

**Title/Subject:** Budget Report 2019/20  
**Meeting:** Integration Joint Board  
**Date:** 28 March 2019  
**Submitted By:** Chief Finance Officer  
**Action:** For Decision

## 1. INTRODUCTION

- 1.1. The purpose of this report is to set out the IJB's revenue budget for 2019/20, including savings proposals for approval. The report aims to describe the main areas of transformation for the next 5 years, which in turn link with the priorities set out in the Strategic Plan. The report also sets out the projected use of reserves for 2019/20.

## 2. RECOMMENDATION

The IJB is asked to:

- 2.1. note the key points arising from the Scottish Government financial settlement.
- 2.2. accept the formal settlement offers from Falkirk Council and NHS Forth Valley as being in line with Scottish Government guidance.
- 2.3. note the transformation work set out in section 6 of the report and that a more detailed delivery plan will be developed.
- 2.4. approve the revised savings options for Adult Social Care.
- 2.5. note that options for Health Services will be presented to the IJB for approval at a future meeting.
- 2.6. note that work is ongoing to fully implement the set aside arrangements during 2019/20.
- 2.7. note the proposed use of reserves as set out in section 7 of this report.
- 2.8. approve the Directions appended to this report.

## 3. BACKGROUND

- 3.1. The [Integration Scheme](#) of the Falkirk IJB sets out how Falkirk Council and NHS Forth Valley will work together to integrate services. The scheme has a Finance section which outlines the mechanism for agreeing the payments from both partners to the

IJB. Section 8.3 of the scheme covers the requirement for a business case to be presented by the IJB to the partners as part of the negotiation process.

- 3.2. In November 2018 the IJB approved the draft [Business Case](#) for submission to Falkirk Council as part of its budget setting process. This report focussed on Adult Social Work as health data was in the process of being collated. Falkirk Council considered the Business Case at their meeting on 5 December 2018. A verbal update on the outcome of that consideration was provided to the IJB at its meeting on 7 December 2018. A further update on the ongoing budget negotiations within Scottish Government was given at the IJB meeting on 1 February 2019.
- 3.3. The identification of savings for the health arm of the budget has mainly been through the Senior Leadership Team as in previous years. Directorates have been asked to identify savings against a target set by the Director of Finance. The options prepared by Directorates are being reviewed and worked into a more detailed plan.

## **4. BUDGET CONTEXT**

### **Strategic Plan**

- 4.1. The IJB has received reports on the development of the Strategic Plan 2019-22 and joint workshops have been held with the Strategic Planning Group (SPG) and the IJB to review the Strategic Plan and identify emerging priorities.
- 4.2. In preparing and publishing Strategic Plans, IJBs must ensure stakeholders are fully engaged in the preparation, publication and review of the Plan, in order to establish a meaningful co-productive approach.
- 4.3. The Strategic Plan sets out how the IJB will plan and deliver services for the Falkirk area over the medium term, using the integrated budgets under their control. The Plan sets out how the IJB will deliver the national outcomes for health and wellbeing, and achieve the core aims of integration to:
  - improve the quality and consistency of services for patients, carers, service users and their families
  - provide seamless, integrated, quality health and social care services in order to care for people in their homes, or a homely setting, where it is safe to do so
  - ensure resources are used effectively and efficiently to deliver services that meet the needs of the increasing number of people with long term conditions and often complex needs, many of whom are older.
- 4.4. The Strategic Plan will also provide clarity to the constituent authorities (Falkirk Council and NHS Forth Valley) about what they are required to operationally deliver. This will be set out in Directions issued by the IJB, following approval of the budget.

- 4.5. The Strategic Plan sets the vision, strategic outcomes and priorities for the IJB and the Health and Social Care Partnership and will be translated into a delivery plan. The budget will align with both of these documents, helping to identify the key pieces of investment or disinvestment required to deliver the necessary transformation and change.
- 4.6. The business plan presented to the IJB in November 2018 described a direction of travel for Adult Social Work Services, listing key pieces of work required. Section 6 of this report includes an outline of the work that is required across the Partnership as a whole.

### **Economic Outlook**

- 4.7. It is difficult to predict the economic outlook for Scotland and the wider UK with any accuracy, mainly as a result of Brexit. The Fraser of Allander Institute has forecast a growth of 1.4% in 2019/20, predicated on a smooth Brexit.
- 4.8. The Institute for Fiscal Affairs (IFS) recently published their outlook for what might happen in the UK 2019 Spending Review, the impact of which will flow to the Scottish Government via any Barnett Formula related funding consequentials. The report highlights the variance in protected and unprotected budgets – the former being NHS, defence and international aid and the latter being for example local government and therefore adult social care. Where protected areas are expected to receive a real terms increase in funding, unprotected budgets are expected to receive year on year decreases.
- 4.9. In March the Chancellor presented his Spring Statement 2019, responding to the recent forecast from the Office for Budget Responsibility (OBR). No significant fiscal decisions were presented, possibly reflecting the ongoing uncertainties as a result of Brexit.
- 4.10. The next Spending Review will cover 3 years from 2020/21. Borrowing is forecast to remain low and within the fiscal target of a deficit below 2% of national income in 2020/21. As a result, spending could rise even for unprotected departments, and still be within the GDP target, according to the IFS. However the IFS caution that OBR forecasts assume a smooth Brexit.

