | Reference | Social Care Services £m | Health Care Services £m | Total £m |
|---------------------------|------------|----------------------------------|----------------------------------|-------------|
| Projected Costs 2024/2025 | Appendix 1 | 34.280 | 40.928 | 75.208 |

4. Financial Plan 2024/2025 (Cont.)

4.2 Financial Planning Assumptions 2024/2025 – Projected Funding

- 4.2.1 The key highlights in respect of projected funding for social care services and health care services in 2024/2025 are noted below.
- 4.2.2 As highlighted at paragraph 4.1.4 and consistent with previous years, the share of the additional national funding of £13.737m will be added to the delegated social care services budget to address the additional projected cost of the adult social care pay uplift across commissioned services. This funding is therefore additional and not substitutional to the delegated social care services recurring budget in line with Scottish Government requirements.
- 4.2.3 Responsibility for setting social care charges was retained by local authorities when the Public Bodies (Joint Working) (Scotland) Act 2014 came into effect on 1 April 2016. The 2024/2025 charging policy in respect of the following delegated social care services was approved by the SLC partner on 21 February 2024.
- Reduce the Subsidy of the In-House Residential Care Home Services (£1.580m).
 - Increase the Taper for Non-Residential Care Services from 60% to 70% (£0.294m).
 - Reduce the subsidy of the In-House Day Services (£0.040m).
 - Introduce a new charge for the installation of key safes at each service user's home (£0.086m).

Additional recurring income totalling £2.000m per annum is projected, of which £1.000m (50%) is being allocated to the delegated social care services recurring budget. £1.000m (50%) is being retained as a contribution to the SLC funding gap in 2024/2025 which includes children and family social care cost pressures.

- 4.2.4 The funding received in 2023/2024 for sustainability, the 2023/2024 pay rise and other items in respect of the delegated health care services has been confirmed as recurring and will be added to the starting baseline for 2024/2025.
- 4.2.5 NHSL will receive an additional £6.9m to take it to within 0.6% of its target share of health service resources. Although this is an improvement of 0.2% from 0.8%, NHSL's total funding will continue to be 0.6% below their NRAC share.
- 4.2.6 There was no additional baseline uplift for 2024/2025 to fund the projected increase across prescribing, supplies and other service costs. As highlighted at paragraph 4.1.3, the Scottish Government will work with NHSL Directors of Finance to finalise the position in respect of the cost and funding of the 2024/2025 pay award once the outcome of the national pay negotiations is known.
- 4.2.7 As outlined at paragraph 4.1.15, the Scottish Government ring-fenced funding allocations for 2024/2025 are projected to total £24.253m.

4. Financial Plan 2024/2025 (Cont.)

4.2 Financial Planning Assumptions 2024/2025 – Projected Funding (Cont.)

4.2.8 On 21 February 2024, the Scottish Government confirmed consequential funding nationally of £150m for NHS Boards to reduce budget deficits forecasted at 31 March 2024.

- As a result of NHSL's stronger financial position, this consequential funding is not required to achieve breakeven in respect of the current financial year 2023/2024. The Scottish Government have therefore agreed that the NHSL share of the funding of £18.469m (12%) can be carried forward to contribute to the 2024/2025 projected funding gap.
- Recognising the cost pressures across the whole system, the NHS Lanarkshire Health Board agreed to allocate the funding to the Health Board, the North Lanarkshire IJB and the South Lanarkshire IJB based on both the recurring baseline budgets and also the national allocation formula. This is similar to the approach adopted for a general allocation uplift and also recognises the South Lanarkshire IJB 48% and North Lanarkshire IJB 52% agreement.
- Additional funding of £3.181m will therefore be available in 2024/2025 to contribute to the cost pressures across health care services. It is expected that this funding is non-recurring.

4.2.9 The increase in funding provided for health and social care services and the projected funding gap is detailed at appendix 1 and summarised as follows:

| | Social Care Services £m | Health Care Services £m | Total £m |
|--|----------------------------------|----------------------------------|--------------------|
| Projected Costs 2024/2025 | 34.280 | 40.928 | 75.208 |
| Less Recurring Scottish Government Funding | (13.737) | (24.253) | (37.990) |
| Sub Total | 20.543 | 16.675 | 37.218 |
| Less Additional Income Non-recurring Scottish Government Funding | (1.000) - | - (3.181) | (1.000) (3.181) |
| Projected Funding Gap 2024/2025 - Net | 19.543 | 13.494 | 33.037 |

4. Financial Plan 2024/2025 (Cont.)

4.3. Sustainability and Value Programme Approach – Social Care Services

- 4.3.1 As highlighted at paragraphs 3.13 and 3.14, the IJB approved the adoption of the SAVP approach to identify recurring savings across social care services.
- 4.3.2 Options to reduce social care service expenditure and budgets have been developed. The projected expenditure and budget reductions are outlined at appendix 2 and total £10.182m for consideration and approval by the IJB.
- 4.3.3 Consistent with the national 'Planning with People' guidance, public consultation was undertaken in respect of the re-provisioning of two internal residential care services. The outcome of the public consultation and the recommendation in respect of the potential savings option of £1.499m (Dewar House - £0.713m; McClymont House - £0.786m) is the subject of a separate report to the IJB on 26 March 2024. The IJB is being asked to approve the re-provisioning of residential care away from the two homes. In the event that this recommendation is agreed, a direction would be issued to SLC to make arrangements to discontinue the ongoing provision of residential care from these two facilities over a 7 month period (i.e. beyond the minimum 13 weeks required to notify the Care Inspectorate of intention to deregister) with no new admissions to be accepted. The proposed saving is highlighted at appendix 3. To manage the implementation strategy, it is proposed to allocate non-recurring bridging funding of £0.875m as outlined at paragraph 4.6.4.
- 4.3.4 Management and operational actions, projected to total £7.862m, are being progressed to control social care services expenditure and reduce budgets. The focus is on reducing expenditure through financial efficiencies with the disciplined application of processes including tighter fiscal grip and control, the acceleration of the full cost benefits of earlier approvals and the rationalisation of external contracts. The management and operational actions being taken are outlined at appendix 4 for noting.

4.4. Sustainability and Value Programme Approach – Health Care Services

- 4.4.1 In order to transform and reform services to achieve financial balance and provide the best possible care within the resources available, the new NHSL Transformation & Reform Programme for whole-system redesign has been established. The following five workstreams have been established with an immediate objective to develop proposals for reformed service models to be delivered within the budget for 2024/2025 onwards.
- Unscheduled Care
 - Planned Care
 - Mental Health Care
 - Primary Care
 - Supporting Corporate Services
- 4.4.2 The outcome of the NHSL SAVP will contribute to the overall health care funding gap with achievable savings being attributed to the South Lanarkshire IJB, North Lanarkshire IJB and NHSL Health Board fairly and transparently.

4. Financial Plan 2024/2025 (Cont.)

4.4. Sustainability and Value Programme Approach – Health Care Services (Cont.)

- 4.4.3 Recognising the necessity to move at pace, a joint approach has also been developed by the Chief Officers and the officers for North Lanarkshire and South Lanarkshire University HSCPs to identify health care savings options. This will ensure efficiency of time and effort to identify and develop the savings options and will also ensure consistency and coverage when proposed as options to each IJB where approval is required. The joint approach also helps to mitigate the significant resource and capacity required to deliver change on this scale and at pace.
- 4.4.4 As highlighted at paragraphs 3.13 and 3.14, on 28 March 2023, the IJB approved the adoption of the SAVP approach to identify recurring savings across health care services.
- 4.4.5 Options to reduce health care service expenditure and budgets have been developed. The projected expenditure and budget reductions are outlined at appendix 5. The recurring savings are projected to total £3.966m for consideration and approval by the IJB.
- 4.4.6 In order to manage health care services expenditure during 2024/2025, management and operational actions, projected to total £7.128m (Recurring £4.187m; Non-recurring £2.941m), are being progressed as outlined at appendix 6 for noting.
- 4.4.7 NHS Lanarkshire's Mental Health services are hosted within the North Lanarkshire IJB.
- As outlined at paragraph 4.4.3, in line with the joint approach agreed by the IJB Chief Officers, a Mental Health Redesign is being led by the North Lanarkshire IJB.
 - In line with the current national resource allocation formula, the saving achieved would be allocated on the basis of the South Lanarkshire IJB 48% and North Lanarkshire IJB 52% agreement. The full year effect of this recurring saving could therefore be up to £2.400m.
 - The IJB is asked to note the reliance on the achievement of this saving which is being progressed by the North Lanarkshire IJB.
- 4.4.8 The total health care savings projected for 2024/2025 are summarised as follows:

| 2024/2025 | £m |
|---------------|--------|
| Recurring | 10.553 |
| Non-recurring | 2.941 |
| Total | 13.494 |

- 4.4.9 In order to identify recurring savings, as previously reported, work is being progressed across a range of service areas to identify and evaluate opportunities to streamline management structures, maximise joint working and reduce duplication. The development of options in respect of health care services that have been consistently underspending over recent years are also being actively considered. The outcome of the ongoing service redesign options will be reported to the IJB during 2024/2025 and will identify recurring savings for consideration and approval by the IJB. A minimum recurring target saving of £2.941m requires to be identified to ensure a recurring funding solution is implemented by 31 March 2025.