### **Demographic Outlook**

- 4.11. The Chancellor confirmed that the fourth year of the benefit freeze is going ahead, which has the potential to impact on existing implications in the Falkirk area.
- 4.12. In December 2018 the HSCP published its refresh of the [Strategic Needs Assessment](#) (SNA). Some points to highlight from the SNA include:
- estimates suggest the population of Falkirk has increased by 1.6% over the last 3 years

- the size and age structure of the Falkirk population is projected to experience significant change between now and 2041 with the number of individuals aged 75+ expected to almost double.
- however, population growth for Falkirk does not appear to have continued at the rate expected in the 2012 NRS Population Projections.
- the population is expected to include increasing numbers of individuals with multiple long term conditions.
- all cause mortality rates for age ranges 15-44 years old have increased for the most deprived area but in the least deprived area the rate has been declining. Nationally there have been reductions in both areas. This suggests that health inequalities within Falkirk are widening.
- in the period 2004 to 2014, there was an increase in the numbers of deaths from suicide with most of the increase happening in the later part of that period. Across Scotland, in the same period, there was a reduction. The percentage of people prescribed drugs for anxiety/depression or psychosis is also higher in Falkirk than the Scottish average.
- whilst deaths due to alcohol conditions in Falkirk have declined, drugs related deaths have almost tripled over the last decade.
- there is an ageing workforce with many staff potentially nearing retirement. There is an anticipated shortfall in newly qualified GPs and it is notable that GPs often retire prior to state retirement age.

4.13. The recent National Benchmarking report for 2017/18 for Local Authorities showed that spending on social care across Scotland has risen by 10% in real terms since 2010/11. Spending on home care for older people has risen by 15% and spending on residential care has fallen by 12%.

4.14. The outputs of the SNA have informed the priorities in the Strategic Plan. In turn, it can inform decisions on where investment and/or disinvestment is needed.

### **Scottish Government Financial Settlement**

4.15. The Scottish Government announced its draft budget for 2019/20 on 12 December 2018. This budget was subject to further debate and negotiation, with further announcements and letters from Scottish Government to confirm the position. On 31 January 2019 the Cabinet Secretary for Finance, Economy and Fair Work announced a package of further measures on local taxation and local government finance. The key elements of the budget settlement, relevant to the IJB, are set out below.

### **Local Government Settlement**

- Flexibility for Local Authorities to offset their adult social care allocations to Integration Authorities by up to £50m in 2019/20 compared to 2018/19 based on local needs (up to 2.2% of Local Government adult social care allocations).

- £40m allocated to extend free personal and nursing care for under 65s and continued implementation of the Carers (Scotland) Act 2016.
- £120m to be transferred from the health portfolio to Local Authorities in year for investment in integration, which includes £12m for school counselling services.

### **NHS Settlement**

- Territorial Boards will receive a minimum baseline uplift of 2.5%, which includes funding for the 2019/20 pay award. NHS Forth Valley have been given an uplift of 2.6%.
- Those boards furthest from NRAC parity will receive a share of £23m which will continue to mean that no Board is further than 0.8% from NRAC parity in 2019/20.
- An increase of £149m in investment for Improving Patient Outcomes, taking the 2018/19 investment of £243m to £392m. This covers primary care, waiting times improvement, mental health and CAMHS, trauma networks and cancer.

## **5. FALKIRK IJB – 2019/20 BUDGET**

- 5.1. Negotiations have been ongoing with our partners to agree a reasonable financial settlement. There are still some unknown factors, for example some funding which has not yet been allocated by the Scottish Government. These areas will be built into the budget and plans reported to the IJB at future meetings.
- 5.2. The current settlement position is as follows:

	<b>£m</b>
Proposed Settlement from Falkirk Council	61.685
Allocation from additional Scottish Government funding	4.241
	<b>65.926</b>
Proposed Settlement from NHS Forth Valley	
<i>Recurring Funding:</i>	
Baseline Funding	141.293
Continuation of Integration Funding	10.052
Pass through of Partnership Funding	3.744
	<b>155.089</b>
<b>Total Recurring Budget</b>	<b>221.015</b>

- 5.3. The settlement from Falkirk Council is in line with the Scottish Government letter.
- 5.4. The additional Scottish Government funding covers the elements set out in paragraph 4.15. It is estimated that funding to continue to implement the Carers (Scotland) Act 2016 is c£0.830m. Whilst this is not a ring-fenced grant it is proposed that this amount is effectively ring-fenced by the IJB for 2019/20. Combining the allowable reduction on

the 2018/19 budget, along with unfunded 2019/20 pressures, the Council could have reduced the settlement by up to c£2.7m. However, the Council has taken a decision to reduce the settlement by £1.7m.

- 5.5. The funding settlement from NHS Forth Valley is more complex, reflecting the way in which NHS boards are funded nationally. The 2.6% uplift has been passed across to the IJB and is in line with the Scottish Government letter.
- 5.6. NHS Forth Valley has decided not to pass over any of the NRAC parity monies to the IJB. There is some variation in the treatment of these monies nationally, with the majority of NHS Boards not passing a share of the monies across. However, given the recurring funding pressures that have impacted on the IJB outturn since 2016/17, it could be argued that the initial budget was insufficient. A share of NRAC monies would help to address this. NHS Forth Valley have agreed to review recurring unfunded pressures. This is a key task as part of the due diligence work required to transfer the operational management of NHS services to the Partnership.
- 5.7. The NHS settlement figure is based on recurring baseline funding received up to November 2018. Following the year end, an adjustment is expected for any recurring funding received after November 2018, along with the baseline uplift.

### Financial Projections

- 5.8. Colleagues from NHS Forth Valley and Falkirk Council have been working on spend projections, taking into account some demographic pressures, changes in legislation, pay awards and inflationary assumptions. A summary of the projected recurring spend pressures for 2019/20 is set out below:

	<b>%age</b>	<b>£m</b>
<b>Pay Costs</b>		
NHS	2.8%	1.393
Local Government	3.0%	1.125
<b>General Price Inflation &amp; Demographics</b>		
NHS	2 – 5%	0.160
Local Government	1.5 – 4%	1.592
<b>Specific Inflation</b>		
Prescribing – Community	5.24%	1.589
Prescribing – Hospital Drugs	10.0%	0.241
<b>Recurring 2018/19 Pressures</b>		
NHS	-	2.400
Local Government	-	0.500
<b>Total Pressures</b>		
NHS	-	5.783
Local Government	-	3.217
<b>Total</b>	-	<b>9.000</b>

5.9. The allocation of some funding streams has not been confirmed by the Scottish Government. The funding and associated projected spend has not therefore been included in the figures above. This includes funding for:

- Primary Care Improvement Fund
- Mental Health Outcomes Framework
- Mental Health Action 15
- Alcohol and Drug Partnership

5.10. As more information is received in respect of each of these funding streams, this will be reported to the IJB. However, there are clear links to the priorities emerging from the Strategic Needs Assessment.

### **Budget Gap**

5.11. A summary of the financial gap for the IJB for 2019/20 is summarised below:

	<b>£m</b>
<b>Financial Settlements (Recurring):</b>	
NHS Forth Valley	151.345
Falkirk Council	65.926
	<b>216.346</b>
<b>Spend Projections:</b>	
NHS Forth Valley	154.817
Falkirk Council	68.126
	<b>222.943</b>
<b>Funding Gap:</b>	
NHS Forth Valley	(3.472)
Falkirk Council	(2.200)
	<b>(5.672)</b>

5.12. At this stage, the NHS pay award for 2019/20 does not appear to be fully funded from Government. As a result, there is a pressure of £0.621m for 2019/20 for pay. The figure shown in the table above does not include the Partnership Funding allocation of £3.744m.

5.13. The budget gap above includes recurrent pressures carried forward from 2018/19 for both health and adult social care. Previously approved savings plans for adult social care in 2018/19 of £0.700m were not delivered however £0.200m has been offset by other recurring means and £0.500m has been added to the settlement reduction of £1.700m. However, these schemes remain relevant and have been carried forward into 2019/20 with work already underway to ensure delivery.

5.14. A number of previously approved savings for health also were not fully delivered in 2019/20 (c£1.3m), for example the review of over-ordering and waste within prescribing. The undelivered schemes for 2018/19 are currently being reviewed and

where appropriate will be factored in to the 2019/20 saving plans to be presented to a future IJB.

- 5.15. A summary of the budget is included at Appendix 1.