4. Financial Plan 2024/2025 (Cont.)

4.5. 2023/2024 Notional Set-Aside Allocation

- 4.5.1 Consistent with previous years, the 2024/2025 notional set-aside budget will be adjusted as appropriate. This will include reflecting recurring service level agreement adjustments and any physical transfer of resources.
- 4.5.2 The agreement in place from 2016/2017 to date in 2023/2024 has been that any physical transfer of resources from the set aside will be based on agreed costed service changes. Outside of these planned changes, it has been agreed each year to date that the NHS Board will deliver the set aside services in return for the budget offered. The notional value of the set-aside budget for 2024/2025 is £70.324m.
- 4.5.3 Although under s28(4) of the Public Bodies (Joint Working) (Scotland) Act 2014, the Health Board may require the integration authority to reimburse it for the additional amount used in providing set aside services, this has not been pursued by NHSL with the IJB.
- 4.5.4 All expenditure incurred on the set-aside services to date therefore has been met by NHSL. Instead, the focus has been on whole system working through the unscheduled care board to develop future plans to cope with increased demand coupled with day-to-day integrated working to resolve the more immediate problems. This approach has allowed a constructive dialogue between the parties which focusses on the service changes that will make a difference.
- 4.5.5 The system reform assumptions in the Scottish Government Medium Term Health and Social Care Financial Framework which was published in October 2018 included material savings to be achieved from reducing variation in hospital utilisation across partnerships. Planning across the whole unplanned care pathway is key to delivering this objective.
- 4.5.6 Partnerships were advised that by the start of 2019/2020, the set aside arrangements were to be fit for purpose and enable this approach. However, there continues to be a significant time lag in being able to quantify reliably the hospital resource use in any year. The impact of the Covid-19 pandemic on the set-aside services activity levels over recent years is also not representative of normal demand and will be unique to the emergency response to the pandemic. There also continues to be a significant commitment to improving the delayed discharge performance statistics which is ensuring that bed capacity across Acute Services is maximised. It may be difficult to isolate the positive impact of the whole system approach adopted across Lanarkshire from the adverse impact of the response to the Covid-19 pandemic.
- 4.5.7 The calculation of the notional set-aside allocation and the confirmation of actual activity levels remains a complex accounting process. The allocation will be updated on receipt of the validated activity levels from ISD.

4. Financial Plan 2024/2025 (Cont.)

4.6. Non-recurring Bridging Funding 2024/2025

- 4.6.1 To contribute to financial stability across services, management and operational actions are being accelerated. Subject to IJB approval on 26 March 2024, the proposed savings options will be implemented at pace during 2024/2025.
- 4.6.2 In respect of the social care services savings, it is recognised that a part year effect only of specific savings will be achieved during 2024/2025 with the full year effect being available in 2025/2026. On 20 February 2024, the PASC endorsed the allocation of the year-end underspend across social care services of £1.272m and the reserves of £1.164m as non-recurring bridging funding whilst actions that result from the decisions taken by the IJB to set the balanced budget for 2024/2025 are implemented in-year.
- 4.6.3 In order to address the balance of the social care services funding gap of £0.812m, part of the 2024/2025 projected underspend of £1.272m is being included as a non-recurring funding solution. The balance of the non-recurring bridging funding is therefore as follows:

| Non-Recurring Bridging Funding | £m |
|---|-------|
| Projected Underspend At 31 March 2024 - Balance | 0.460 |
| IJB Reserves - Social Care Services | 1.164 |
| Total | 1.624 |

- 4.6.4 The IJB is asked to approve that the balance of the non-recurring bridging funding of £1.624m is allocated as follows:
- £0.875m is allocated to support the proposed decommissioning of the care homes, which is the subject of a separate report to the IJB on 26 March 2024.
 - £0.749m is allocated to support the implementation of the proposed savings recognising that they will take time to implement, in particular the savings in respect of the external care home placements, fleet services review, property costs reduction and management cost reduction.
- 4.6.5 In respect of the External Care At Home Services Reduction (HSCP17), it will not be possible to deliver this saving in full in 2024/2025. Reliance will therefore require to be placed on in-house turnover during the implementation phase of this saving. An indicative employee turnover target of £1.256m is therefore estimated.
- 4.6.6 Based on the total funding gap of £20.543m, the minimum part year effect of social care services savings and actions that require to be achieved in 2024/2025 is therefore £16.851m (82%).
- 4.6.7 The SLC partner has advised that, based on net favourable movements across January and February 2024 as a result of the implementation of the management and operational actions at pace, the projected underspend at 31 March 2024 will increase. Any further underspend in respect of the SLC contribution to the IJB could be retained by SLC. SLC would therefore require to consider if the further underspend was retained by SLC or by the IJB. This can only be considered by SLC when the final position is known.

4. Financial Plan 2024/2025 (Cont.)

4.6. Non-recurring Bridging Funding 2024/2025

- 4.6.8 The SLC partner is highlighting that recent pay claims presented have identified a risk that any pay deal for 2024/2025 will exceed the pay funding that has been included in the Council's Budget Strategy. The national pay negotiations are ongoing. If the retention of the further underspend by the IJB is approved by SLC, it is suggested that it would be prudent for the IJB to consider that this non-recurring funding is held as a contingency against higher than budgeted costs of pay in 2024/2025. This would be consistent with the approach adopted by SLC across non-delegated services.
- 4.6.9 As highlighted at paragraph 4.4.8, the health care services savings projected for 2024/2025 totalling £13.494m include non-recurring funding options of £2.941m.
- 4.6.10 The achievement of approved social care and health care services savings will be monitored during 2024/2025.

4.7. Delegated Authority

- 4.7.1 The 2024/2025 budget allocations will be finalised as part of the detailed budget setting process undertaken by each partner in April 2024. The IJB is asked to approve the delegation of authority to the IJB Chief Officer to finalise the 2024/2025 funding allocations, in consultation with the NHSL Director of Finance and the SLC Executive Director of Finance and Corporate Resources.

4.8. Financial Monitoring 2024/2025

- 4.8.1 The External Auditors recommended that the progress in achieving the financial strategy should be routinely reported to the IJB to ensure that the IJB is aware of potential budget overspends. Reliance is placed on the financial management and budgetary control processes embedded within each partner's existing reporting arrangements. The progress in respect of the implementation of the IJB Financial Plan for 2024/2025 will be included in the IJB financial monitoring reports throughout 2024/2025.
- 4.8.2 It is also recommended good practice that scenario planning is undertaken to assess the impact of changes to the underlying financial planning assumptions. The key principles of the IJB Medium Term Financial Forecast are being updated and will be reported to a future meeting of the PASC. A mid-year review of the IJB Financial Plan 2024/2025 will be undertaken by October 2024.

5. Employee Implications

- 5.1. In order to achieve sustainable financial balance, services require to be remodelled in consultation with both partners. In respect of the management and operational actions and the options approved by the IJB, where posts are affected, the process each partner has in place will be followed. This includes review of vacant posts, voluntary redeployment, the SLC SWITCH2 policy and the NHSL organisational change and redeployment processes, as appropriate.
- 5.2. Meetings with NHSL staff side and SLC Trade Unions are taking place as required to advise of the options being considered that have staffing implications as appropriate. In line with the implementation of transformational change proposals approved by the IJB, each partner's workforce strategy will also be updated to reflect the agreed redesign of services, as appropriate.