## **6. TRANSFORMATION AND SAVINGS**

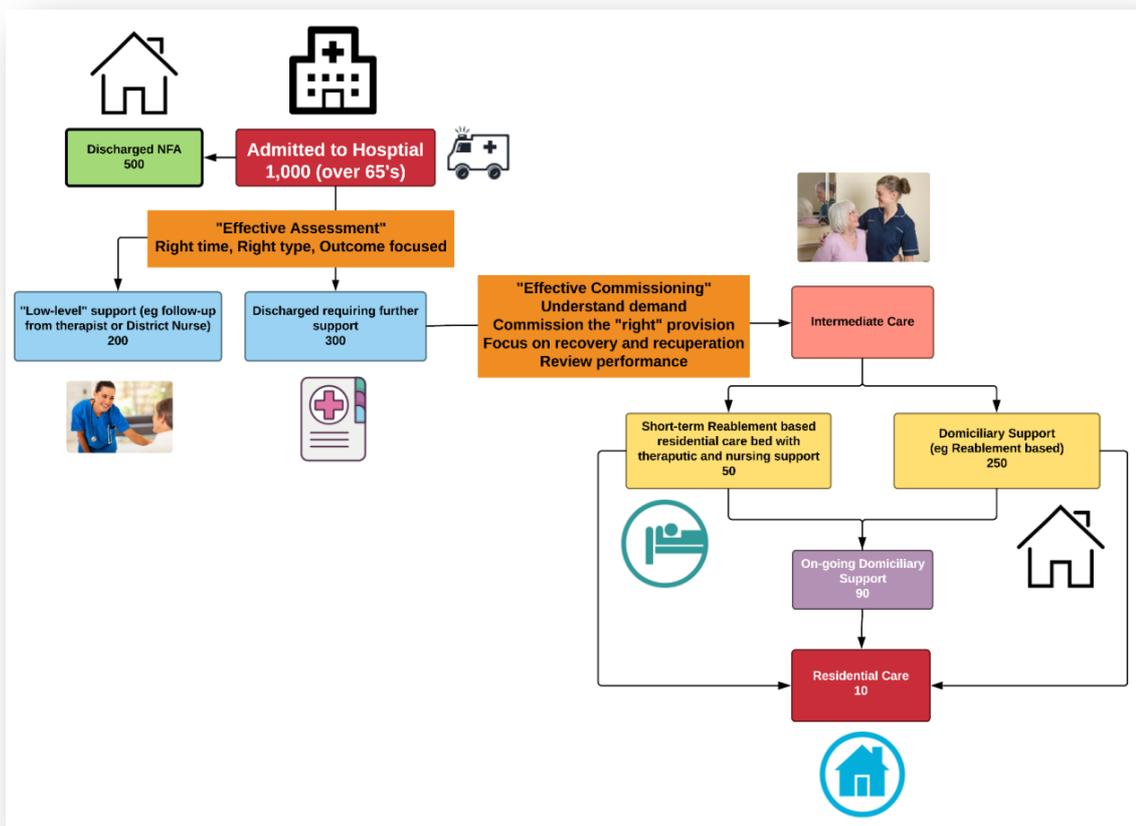
- 6.1. Previous reports to the IJB have highlighted that the IJBs were established to implement change across a complex health and social care landscape. These changes should be developed in collaboration with all partners of the IJB, resulting in Directions that have in effect been co-produced.
- 6.2. Transformation work has to focus on mitigating demand and/or reducing cost. Where possible, such work should also aim to improve the outcomes of the local population. Work has been ongoing to identify projects that can help to deliver on each of the three key elements.
- 6.3. The IJB is in the process of developing a delivery plan. This will take account of the preparation for the transfer of operational health services to the Partnership and the development of locality plans. This transition will increase demand on staff across the Partnership. However, this also provides an opportunity to design a programme of organisational development for staff that helps to build the Partnership identity as well as emphasise the vision and future direction of health and social care services. There is an opportunity to set out a compelling, transformational direction for the Partnership that staff can get behind and recognise their role in helping to deliver.
- 6.4. The approach to transformation and savings has to date worked differently across the two main Partners. The different approaches are set out in the paragraphs below.
- 6.5. In November 2018 the IJB business case set out the future direction of travel for adult social work in Falkirk. The business plan stated clearly that this direction of travel was necessary regardless of the savings requirement. The IJB was asked to identify savings proposals against a target of £4.250m with an indication of the medium term saving requirement also provided (see section 9). However, it was recognised that the potential pace and depth of the service changes associated with these savings could present difficulties. The report set out that these savings would have to be revisited following confirmation of the Scottish Government budget.
- 6.6. Following the budget announcement, the better than anticipated settlement from the Scottish Government and subsequently Falkirk Council, has resulted in a much lower savings target of £1.7m. Workshops have been held with the Head of Service, Service Managers and other key staff to prioritise the work of Adult Social Work for the year ahead. The key projects identified to date are in line with the direction of travel set out in the Business Plan presented to the IJB in November 2018. An extract from the Business Plan which detailed the challenges and background to the areas identified for review is included as Appendix 2 to this report.

- 6.7. For each project identified, Project Management Office support from Falkirk Council has been harnessed to work with Lead Officers to develop robust, deliverable project plans which can be subject to ongoing monitoring. The wider arrangements around the governance of this work are still to be finalised.
- 6.8. The savings associated with each project are set out in Appendix 3. If delivered correctly, these service changes will form an important part of the whole systems approach that will help to improve the outcomes of service users and patients and their experience throughout the health and social care system. At this stage, it is not expected that these savings will impact on FTE numbers. Given the focus on outcomes, it is also anticipated that these savings will have little or no negative impact from an equality impact standpoint.
- 6.9. For in-scope health services, the process for identifying savings remains as in previous years, with the Health Board putting forward proposals for the IJB to consider. This reflects the current position where operational management, including financial management of the services and budgets, remains with NHS Forth Valley. For much of 2019/20, the majority of in-scope operational health services will remain within the existing NHS board structure with delegation not expected to take place until towards the end of 2019/early 2020. Clarity over roles and responsibilities in respect of a number of areas during this transition phase, including financial management arrangements, will need to be achieved.
- 6.10. The IJB has responsibility for the strategic planning of services delegated to it and can make decisions over how services are delivered in the Falkirk area. Options for planning and service change will be influenced by:
- Strategic Needs Assessments
  - Strategic Plan priorities
  - Performance and budget imperatives
  - Recommendations from Partners and professional and operational leads
  - Workshop sessions, for example the Unscheduled Care and Delayed Discharge workshop held on 1 March 2019
  - National inspection and audit work
  - Best practice in other areas
- 6.11. The IJB has been working with the Institute of Public Care (IPC) to help identify opportunities for transformation across the Partnership. This work will help to focus the IJB on the way ahead, considering transformational requirements across the whole health and social care system, with a focus on recovery, recuperation and reablement, along with an understanding that over-provision of care, at any point in the system, is detrimental to the service user and potentially their families and carers.

6.12. Key observations from the work with the IPC to date include:

- High levels of social care provision compared to other areas suggests that there is scope to refocus provision
- Those high levels, particularly for residential care, indicate that there needs to be a refocus of services towards recovery, recuperation and reablement to support the transfer of care between hospital and community
- That focus needs to begin in the hospital
- A whole systems approach, including intermediate care, community hospitals, and care at home is essential to ensure an appropriate structure is in place to facilitate discharge from hospital
- Community based care needs to be underpinned by strong community based health services with health practitioners, including geriatricians, working in the community
- This work will require a significant cultural shift but where this has taken place, the system is working well, supporting outcomes and improving performance

6.13. At the workshop held on 1 March 2019, the IJB was supportive of the approach outlined above and enthusiastic about the opportunities such an approach can bring.



6.14. In

order to deliver the kind of transformation required a number of key workstreams will need to be progressed:

- Understanding our current position against the IPC successful care model and where the Partnership “red flag” areas are
- Review of Allied Health Professional resource, in the context of care in the community, including intermediate care
- Review of the community hospitals and their role in intermediate care
- Gap analysis to understand where the gaps are in the current care environment and the development of proposals to resolve this

6.15. Prescribing has been highlighted in financial projection reports as being an area under increasing pressure. As such a significant area of spend, it is essential that we aim to make savings where possible, recognising that much of the spend is not directly within our control. It is anticipated that during 2019/20 efficiency savings will be recognised through technical drug switches which will be approved through the usual clinical governance processes. This work will be reported back to the IJB.

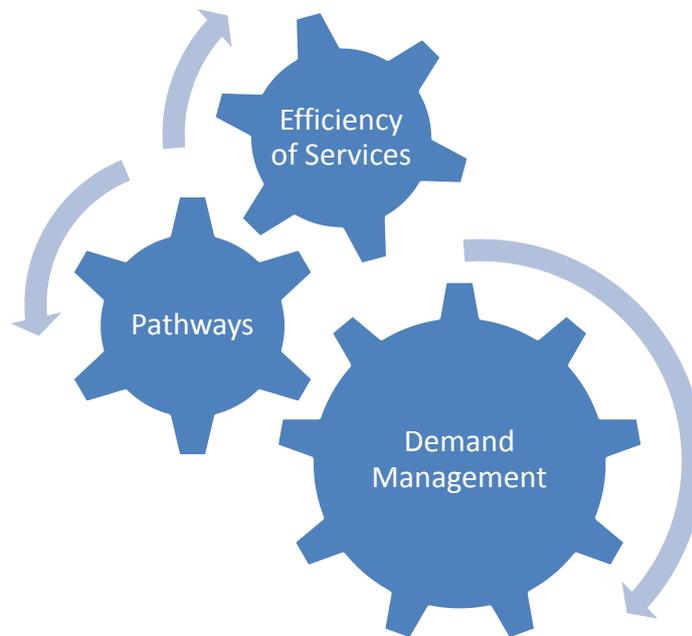
6.16. There are opportunities to change prescribing arrangements to provide benefits both for patient safety and potentially for demand and cost. A strong governance process is already in place within NHS Forth Valley which includes the Medicines Resource Group, the Primary Care Prescribing Group, and input from GP Sub Committees. These groups benefit from having good engagement and buy in from the GPs in the area.

6.17. In taking a “once for Forth Valley” approach to prescribing, opportunities which require further scoping work include:

- A detailed review of waste and over-ordering to unpick the key factors that we could influence
- The use of serial prescribing for stable patients, leading to a potential reduction in over-ordering and in GP time spent on prescribing
- consider the introduction of new innovative supporting roles within the pharmacy team to help improve and streamline the ordering process in conjunction with GP Practices
- Improved evaluation of the impact and benefits for patients of their prescriptions
- Consideration of enhancing the social prescribing service to improve outcomes for patients
- Improved communications across Forth Valley regarding prescribing

6.18. The above points are at the early stages of development and will require further work to determine if they will deliver benefits over the next five years. Such projects would need to be adequately resourced, for example through project management support, to ensure delivery of the identified benefits.

- 6.19. A project management approach is also being used by NHS Forth Valley in respect of the “Getting Forthright” project. This project is focussed on a person centred frailty model which will be delivered in the community. As such it links well to the work outlined by IPC, for example by having geriatricians working in the community.
- 6.20. For all of this work, a clear governance framework will need to be agreed. The work must be undertaken in a collaborative, co-produced way that ensures all Partners are signed up to the Directions prepared, prior to approval by the IJB. This approach reflects the proposals set out in the Ministerial Strategic Group for Health and Community Care – Review of Progress with Integration of Health and Social Care. This paper emphasises the need to have clarity of accountabilities and responsibilities between statutory partners.
- 6.21. Projects identified to date fall into one of 3 key areas as noted below. Pathways and demand management are the areas which have the potential to both require and deliver truly transformational change across the Partnership.