6. Financial Implications

- 6.1. The IJB has a statutory duty to set a balanced budget for 2024/2025. Setting and delivering financial balance is fundamental to delivering upon the priorities within the Strategic Commissioning Plan in a sustainable manner.
- 6.2. The IJB Financial Plan 2024/2025, which sets out the 2024/2025 budget for each partner, are as detailed in section 4 and appendices 1 to 6 of this report. The proposals to achieve financial sustainability in 2024/2025 are summarised as follows:

| Proposals | NHSL | | SLC | | Total | |
|---------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | £m | % | £m | % | £m | % |
| Recurring | 10.553 | 78% | 18.731 | 96% | 29.284 | 89% |
| Non-recurring | 2.941 | 22% | 0.812 | 4% | 3.753 | 11% |
| Total | 13.494 | 100% | 19.543 | 100% | 33.037 | 100% |

- 6.3. The financial implications remain indicative at this stage until the year-end outturn for the current financial year 2023/2024 is confirmed and the detailed budget setting processes in relation to the IJB are concluded.
- 6.4. IJBs continue to operate in a complex, challenging and changing environment, both locally and nationally. The scale of the challenge to make the IJB financially sustainable cannot be underestimated. The intense budget and service pressures on Local Government, NHS Boards and IJBs partners, across Scotland and locally, has been emphasised previously.
- 6.5. Due to current and future uncertainty and the Scottish Government's short-term financial planning cycle, the financial projections continue to be difficult to forecast and are subject to a high degree of financial risk, particularly in respect of pay negotiations, NCHC negotiations and projected service demand. It is anticipated that the public sector in Scotland will continue to face a range of challenges in the short and medium term. There is therefore significant uncertainty about current and future additional costs and current and future Scottish Government funding. Based on the current funding gap projections for 2024/2025, expenditure will require to be reduced to be contained within the available budget.
- 6.6. The Medium Term Financial Forecast is being updated to reflect the outcome of the financial planning assumptions for 2024/2025 for both partners and the IJB and will also be updated to reflect further updates from the Scottish Government when available.
- 6.7. There continues to be ongoing consultation with the NHSL Director of Finance and the SLC Executive Director of Finance and Corporate Resources in respect of the IJB Financial Plan 2024/2025. The available resources will be targeted to best effect to ensure the jointly agreed strategic commissioning intentions are achieved.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. The potential opportunities for positive impacts on climate change, sustainability and the environment arising from the management and operational actions and the options being considered by the IJB have been identified.

8. Other Implications

8.1. Delivering savings of the magnitude detailed in the IJB Financial Plan 2024/2025 will undoubtedly impact adversely on performance, waiting times and outcomes for the people who require access to services. The risks associated with this report are highlighted at section 4. The IJB Financial Plan 2024/2025 contributes to the mitigation of the following risks within the IJB Risk Register as follows:

- Financial Sustainability (Very High)
- Failure to meet public protection and legislative requirements (High)

8.2. The contents of this report are material to the delivery of the IJB Strategic Commissioning Plan 2022 – 2025, notably the following outcome:

- Resources are used effectively and efficiently in the provision of health and social care services (Outcome 9).

Setting and delivering financial balance is fundamental to delivering upon the priorities within the IJB Strategic Commissioning Plan 2022-2025 in a sustainable manner.

8.3. Ongoing demographic and demand pressures across health and social care services and the ability to continue to deliver services which are safe represent financial and operational risks for both partners and the IJB. Engagement with both partners, wider national networks and the Scottish Government in relation to future funding available will continue.

8.4. In order to ensure the delivery of Health and Social Care Services is financially sustainable in the short, medium and longer term, transformational change must be progressed in order to implement modern approaches to integrated service delivery and to realign funding to key service priorities.

8.5. There continues to be a high level of financial risk and uncertainty, particularly in respect of pay negotiations, NCHC negotiations and service demand. The IJB Medium Term Financial Forecast 2024/2025 will continue to evolve as the funding allocations are confirmed by SLC, NHSL and the Scottish Government.

8.6. In relation to the proposed IJB Financial Plan 2024/2025 recommended to the IJB for consideration, approval and noting as appropriate, work has been carried out by each partner to assess its deliverability. Through this exercise, risks which may impact on service delivery have been considered.

- The main risk associated with the IJB revenue budget is that either or both partners may overcommit against recurring budgets.
- On a non-recurring basis, this risk may be mitigated by the impact of vacancies and other non-recurring underspends however labour market supply challenges present a significant risk to the delivery of the IJB Strategic Commissioning Plan 2022 - 2025 intentions across the health and social care partnership.
- The total funding for 2024/2025 has not yet been confirmed by the Scottish Government. There is therefore a risk in respect of the totality of the Scottish Government funding for 2024/2025 and in future years particularly in respect of the ongoing pay negotiations.
- The overall funding available for the Primary Care Improvement Plan and prescribing volatility continue to represent the most significant risks within the Health element of the partnership's budget.

8. Other Implications (Cont.)

- 8.7. Financial risks are managed by the IJB, NHSL and SLC through their detailed budget management and probable outturn arrangements.
- 8.8. There are provisions within the IJB Financial Regulations which set out an agreed process to be followed in the event that an overspend is forecast on either partner's in scope budget.
- The IJB Chief Officer and the IJB Chief Financial Officer will agree a budget recovery plan with the relevant partner to balance the overspending budget. *(IJB Financial Regulations Section 5.15 and 5.16).*
 - In exceptional circumstances, should SLC or the Health Board require the Board to identify resources to offset an in-year overspend, they (that is, the partner) must do this by amending their contributions to the Board. *(IJB Financial Regulations Section 5.17).*
 - If the recovery plan is unsuccessful and there are insufficient general fund reserves to fund a year end overspend, then the overspending partner has the option to:
 - (i) make an additional one-off adjustment to the resources it is making available to the Board,
 - or
 - (ii) provide additional resources to the Board which are then recovered in future years from subsequent underspends in that partner's contribution, (subject to scrutiny of the reasons for the overspend and assurance that there is a plan in place to address this). *(IJB Financial Regulations Section 5.19).*
- 8.9. There are no other issues associated with this report.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1. As highlighted at section 3, IJB workshops were held to brief IJB Members in advance of the IJB Financial Plan 2024/2025 being presented to the IJB on 26 March 2024 for consideration and approval. The constructive feedback offered during these sessions is reflected in the IJB Financial Plan 2024/2025 proposed and will continue to be reflected in the further development of the Sustainability and Value Programme approach.
- 9.2. Equality Impact Assessments and Fairer Scotland Duty Assessments have been undertaken as required in respect of the proposed savings options and the management and operational actions attached at appendices 2 to 6 for consideration and approval or for noting, as appropriate. The Equality Impact Assessments and Fairer Scotland Duty Assessments have been shared with the IJB.
- 9.3. Consistent with the national 'Planning with People' guidance, consultation was undertaken in respect of the proposal to re-provision internal residential care services. This is the subject of a separate report to the IJB on 26 March 2024.

9. Equality Impact Assessment and Consultation Arrangements (Cont.)

- 9.4. The development of the options for IJB approval were informed and shaped by the dialogue that officers had with key stakeholders internally and externally. In addition to the regular engagement and dialogue with the South Lanarkshire Health & Social Care Forum, an additional meeting was convened on 8 February 2024 to seek feedback on the ongoing relevance of the IJB Strategic Commissioning Plan 2022-2025 priorities and to consider the SAVP approach and the transformation that is required including what could – or should – we do more or less of.
- 9.5. The following key observations were highlighted during the meeting:
- Early intervention and prevention should continue to be promoted and capacity should be built within the community, as well as within organisations. Support for social prescribing should also increase to help offset demand for services at an earlier stage. The good track record across the third sector of supporting people with lower-level care needs was acknowledged.
 - Care packages need to be reviewed to ensure packages that are no longer required cease. Technology and different ways of working need to be embraced.
 - Better communication on self-directed support is needed for the public to manage expectations.
 - GP access and capacity is an issue. Lanarkshire has the lowest number of GPs in Scotland per head of population. Although this is recognised as a national issue, efforts are being progressed locally to seek to address this.
 - Cognisance needs to be taken of the rurality of Clydesdale and also the lack of minor injuries support and services within the Clydesdale locality.
 - There should be a programme of recycling equipment and adaptations.
 - The work being done as part of 'Care Academy' will help to grow and recruit our own staff. The recent 'Future Fridays' (Monklands Project) event could be replicated to give young people the opportunity to consider the wide range of career options available across health and social care services. The beneficial impact of modern apprenticeships within care services was also recognised as very important.
 - Benchmarking should go beyond Scotland and the UK and consider what is happening in other countries.
- 9.6. The Chief Executive of NHSL and the Chief Executive of SLC have both been consulted on the prioritisation of services and the proposed options to reduce expenditure as outlined in the IJB Financial Plan 2024/2025.
- 9.7. The Director of Finance of NHSL and the Executive Director (Finance and Corporate Resources) of SLC have both contributed to the development of the IJB Financial Plan 2024/2025.

10. Directions

- 10.1. As part of the requirements set out in the Public Bodies (Joint Working) (Scotland) Act 2014, the IJB is required to direct NHSL and SLC to deliver integrated service provision in line with the IJB Strategic Commissioning Plan 2022 - 2025. These directions will be varied to reflect the IJB Financial Plan 2024/2025.

10. Directions (Cont.)

- 10.2. The directions will note that, following approval by the IJB, the partners will require to implement agreed efficiency savings and management actions and also to rely on reserves as appropriate in order to address the funding gap. The directions are set out in a separate report to the IJB for the following partners as appropriate.

| Direction to: | |
|--|-------------------------------------|
| 1. No Direction required | <input type="checkbox"/> |
| 2. South Lanarkshire Council | <input type="checkbox"/> |
| 3. NHS Lanarkshire | <input type="checkbox"/> |
| 4. South Lanarkshire Council and NHS Lanarkshire | <input checked="" type="checkbox"/> |

Professor Soumen Sengupta
Director, Health and Social Care

18 March 2024

Link(s) to National Health and Wellbeing Outcomes

| | |
|--|-------------------------------------|
| People are able to look after and improve their own health and wellbeing and live in good health for longer | <input type="checkbox"/> |
| People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonable practicable, independently and at home or in a homely setting in their community | <input type="checkbox"/> |
| People who use Health and Social Care Services have positive experiences of those services, and have their dignity respected | <input type="checkbox"/> |
| Health and Social Care Services are centred on helping to maintain or improve the quality of life of people who use those services | <input type="checkbox"/> |
| Health and Social Care Services contribute to reducing health inequalities | <input type="checkbox"/> |
| People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and wellbeing | <input type="checkbox"/> |
| People who use Health and Social Care Services are safe from harm | <input type="checkbox"/> |
| People who work in Health and Social Care Services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide | <input type="checkbox"/> |
| Resources are used effectively and efficiently in the provision of Health and Social Care Services | <input checked="" type="checkbox"/> |

Previous References

- ◆ IJB 28 March 2023 IJB Financial Plan 2023/2024

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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| | Ref. | Recurring / Non-recurring | 2024/2025 Social Care Services | 2024/2025 Health Care Services | 2024/2025 Total |
|--|--------|------------------------------|--------------------------------------|--------------------------------------|--------------------|
| Section A Projected Increase In Costs | | | £m | £m | £m |
| Legacy Costs 2023/2024 | 4.1.2 | Recurring | 12.564 | 0.000 | 12.564 |
| Employee Costs | 4.1.3 | Recurring | 2.715 | 0.000 | 2.715 |
| Adult Social Care Pay Uplift in Commissioned Services - Projected Cost | 4.1.4 | Recurring | 13.737 | 0.000 | 13.737 |
| National Care Home Contract Rate Increase | 4.1.5 | Recurring | 1.200 | 0.000 | 1.200 |
| Nursing Care Home Services Demand | 4.1.6 | Recurring | 1.593 | 0.000 | 1.593 |
| 2023/2024 Activity – Full Year Effect | 4.1.7 | Recurring | 1.000 | 0.000 | 1.000 |
| New Service Demand (Including Transitions) | 4.1.8 | Recurring | 0.500 | 0.000 | 0.500 |
| Local Cost Pressures – Social Care Services | 4.1.9 | Recurring | 0.971 | 0.000 | 0.971 |
| Prescribing Costs | 4.1.11 | Recurring | 0.000 | 12.335 | 12.335 |
| Additional Posts – Health Care Services | 4.1.12 | Recurring | 0.000 | 1.916 | 1.916 |
| Diabetes Insulin Pump Costs | 4.1.13 | Recurring | 0.000 | 1.400 | 1.400 |
| Out Of Area Costs | 4.1.14 | Recurring | 0.000 | 0.634 | 0.634 |
| Local Cost Pressures - Health Care Services | 4.1.14 | Recurring | 0.000 | 0.390 | 0.390 |
| Scottish Government Outcomes 2024/2025 | 4.1.15 | Recurring | 0.000 | 24.253 | 24.253 |
| Section A Total Projected Increase In Costs | | | 34.280 | 40.928 | 75.208 |

**South Lanarkshire IJB
Financial Plan 2024/2025**

Appendix 1 Cont.

| | Ref. | Recurring / Non-recurring | 2024/2025 Social Care Services | 2024/2025 Health Care Services | 2024/2025 Total |
|---|------------|------------------------------|--------------------------------------|--------------------------------------|--------------------|
| Section B Projected Increase In Funding | | | £m | £m | £m |
| Adult Social Care Pay Uplift Funding (Living Wage) | 4.2.2 | Recurring | (13.737) | 0.000 | (13.737) |
| Scottish Government Ring-fenced Funding Allocations 2024/2025 | 4.2.7 | Recurring | 0.000 | (24.253) | (24.253) |
| Additional Charging Income Approved By SLC | 4.2.3 | Recurring | (1.000) | 0.000 | (1.000) |
| Consequential Funding | 4.2.8 | Non-recurring | 0.000 | (3.181) | (3.181) |
| Section B Total Projected Increase In Funding | | | (14.737) | (27.434) | (42.171) |
| Section C Projected Funding Gap 2024/2025 | | | 19.543 | 13.494 | 33.037 |
| Section D Financial Strategy To Address Funding Gap | | | £m | £m | £m |
| Social Care Savings Options - IJB Budget Approval | Appendix 2 | Recurring / Non-recurring | (10.182) | 0.000 | (10.182) |
| Public Consultation – Re-provision Residential Care Services – Internal | Appendix 3 | Recurring | (1.499) | 0.000 | (1.499) |
| Management and Operational Actions – Social Care Services | Appendix 4 | Recurring | (7.862) | 0.000 | (7.862) |
| Health Care Savings Options - IJB Budget Approval | Appendix 5 | Recurring | 0.000 | (3.966) | (3.966) |
| Management and Operational Actions – Health Care Services | Appendix 6 | Recurring / Non-recurring | 0.000 | (7.128) | (7.128) |
| Service Redesign - Led By North Lanarkshire HSCP | 4.4.7 | Recurring | 0.000 | (2.400) | (2.400) |
| Section D Total Financial Strategy To Address Funding Gap | | | (19.543) | (13.494) | (33.037) |

Proposed Social Care Savings Options – IJB Approval

Appendix 2

| Ref. | Name and Brief Description of Saving | Saving | | |
|--------|---|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP11 | <p>Locality Team Redesign - Occupational Therapy Services <i>(Service Redesign or Reduction with no/limited impact on outcomes)</i></p> <p>As at February 2024, there are 23.65 vacant Social Worker posts. Recognising the challenges associated with recruiting Social Workers, action has already been taken to move to a multi-disciplinary approach within the Assessment and Care Management team. This is on the basis that there is a range of roles within the Assessment and Care Management team that can be undertaken by individuals who are not qualified Social Workers.</p> <p>It is proposed to accelerate the development of the multi-disciplinary approach and to strengthen the Assessment and Care Management Team capacity by redeploying up to 6 FTE Occupational Therapists (OT) to vacant posts. The OT establishment would therefore be reduced from 23 FTE to 17 FTE. As at February 2024, there are 22.44 FTE OT staff in post. OT staff redeployed to the Assessment and Care Management team would be moved into roles that would reflect and make best use of their skill set within the scope of their registration. OT staff redeployed would not undertake tasks that have to be undertaken by a qualified social worker.</p> <p>The Occupational Therapy budget would be reduced by £0.341m. This is based on 6 FTE Grade 3 Level 4 posts including oncosts. The full year effect of the saving is £0.341m.</p> | 6 | 0.341 | |

Proposed Social Care Savings Options – IJB Approval (Cont.)

Appendix 2 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|--------|---|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP12 | <p>Fieldwork Team Redesign - Community Support Services <i>(Service Redesign or Reduction with no/limited impact on outcomes)</i></p> <p>The in-house community support service is not registered with the Care Inspectorate nor are the staff registered with the SSSC. This is a legacy service intended to provide low and moderate level support for adults living with a learning disability. As part of the Day Services Review the IJB previously agreed to this service being remodelled to support care management activity for adults with substantial and critical needs who use day services.</p> <p>Community Support Teams are located within each local office. There are currently 3.8 FTE Senior Community Support posts and 8.91 FTE Community Support Worker posts totalling 12.71 FTE posts. There are currently 4.31 FTE (34%) vacancies within the Community Support Team. It is proposed to reconfigure the Community Support Team by removing the existing 12.71 FTE posts and instead establishing 5 FTE Social Work Assistant (SWA) posts. Each SWA post would be aligned to each adult day care lifestyles facility. The establishment of SWA posts would strengthen the focus of the care management role and would define where the responsibility lies for assessment, support planning, case recording and referral prioritisation. Each SWA post would provide advice, redirect to other community-based supports as an alternative to formalised services and support financial charging arrangements. Recognising that there are 4.31 FTE vacancies in respect of the 12.71 FTE budgeted posts, the actual staff in post would reduce from 8.4 FTE to 5 FTE, a reduction of 3.4 FTE. The reduction in posts will be managed through vacancies, turnover and redeployment within the service.</p> <p>The Community Support Team annual budget would reduce from £0.499m to £0.226m. The full year effect of the saving is £0.273m.</p> | 7.71 | 0.273 | |

Proposed Social Care Savings Options – IJB Approval (Cont.)