- 6.22. Work continues across the Partnership to drive efficiency within our services. This includes reviewing workforce and skill mixes and other house-keeping activities. It is understood that a strong message on financial management and only committing to necessary expenditure has been delivered by our Partners.
- 6.23. It should also be noted that the work set out above should impact on the levels of healthcare resource consumed as part of the Set Aside budget. Work on the development of Set Aside arrangements is underway but remains at an early stage nationally. The extent to which resources are genuinely freed up to facilitate a shift from acute to community is keenly debated but it is clear that Partnership arrangements will need to mature if such a shift is to be achieved. The proposals set out in the Ministerial Strategic Group for Health and Community Care – Review of

Progress with Integration of Health and Social Care include the requirement to fully implement the set aside requirements of the legislation during 2019/20. Progress against this will be reported back to the IJB.

## 7. RESERVES

7.1. The Partnership projected reserves position for 31 March 2019 is set out in the table below:

	<b>£m</b>
General Reserves	0.297
Housing Reserve	0.237
Sensory Strategy	0.050
British Sign Language Plan	0.011
Services for Survivors	0.125
Dementia Innovation Fund	0.200
Integration Funding	0.630
Partnership Funding	1.636
Leadership Funding	1.073
PC & MH Transformation Funds	0.403
PC Improvement Fund	0.383
Transforming Urgent Care	0.186
<b>Total Projected Reserves</b>	<b>5.231</b>

7.2. The reserves level for the Partnership is high and there is an opportunity to employ these reserves to best effect to support the transformation agenda set out in section 6. A number of the reserves are clearly ring-fenced, such as the Primary Care Transformation Fund, and are already being used to drive system change. Full spend of the Primary Care and Mental Health Funds, the Primary Care Improvement Fund and the Transforming Urgent Care Fund is expected in 2019/20.

### **Services for Survivors**

7.3. During 2018/19, the HSCP supported two service pilots to provide services for people affected by trauma. FDAMH provide practical and emotional support. Aberlour provided a service for parents who have been affected by abuse, intended to challenge and break systemic patterns of behaviour.

7.4. In October 2018, FDAMH highlighted that due to the volume of people entering the service who are affected by trauma, the delivery model required amendment. The new model embedded a trauma informed approach across all their provision, rather than a single worker led specialist service. The change in model has increased

organisational capacity and resulted in a higher level of people being supported. It is proposed that the service continue to be funded at £0.028m during 2019/20.

- 7.5. Aberlour have continued to provide a targeted service throughout 2018/19. The service is currently a 25 hour post, a personalised mix of evidence-based interventions to address needs, such as emotional wellbeing, physical health and education difficulties. The pilot has indicated real improvements to short-term outcomes for families. However, due to the intense nature of support, access and demand on the service significantly outweighs capacity. It is proposed that the service be extended through supporting an additional FTE. The service would therefore be funded at £0.062m during 2019/20.
- 7.6. In addition, a Joint Working Agreement was developed with Forth Valley Rape Crisis during 2018/19. The agreement covers a two year period to 31 March 2020 and has a value of £0.020m per annum.
- 7.7. All provision will be reviewed and evaluated towards the end of 2019/20. It is proposed any further service be commissioned in line with the Mental Health Commissioning priorities.

### **Dementia Innovation Funding**

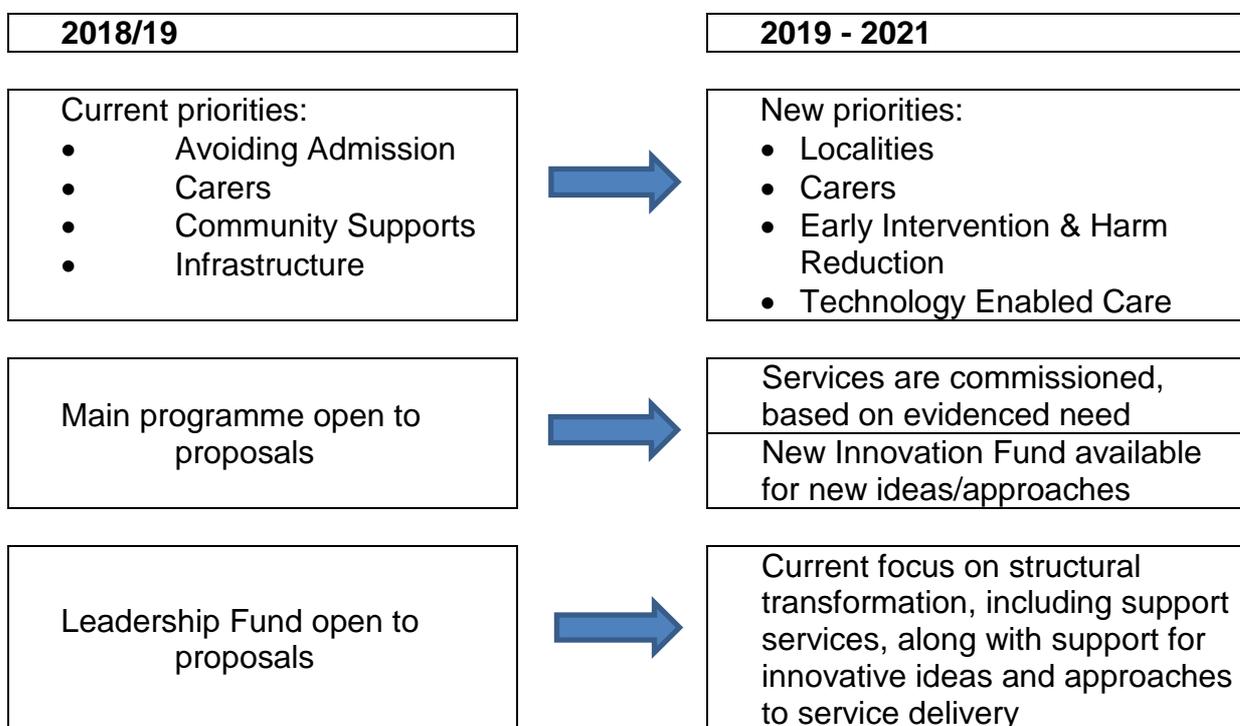
- 7.8 The HSCP have access to funds allocated by Falkirk Council specifically to support the needs of people, their carers and families, affected by Dementia. Work is currently progressing to integrate the Dementia Outreach Team (DOT), Post Diagnostic Support (PDS) and Social Work support. The team will be co-located in Airth surgery and operate on a Forth Valley basis. With the stability and service infrastructure that the integrated team will provide to formal provision, the Partnership is now better placed to identify and evidence how best to allocate resource within localities.
- 7.9 It is proposed that Partners, services users, their carers and families work together to co-produce a community based dementia model. This work will be led by Falkirk's Dementia Steering Group and aligns with the day service review and mental health commissioning work that is currently being finalised. The co-production process could be supported by the Community Development Workers currently being recruited within each locality. The type of support that may be commissioned could include work with Falkirk Business District to develop dementia friendly spaces and community based activities and groups.