Appendix 2 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|--------|--|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP13 | <p>Property Costs Reduction (<i>Benchmarking & Efficiencies</i>)</p> <p>There are no Social Work Services operating from the Red Deer Centre. The building is owned by SLC. The most recent conditions survey advises that circa £1.1m requires to be invested to bring the property up to standard with this potential cost increasing to circa £3m to future proof the building. Plans are being developed by Housing & Technical Resources in respect of potential options for the site.</p> <p>9 community groups are using the Red Deer Centre free of charge. There is no assessed social care services requirement for these group activities to be delivered from the Red Deer Centre. This is a legacy arrangement. Recognising that the Red Deer Centre may become unavailable at a future date, discussions have been ongoing since November 2023 with the 9 community groups and support has been offered to help the groups identify alternative premises. This offer of help remains available from the Council.</p> <p>It is therefore proposed to remove the Red Deer Centre annual budget of £0.229m (Service Level Agreement with Community and Enterprise Resources - £0.115m; Property and other costs - £0.114m). The full year effect of the saving is £0.229m.</p> | - | 0.229 | |
| HSCP14 | <p>Fleet Services Review (<i>Benchmarking & Efficiencies</i>)</p> <p>Following the approval by the IJB on 18 October 2023 to continue to operate day services from 10 facilities across South Lanarkshire, a review of the annual budget of £2.474m for the provision of transport by South Lanarkshire Council Fleet Services is being undertaken in consultation with Community Resources. The current transport service provided by Fleet Services will be redesigned to reflect the decision not to re-open the eight day service facilities and to propose a fit for purpose transport model which takes better account of personal assets and self-directed support arrangements. The minimum target saving of £0.480m is proposed.</p> | - | 0.480 | |

Proposed Social Care Savings Options – IJB Approval (Cont.)

Appendix 2 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|--------|---|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP15 | <p>Stairlift Provision Reduction (Service Redesign or Reduction with no/limited impact on outcomes)</p> <p>The annual budget for the provision of stairlifts is approximately £0.900m. The most recent data available is analysed as follows:</p> <ul style="list-style-type: none"> Approximately 421 stairlifts were provided (Curved – 186; Straight – 235). The cost incurred was approximately £0.931m (Curved - £0.630m; Straight - £0.301m). The average cost of a curved stairlift is £3,400. The average cost of a straight stairlift is £1,281. There are also ongoing safety check, maintenance and repair costs for each lift accounted for within the overall budget. <p>It is proposed to reduce the stairlift budget by £0.100m. This will result in some service users waiting longer for the installation of a stairlift. The full year effect of the saving is £0.100m.</p> | - | 0.100 | |
| HSCP16 | <p>Equipment Provision Reduction (Service Redesign or Reduction with no/limited impact on outcomes)</p> <p>The equipment purchased from Equipu for service users at home includes both new and recycled items. The most recent data available is analysed as follows:</p> <ul style="list-style-type: none"> A total of 13,440 items of equipment were purchased ranging from £0.99 up to £6,347. This included 11,206 items of equipment purchased ranging from £0.99 up to £25 at a total cost of £0.147m. <p>It is proposed to reduce the equipment provision budget by £0.100m. The impact will be mitigated through the application of eligibility criteria and the further increased use of recycled equipment. Notwithstanding this, some service users may require to wait longer to receive equipment. Service users may choose to purchase their own equipment particularly when the cost of the item is less than £25. The full year effect of the saving is £0.100m.</p> | - | 0.100 | |

Proposed Social Care Savings Options – IJB Approval (Cont.)

Appendix 2 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|--------|--|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP17 | <p>External Care At Home Services Reduction <i>(Service Redesign or Reduction with impact on outcomes)</i></p> <p>In respect of the external care at home services, it is proposed that the budget is reduced by £5.459m in 2024/2025. In order to achieve this target saving, in addition to reviewing the net costs across this service, the external care at home hours commissioned would require to be reduced by up to 864 hours per month. By 31 March 2025, the total reduction across external care at home services would therefore be up to 10,368 hours per annum. The part year effect of this reduction in 2024/2025 would be £5.459m. The full year effect of this reduction in 2025/2026 would be £11.9m i.e. an additional £6.4m.</p> <p>The implementation of the budget reduction across the external care at home services will require to be flexible to take cognisance of existing care support arrangements, changes in demand and provider capacity. The external care at home core service capacity is approximately 30,552 hours per week. The average care package is 15 hours per week. The annual budget is £32.534m for directly commissioned services. The internal care at home core service capacity is approximately 24,556 hours per week. The average care package is 10 hours per week. The annual budget is £37.392m. An element of the internal budget includes the costs of the infrastructure which supports both internal and external care at home services such as management staff, contract management and dedicated care management teams in each locality. There is therefore an additional HCSP overhead within this budget which is attributable to the externally commissioned services.</p> <p>It will not be possible to deliver this saving in full in 2024/2025. Recognising the requirement to transition towards the implementation of this saving, reliance will require to be placed on in-house turnover and also non-recurring bridging funding during the implementation phase.</p> | - | 5.459 | |

Proposed Social Care Savings Options – IJB Approval (Cont.)

Appendix 2 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|-------------------|---|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP17 (Cont.) | <p>External Care At Home Services Reduction (Cont.) <i>(Service Redesign or Reduction with impact on outcomes)</i></p> <p>The strategy to establish Home First Teams across all localities is ensuring a self-directed support plan is in place to deliver care to those assessed as having critical and substantial needs. Home First uses a re-ablement approach to optimise independence over a six week period, enabling people to remain in their own homes, or supporting discharge from hospital with the support of health, social care and third sector provision to meet any ongoing needs identified. As Home First gradually embeds across all four localities, there is an emerging pattern of a reduction of ongoing care at home support, with an average of a 30% reduction. Pathways are being fully established and recruitment is ongoing to scale the Home First teams up to fully operational levels. Home First intervention is having a positive impact on managing demand through early assessment activity and is reducing care hours across both internal and external care packages. Existing external care at home packages are also being reviewed to reduce care hours committed in line with the care package size for the internal care at home service. The use of moving and handling equipment to reduce the need for two carers and the increased use of technology in assessment and provision of care is also ensuring the size of the care package is optimal.</p> <p>The demand for Care at Home Services will continue to be monitored to ensure the available capacity is directed to critical and substantial needs as per current SLC policy. There will be an increase in the waiting lists for access to care at home services and this will impact on both service users being discharged from hospital and waiting in the community. Every action will be taken to mitigate this.</p> | | | |

Proposed Social Care Savings Options – IJB Approval (Cont.)

Appendix 2 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|--------|--|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP18 | <p>External Care Home Placements – Manage Demand <i>(Service Redesign or Reduction with impact on outcomes)</i></p> <p>Progressing full implementation of the ‘Home First’ approach to care at home is therefore pivotal to success in reducing demand on ongoing requirements and associated budget savings. Until such time as the approach is fully embedded, there may be additional waits for access to care at home services which would impact equally on those awaiting discharge from hospital as well as those waiting for care in their own homes. Work is also ongoing with acute colleagues as part of ‘Operation Flow’ to reduce the current levels of demand for services, provide more ‘planned dates of discharge’ where support for discharge is required and thereafter, to avoid ‘on the day’ cancellations. As well as reducing demand on care at home, this would also improve flow across the system.</p> <p>The approach to date has been to fund an additional 5 nursing care home placements per month to reflect annual demographic growth. The part year effect of these additional nursing care home placements would cost an additional £0.796m. It is proposed to manage the demand in 2024/2025 and not make an additional 5 placements per month.</p> <p>There will be an increase in the waiting lists for access to long term care placements and this will impact on both service users being discharged from hospital and waiting in the community. Every action will be taken to mitigate this. The requirement to accelerate the work within - and with - Acute Services across all patients as part of Operation FLOW in order to reduce lengths of stay and reduce hospital occupancy is critical to ensuring the overall delayed discharge position is managed and flow is improved.</p> <p>The full year effect of the saving is £0.796m.</p> | - | 0.796 | |

Proposed Social Care Savings Options – IJB Approval (Cont.)