### **Partnership Funding**

- 7.10 In November 2018, a workshop session was held with the Strategic Planning Group about the future governance and operational priorities for Partnership Funding. Key points emerging from the workshop included:
- The governance and monitoring for partnership funds provides a transparency and accountability that supports service improvement and transformation.

- Scrutiny should be more proportionate to the level of award and recognise that total programme is a small proportion of overall IJB budget.
- Some funded services have progressed from transformation to core provision and therefore review is required about if and how mainstreaming should be progressed.
- Partnership funding priorities should align with the Strategic Plan, however should not exclude innovation in areas outwith this scope, if clear and evidenced need/justification.
- Time associated with the decision making process can be challenging and decisions regarding pan Forth Valley services lack clarity.
- Multi-annual allocation of funds is helpful to planning and transformation.

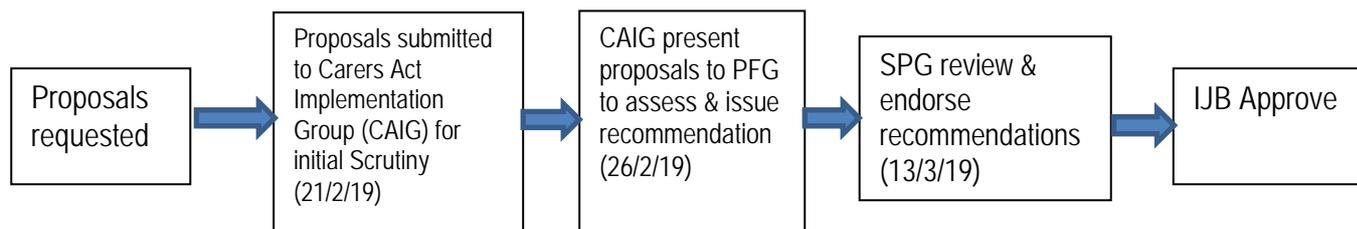
7.11 Based on the output from the workshop, discussion with other relevant stakeholders and in order to ensure that resources are targeted to improve outcomes, it is proposed that the Partnership Funding Programme change as follows:



7.12 The proposed amendment to the structure and allocation of Partnership Funds is intended to be agile and in line with both transformation and emerging improvement need within the Partnership. This may include for example, rerouting existing funding to new or different initiatives.

7.13 In April 2018, the point of operational implementation of the Carers (Scotland) Act 2016, the distribution of funding for carers became the responsibility of the IJB. The IJB agreed that in order to implement a transparent and consistent governance process, funds previously known as 'Carers Information Strategy Funding' (CIS) should follow the Partnership Funding governance process.

7.14 A total of £0.830m funding is available for carers during 2019/20. This allocation includes support for both you and adult carers. Children's Services have been represented in discussions about funding. The governance process for carers funding during this period is highlighted in the diagram below. Further allocation of carers funds will be in line with the Carers Needs Assessment and will support the delivery of the Carers Strategy.



### Leadership Funding

7.15 The Leadership Fund allows a more flexible approach to supporting change and innovation within the Partnership. Each proposal is assessed by the Leadership Team and approved by the Chief Officer, Chair and Vice Chair of the IJB. To date the fund has been used to support some transformative work, for example the review of younger adult day services, as well as to improve the infrastructure of the Partnership, for example through additional LIST/ISD capacity.