Appendix 2 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|--------|--|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP19 | <p>External Care Home Placements – Existing <i>(Service Redesign or Reduction with impact on outcomes)</i></p> <p>On average, the cost of 55 new nursing care home placements starting each month is offset by existing nursing care home placements ending. It is proposed to reduce the nursing care home budget by £1.592m. This would be achieved by making 45 nursing care home placements each month instead of 55. The net effect is a reduction in capacity of 10 placements per month. This assumes decrement will still be on average 55 placements per month. This also reflects the increased range of services in the community that are available to allow more people to be able to stay at home independently for longer.</p> <p>There will be an increase in the waiting lists for access to long term care placements and this will impact on both service users being discharged from hospital and waiting in the community.</p> <p>Every action will be taken to mitigate this. The requirement to accelerate the work within - and with - Acute Services across all patients as part of Operation FLOW in order to reduce lengths of stay and reduce hospital occupancy is critical to ensuring the overall delayed discharge position is managed and flow is improved.</p> <p>The full year effect of the saving is £1.592m.</p> | - | 1.592 | |

Proposed Social Care Savings Options – IJB Approval (Cont.)

Appendix 2 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|--|--|--------------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP20 | <p>Non-Recurring Year-End Underspend <i>(Service Redesign or Reduction with no/limited impact on outcomes)</i></p> <p>Based on the period 10 position, an underspend of £1.292m at 31 March 2024 was projected across social care services. As this underspend is in respect of the SLC contribution to the IJB, the underspend could have been retained by SLC. On 24 January 2024, the SLC Executive Committee approved that the underspend is retained by the IJB and is held in IJB earmarked reserves for future costs. This is in line with the approach to integrating health and social care budgets.</p> <p>It is proposed that £0.812m of the projected underspend is allocated to address the funding gap. This is a non-recurring funding solution. The balance of the projected underspend of £0.480m will be held in IJB earmarked reserves as non-recurring bridging funding whilst actions that result from the decisions taken by the IJB to set the balanced budget for 2024/2025 are implemented in-year.</p> | - | - | 0.812 |
| Total Proposed Social Care Savings Options - IJB Approval | | 13.71 | 9.370 | 0.812 |
| | | | 10.182 | |

| Ref. | Name and Brief Description of Saving | Saving | | |
|--------|---|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP21 | <p>Re-provisioning Residential Care Services – Internal <i>(Service Redesign or Reduction with no/limited impact on outcomes)</i></p> <p>Following the extensive consultation process undertaken to shape the IJB SCP 2022-25, communities and stakeholders confirmed that enabling and maintaining independent living in people’s own homes wherever appropriate was a key priority. An important aspect of this involves the IJB and the SLC partner working together to deliver more support and interventions at home alongside the building of and adapting of flexible and connected homes for the future, reflective of a progressive housing approach.</p> <p>In recognition of this, the IJB has invested in a range of services to be able to support people with social care needs - and an increasing range of health needs - in their own homes. As such, going forward, when people are at a level of frailty such that they require 24/7 care, it is highly likely that they will require nursing care. Even if there is not an immediate assessed need for nursing care at time of admission to 24/7 care, it is probable that they will require nursing care at a time in the near future. Such care cannot be provided by staff in residential care establishments as they do not have any clinical qualifications. It is also proving difficult to find sufficient staffing to be able to staff the residential care homes to the required statutory level. Currently, when people in residential ‘social care’ establishments are assessed as requiring ongoing nursing care, they have to be transferred to a nursing home which has that level of care available.</p> <p>As the number and complexity of services available to people in their own homes increase, then so too there is a reduced requirement for 24/7 social care support – as delivered in residential care homes. The SLC partner currently operates five residential care services, four of which are delivered within SLC-owned buildings and the fifth in a property leased from an external provider. The five care homes have a total of 170 registered beds, 25 of which are decommissioned.</p> | 70.75 | 1.499 | |

Public Consultation Option (Cont.)

Appendix 3 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|-------------------|---|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP21 (Cont.) | <p>Re-provisioning Residential Care Services – Internal (Cont.) <i>(Service Redesign or Reduction with no/limited impact on outcomes)</i></p> <p>Having regard to the increased range of services available to people in the community and the current capacity of and reducing demand for the five residential care homes, the IJB approved a consultation process in respect of the commissioning of residential care service places from Dewar House and McClymont House Care Homes. This consultation process followed the ‘Planning with People’ and ‘COSLA’ guidance and involved direct engagement with residents, relatives, staff and wider stakeholders in the respective geographical areas. The SLC partner also notified the Care Inspectorate that the engagement process in the respective homes was being undertaken.</p> <p>The outcome of the above consultation process is the subject of a separate report to the IJB on 26 March 2024. The IJB is being asked to approve the re-provisioning of residential care away from the two homes. In the event that this recommendation is agreed, a direction would be issued to SLC to make arrangements to discontinue the ongoing provision of residential care from these two facilities over a 7 month period (i.e. beyond the minimum 13 weeks required to notify the Care Inspectorate of intention to deregister) with no new admissions to be accepted. Subject to the IJB decision, the full year effect of the saving would be £1.499m. This is the net saving after taking into account the cost of additional nursing care placements. In order to manage the lead-in period to any closure of the facilities if approved, it is proposed to allocate non-recurring bridging funding of £0.875m as outlined at paragraph 4.6.4.</p> <p>It should also be noted that any impact on displaced employees and any associated costs would be managed in line with natural turnover and redeployment to other Social Care posts and in line with the SLC Collective Agreement to redeploy employees. There are 70.75 FTE members of staff working in these two care homes. Staff who could be potentially affected and Trade Unions have already been advised of the proposals and will continue to be updated throughout the process.</p> | | | |

**Management and Operational Actions - Social Care Services
Grip and Control**

Appendix 4

| Ref. | Name and Brief Description of Saving | Saving | | |
|--------|---|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP01 | <p>Stop Interim Care Home Placements <i>(Benchmarking & Efficiencies)</i></p> <p>A recurring budget of £0.850m was allocated to provide additional interim care home beds. This funding was used to provide pathways for people to be discharged from hospital in a timely and safe fashion to support hospital and system flow. The interim care home placement duration ranged from a minimum of 3 days up to a maximum of 6 weeks.</p> <p>Reliance is now being placed on the impact of reablement and the Home First Programme approach to support more people to remain at home or to return home directly following discharge from hospital. When assessed as being required, reliance is also being placed on the identification of and the smooth and timely transition to a suitable long term care home placement. Blantyre Life is also now available and provides short term rehabilitation for some people who may previously have been placed in a care home on an interim basis. An exit strategy in respect of existing interim care home placements was agreed and has been implemented. The full year effect of the saving is £0.850m.</p> | - | 0.850 | |
| HSCP02 | <p>Change In Circumstances – Existing Care Home Placements <i>(Benchmarking & Efficiencies)</i></p> <p>This budget reduction recognises that over recent years changes to the financial circumstances of existing residents in external care home placements is resulting in a reduction in the council contribution towards care home fees. The full year effect of the saving is £0.796m.</p> | - | 0.796 | |

Management and Operational Actions - Social Care Services (Cont.)
Grip and Control (Cont.)

Appendix 4 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|--------|--|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP03 | <p>Emergency Care Home Placement Duration <i>(Benchmarking & Efficiencies)</i></p> <p>The duration of emergency care home placements in nursing care homes will be minimised for service users who are assessed as requiring long term nursing care support arrangements. This avoidance of unproductive delay provides benefit to the Adult and their family. The net effect is a reduction in the council contribution towards the nursing care home costs. A saving of £0.825m is projected.</p> | - | 0.825 | |
| HSCP04 | <p>Budget Release – Post Covid <i>(Benchmarking & Efficiencies)</i></p> <p>The removal of the £2 payment allowance per shift worked has been agreed and was implemented from 18 January 2024. This reflects the declaration by the World Health Organisation in August 2023 that COVID 19 is no longer a global health emergency. Public Health have also advised there is no requirement to record COVID as a notifiable infectious disease. The additional payment is no longer applicable. The full year effect of the saving is projected to be £0.600m.</p> | - | 0.600 | |

Management and Operational Actions - Social Care Services (Cont.)
Grip and Control (Cont.)

Appendix 4 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|-------------------------------------|---|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP05 | <p>Maximising Self-Directed Support Options (Respite Services) <i>(Service Redesign or Reduction with no/limited impact on outcomes)</i></p> <p>Direct payments to carers total approximately £1.2m per annum. Following a review and benchmarking of the allocation method for carer's respite budgets, the model has now been aligned with other Health and Social Care Partnerships. A reduction in expenditure of £0.250m is projected. The revised approach includes a financial benchmark applied to both the supported person and the carer's support plans. The eligibility threshold for support is set at substantial or critical. The revised approach which has been adopted is more up-to-date, consistent, proportionate and equitable. It also provides better flexibility in terms of choice and control, includes the opportunity to choose one of the self-directed support options and is in line with the principles of the carer's statutory guidance and the carers charter. The full year effect of the saving is £0.250m.</p> | - | 0.250 | |
| HSCP06 | <p>Previous Years Income Recovery <i>(Benchmarking & Efficiencies)</i></p> <p>Following confirmation of financial guardianships, increased income recovery levels from residents in care home placements in respect of prior year care costs has been achieved. The income budget will be increased by £0.500m. The full year effect of the saving is £0.500m.</p> | - | 0.500 | |
| Sub Total – Grip and Control | | - | 3.821 | - |

Management and Operational Actions - Social Care Services (Cont.)
Accelerate Full Cost Benefits Of Earlier Approvals Across Redesigned Services

Appendix 4 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|--|--|----------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP07 | Management Cost Reduction <i>(Service Redesign or Reduction with no/limited impact on outcomes)</i> The management structure across reduced and redesigned services will be reduced to reflect operational changes during 2023/2024. On completion of the review, the management structure will reduce by up to 8 FTE posts. The part year effect of the target saving will be £0.221m. The full year effect of the saving will be £0.442m. The reduction in posts will be managed through vacancies, turnover and redeployment within the service. | 8 | 0.442 | |
| HSCP08 | Property and Transport Cost Reduction <i>(Benchmarking & Efficiencies)</i> Following IJB approval on 18 October 2023 to continue to operate day services from 10 facilities across South Lanarkshire, operational costs are reduced by £0.620m following the closure of 8 day service facilities. The full year effect of the saving achieved will be £0.620m. | - | 0.620 | |
| Sub Total - Accelerate Full Cost Benefits Of Earlier Approvals Across Redesigned Services | | 8 | 1.062 | - |

Management and Operational Actions - Social Care Services (Cont.)
Rationalisation Of External Contracts

Appendix 4 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|--------|---|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP09 | <p>Maximising Self-Directed Support Options (External Day Services) <i>(Service Redesign or Reduction with no/limited impact on outcomes)</i></p> <p>A care review for service users attending external day services is being progressed to ensure compliance with the agreed self-directed support fiscal framework. This may impact on those service users whose care package costs exceed the resource funding allocation. The full year effect of the saving is £0.250m.</p> | - | 0.250 | |
| HSCP10 | <p>Procurement Reviews <i>(Service Redesign or Reduction with no/limited impact on outcomes)</i></p> <p>Services are commissioned through a range of contracts including care at home and supported living services, the national care home contract and a range of specialist and bespoke provision. The SLC partner spends approximately £105m on contracted services. In 2021, the Commissioning and Review team was established to review the existing contractual arrangements in respect of care services, including out-of-area placements. Recurring procurement efficiencies are being achieved.</p> <p>A target of £2.729m was set in respect of the financial year 2024/2025. Procurement reviews have progressed to secure this saving and effective from 1 April 2024, £1.611m (59%) of the target saving of £2.729m will be in place. Ongoing reviews to achieve the balance of the target of £1.118m are being progressed. This includes the review and reconfiguration of the in-house supported living services and the review of external specialist residential care services.</p> | - | 2.729 | |

Management and Operational Actions - Social Care Services (Cont.)
Rationalisation Of External Contracts (Cont.)

Appendix 4 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|--|--|----------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP10 (Cont.) | <p>Procurement Reviews (Cont.) <i>(Service Redesign or Reduction with no/limited impact on outcomes)</i></p> <p>The existing additional support, high level care packages and specialist support arrangements across the four localities are also being reviewed. This includes consideration of the age profile of existing service users and the suitability of alternative placements that continue to meet care needs at a lower cost. The Commissioning and Review team will continue to strengthen the connections between commissioning, procurement and quality assurance. The robust oversight of contracted services will continue to be maintained and further service redesign opportunities to improve outcomes for vulnerable service users will be identified. The total projected saving is therefore £2.729m.</p> | | | |
| Sub Total - Rationalisation Of External Contracts | | - | 2.979 | - |
| Total Management and Operational Actions – Social Care Services | | 8 | 7.862 | - |

Proposed Health Care Savings Options – IJB Approval

Appendix 5

| Ref. | Name and Brief Description of Saving | Saving | | |
|--------|--|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP22 | <p>Prescribing Efficiencies <i>(Service Redesign or Reduction with no/limited impact on outcomes)</i></p> <p>A Lanarkshire-wide review of prescribing activity is being led by the NHSL Executive Medical Director. 48% of the total South and North Lanarkshire savings achieved will be allocated to the South Lanarkshire IJB. The savings target of at least £1.920m is based on the outcome of the following reviews:</p> <ul style="list-style-type: none"> ▪ Poly Pharmacy Reviews £0.960m ▪ Review of medicines with low therapeutic value £0.720m ▪ Script Switch savings £0.240m <p>This Prescribing Efficiencies Programme will bring South Lanarkshire's prescribing levels closer to the level of a comparable Health Board. A range of initiatives have been progressed at pace to support prescribing expenditure reductions. The FYE of this recurring saving is £1.920m.</p> | - | 1.920 | |
| HSCP23 | <p>Non-Pay Cost Reduction <i>(Benchmarking & Efficiencies)</i></p> <p>A review has been undertaken of non-pay expenditure. Underspends have been identified which have consistently been reported over a number of years including transport costs and travel and subsistence costs. A recurring saving of £0.836m is therefore proposed.</p> | - | 0.836 | |

Proposed Health Care Savings Options – IJB Approval (Cont.)

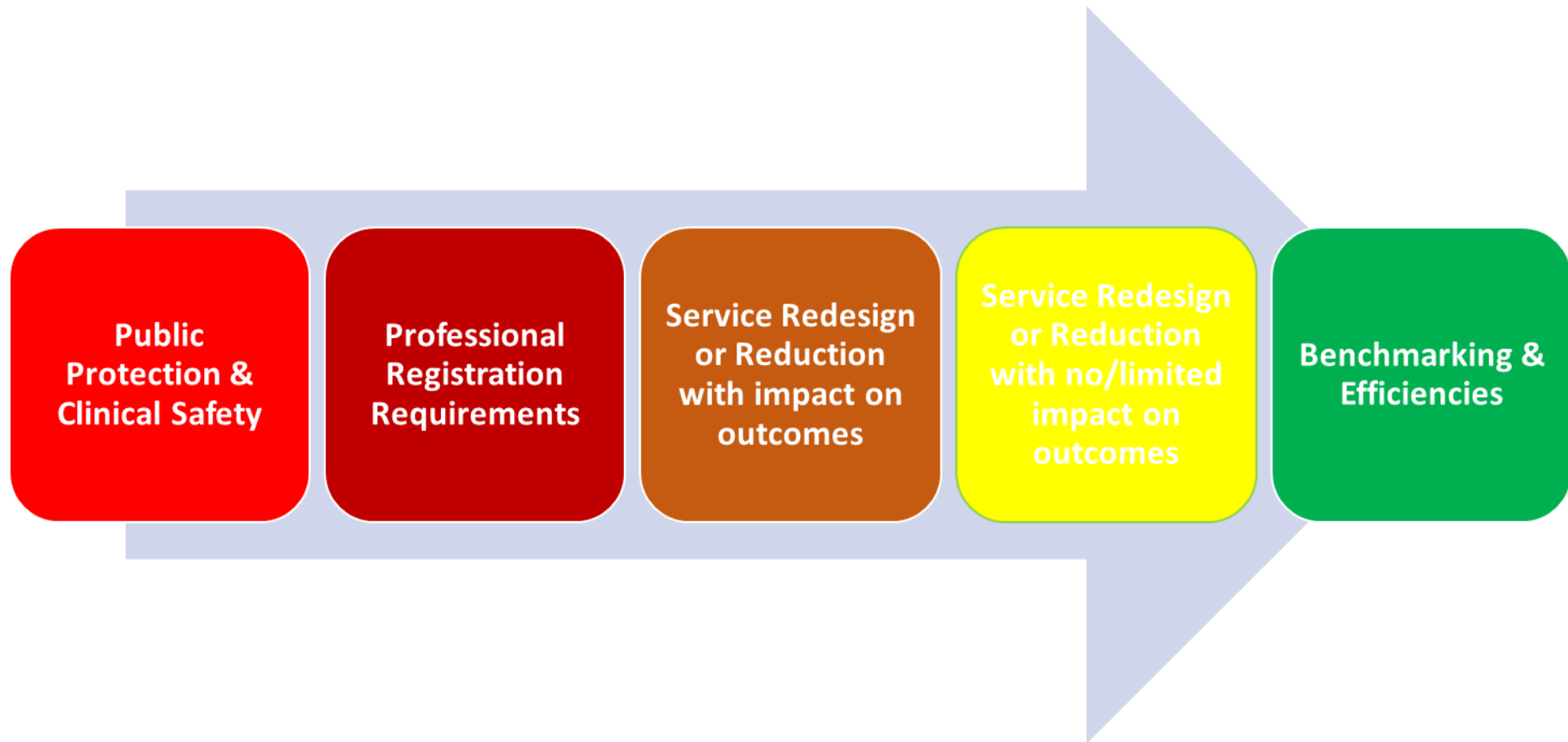
Appendix 5 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|--|---|-----------------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP24 | <p>Physiotherapy Services and Occupational Therapy Service Redesign <i>(Service Redesign or Reduction with no/limited impact on outcomes)</i></p> <p>On 19 September 2023, the IJB approved the exploration of transformational change and potential service redesign of the Occupational Therapy (OT) and Physiotherapy (PT) Services. OT Services support people of all ages who have challenges in completing daily activities due to physical, mental or cognitive conditions. It works with people of all ages with a wide range of conditions to maximise their independence and participate in activities that are important to them. PT Services similarly support people to regain movement and function which has been lost or impaired as a result of injury, illness or disability. Both services work across primary, community and inpatient healthcare settings. An underspend across both services has been reported over recent years. Due to the complementary nature of PT and OT services, it is proposed to move towards combining the two services into a joint Rehabilitation Service. A Short Life Working Group was established and included Professional, HR and Trade Union colleagues. An implementation strategy is proposed to transition towards the following over the next 18 months:</p> <ul style="list-style-type: none"> ▪ A joint Rehabilitation service with a combined leadership structure. ▪ Maximise efficiencies of service delivery models within the combined structure. <p>The FYE of the proposed saving is £1.210m, which equates to 6% of the overall combined budget. This saving will be recurring.</p> | 20 (Approx.) | 1.210 | |
| Total Proposed Health Care Savings Options - IJB Approval | | 20 | 3.966 | - |

| Ref. | Name and Brief Description of Saving | Saving | | |
|--------|---|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP25 | <p>Over-established Posts <i>(Service Redesign or Reduction with no/limited impact on outcomes)</i></p> <p>Over recent years, additional posts have been recruited to in order to manage demand. Within the existing staffing establishment, action will be taken to align recurring funding as a result of current and emerging vacant posts to the over-established posts. The FYE of this action is projected to be £1.993m. This saving will be recurring.</p> | - | 1.993 | |
| HSCP26 | <p>Financial Management <i>(Benchmarking & Efficiencies)</i></p> <p>Alongside more disciplined spend controls, work is being expediated in relation to efficiency and productivity measures, as well as consideration of the use of technology. All budget holders and clinical leads will be expected to work together to ensure services continue to be delivered safely within their means with no overspends. There will also be additional authorisation of discretionary spend, vacancies, staffing hours and agency use. Action is also being taken to review and reduce core costs, including the optimal alignment of funding available to key service priorities. The FYE of this saving is projected to be £2.194m.</p> | - | 2.194 | |
| HSCP27 | <p>Reliance On Reserves <i>(Service Redesign or Reduction with no/limited impact on outcomes)</i></p> <p>The commitments in respect of the IJB reserves held for health care services totalling £20.027m at 31 January 2024 were reviewed. On 20 February 2024, the PASC endorsed the realignment of reserves balances totalling £3.5m. Based on the January 2024 financial position, it is projected that £1.619m of this reserves funding will be required to achieve a break-even position on 31 March 2024. The balance of the reserves funding of £1.881m would therefore be available to contribute to the funding gap in 2024/2025.</p> | - | - | 1.881 |

Management and Operational Actions – Health Care Services (Cont.)
Appendix 6 (Cont.)

| Ref. | Name and Brief Description of Saving | Saving | | |
|--|---|--------|-----------------|---------------------|
| | | FTE | Recurring £m | Non-Recurring £m |
| HSCP28 | Employee Turnover <i>(Service Redesign or Reduction with no/limited impact on outcomes)</i> Recruitment and retention challenges for the NHSL partner are expected to be ongoing in 2024/2025. The local recruitment and retention challenges are consistent with the national challenges being experienced across health care services. Action is continuing to be taken to progress recruitment however it is recognised that despite these best efforts, there will be an underspend across employee costs in 2024/2025 as a result of vacancies. Reliance is therefore being placed on a projected underspend of £1.060m across employee budgets in 2024/2025. This is a non-recurring funding solution in 2024/2025. | - | - | 1.060 |
| Total Management and Operational Actions – Health Care Services | | - | 4.187 | 2.941 |
| | | | 7.128 | |



Red Service Areas – To Be Protected

Appendix 8

1. Assessment and Care Management Teams

| | |
|---|--|
| Description Social Workers, Social Work Assistants, Occupational Therapists and Mental Health Officers, mainly based in the community, with smaller hospital teams. | |
| Purpose This is the core Social Work Service, responsible for delivering the Council's statutory duties in respect of Social Work legislation (the Social Work Scotland Act, Community Care Act, Self-directed Support legislation, Mental Health legislation, Adults with Incapacity Act, Adult Protection Act) and associated activities e.g. reviews for Care at Home services, functional assessments related to physical impairments. | |
| Budget Value = £14.943m | To save £1m = 19 Social Workers |
| Impact of budget cut on service users, staff and compliance with legal requirements This service is already stretched due to a high level of job vacancies and difficulty recruiting to these posts. Underspend is contributing to non-recurring solutions in-year. Any permanent reduction in posts would result in the Council failing to deliver its statutory responsibilities for its most vulnerable citizens, be intolerable for staff, and leave the service open to legal challenge and judicial review. The Council would fail to meet its legal requirements for public protection and assessment and care management. | |
| Risk Rating – Red | |

2. Direct Payments

| | |
|---|---|
| Description This is a statutory requirement in line with Self Directed Support arrangements and is allocated post assessment. | |
| Purpose To ensure the person has choice and control over the management of their assessed needs. | |
| Budget Value = £10.537m | To save £1m = This is not achievable as this budget is committed to support people's care. |
| Impact of budget cut on service users, staff and compliance with legal requirements This is a statutory duty. Of the four Self Directed Support Act options available, the first option of a direct payment totals £8.872m, 84% of the budget. In respect of Local Government Benchmarking, SLC is at the lower end of the performance scale. | |
| Risk Rating – Red | |

3. Reduce or Stop Various Procured and Contracted Services

| | |
|---|---|
| Description Independent providers of services for carers, Self-Directed Support advisory services, Advocacy, and Mental Health, employing staff living in Lanarkshire. | |
| Purpose Meeting the need of various vulnerable groups within South Lanarkshire. Independent advocacy provision and carer assessments are linked to statutory functions. | |
| Budget Value = £4.396m | To save £1m = Require the budget to reduce by 23%. |
| Impact of budget cut on service users, staff and compliance with legal requirements Some service users will struggle to access the support that maintains their independence, while others such as unpaid carers will find it harder to continue providing unpaid care, which is likely to adversely affect their health and wellbeing. Contractual efficiencies already contribute to the in-year budget plan and the Council's commissioning team is reviewing all legacy and out-of-date contracts. All new contracts have already been through best value procurement processes. Council would fail to meet its legal requirements for assessment of carer needs and duty to provide independent advocacy. | |
| Risk Rating – Red | |

4. Reduce or Stop Home First re-ablement Service

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|---|---|
| Description In-house support for older people to continue to live in their own homes, optimising their independence to either avoid hospital admission or facilitate hospital discharge, employing a high volume of staff who live in Lanarkshire. | |
| Purpose Meeting the need for older people to receive personal and social care, but not nursing care, at home in South Lanarkshire. | |
| Budget Value = £6.366m | To save £1m = Reduce 21 Care at Home staff |
| Impact of budget cut on service users, staff and compliance with legal requirements This budget reduction would severely limit the achievement of the required objectives to maximise people's independence and maintain them at home. It would also have an adverse impact on delayed discharge and increase waiting lists in the community. | |
| Risk Rating – Red | |

5. Housing Services and Community Services

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|--|---|
| Description | |
| The budget delegated to the IJB is respect of Housing Revenue Account. | |
| Purpose | |
| The Housing Revenue Account is a ring-fenced account that records the income and expenditure in relation to a local authority's own direct provision of housing. | |
| Budget Value = £2.981m | To save £1m = This is not an option. |
| Impact of budget cut on service users, staff and compliance with legal requirements | |
| This is not an option. | |
| Risk Rating – Red | |