7.16 The dual approach outlined above will continue. However, it is recognised that the fund will be essential in supporting the transfer of operational health services to the Partnership as well as improving the infrastructure of the Partnership to be able to deliver the transformation expected and required. It is anticipated that the fund will be required for:

- Investment in the new Head of Integration post, including direct support costs
- Development of a Quality Assurance resource for the Partnership
- Investment in Communications resource
- Review of the physio resource across the Partnership (following on from the IPC work referencing the importance of physio resource in the community)
- Review of administrative support for each of the Localities as well as the HQ functions
- Design of a programme of organisational development referred to in paragraph 6.3 of this report.

7.17 A proposal for the Head of Integration post has been approved through the agreed governance process. Proposals will be developed during 2019/20 for the other areas of work set out above.

## 8 RISK

- 8.1 The risks around financial stability within the public sector, and in particular the health and social care sector are growing nationally. Audit Scotland's local government in Scotland financial overview 2017/18 highlighted that projected funding reductions will mean continued and increasing financial pressures on council services. The report also noted that the majority of IJBs have underlying financial sustainability issues.
- 8.2 Within Falkirk there are a number of areas of activity in which financial pressure is growing and many of these have been flagged up in financial projection reports during 2018/19, including:
- Increasing numbers of home care hours, particularly in the independent sector
  - Ongoing use of contingency beds, particularly within the community hospitals
  - Ongoing use of agency and bank nursing spend
  - Rising prescription costs
- 8.3 The savings programme developed to date and the transformation activities are designed to try and mitigate these risks. However, there are no 'quick fixes' for these areas.
- 8.4 The Business plan presented to the IJB in November 2018 highlighted that the success of the transformation work depends upon there being sufficient management capacity. Improvement will be necessary in key aspects of planning, information management, quality assurance, public engagement and communication.
- 8.5 Reports to the IJB have also flagged up high costs associated with complex care packages which can be a volatile area. In 2016 Falkirk HSCP facilitated the discharge of 5 inpatients with code 100 delayed discharges (individuals who have exceptional complex needs relating to previously being long-term hospital inpatients or other such prolonged circumstances). This work recognised the need to support people with learning disabilities to live in the community. The social care cost for those 5 service users is c£0.476m, costs which were absorbed into the social care budget.
- 8.6 Over the course of 2019/20, it is anticipated that a further 5 inpatients at Lochview will be facilitated in their discharge or that work to discharge will be progressed. The expected costs of their social care are expected to be c£0.600m. No funds are expected to transfer from the Lochview budget and social care budgets will need to absorb the additional costs. As pressures mount on the social care budget, including delivery of further savings, it is becoming increasingly difficult for this level of costs to be absorbed. This is a considerable use of resource from Falkirk HSCP, however, the change in the lives of people is significant. The hope is that, as people settle within their own communities, support costs may reduce as they are reabled.
- 8.7 During 2019/20 it is anticipated that responsibility for the operational management of NHS services will transfer to the Partnership. It should be highlighted that a number of these services are overspending and that robust plans are still being developed to

address this. There is a high risk that the overspend pressures will continue during 2019/20. This raises some issues for the Partnership in terms of due diligence around the budgets transferring with these services, and risk sharing arrangements going forward. These pieces of work will be included as part of the transition plan being developed by the Chief Officer.

## **9 MEDIUM TERM FINANCIAL PLAN**

9.1 Previous reports to the IJB have highlighted the importance of a robust medium term financial plan. Such a plan would help to ensure coordination between service redesign and transformation and annual budgets. A medium term financial plan will aim to:

- Set out financial assumptions around budget settlements, projected spend pressures and future funding gaps, utilising sensitivity analysis where necessary;
- Consider how current workstreams could impact on those funding gaps or mitigate spend pressures, for example through reducing demand for services;
- Set out what further work is required to address remaining budget gaps and work with Operational Managers to identify how such work can be identified/progressed;
- Build in the assumptions included in the Scottish Government's Medium Term Financial Framework;
- Provide a framework against which progress can be measured in terms of demand and cost.

9.2 Such a plan must build upon the work being undertaken by each statutory partner. At this time, Falkirk Council assumptions suggest a savings target of £2m for the IJB for each of the years 2020/21 to 2022/23. This would of course be dependent on the restrictions put in place by the Scottish Government during the budget settlement process and could increase due to financial pressures.

9.3 NHS Forth Valley have calculated high level projections on cost base inflation and have made assumptions on allocation uplifts as part of their development of the year 3 year plan. This work has been carried out at NHS Board level and will be broken down to IJB level in due course.

9.4 For both Falkirk Council and NHS Forth Valley the assumptions being used and the results being produced must be heavily caveated to reflect the uncertainties that exist both in 2019/20, in part due to the ongoing Brexit negotiations, and the years beyond.

## **10 DIRECTIONS**

- 10.1 Previous reports to the IJB have noted that a detailed review of the Directions issued to Partners is required. However, it has also been highlighted that detailed guidance is awaited from the Scottish Government.
- 10.2 Directions to Falkirk Council and NHS Forth Valley for 2019/20 are appended to this report at Appendix 4 and 5. These Directions are in a similar format to previous years in terms of notifying the organisations of the funds available to them.
- 10.3 Over the next few months, more detailed Directions will be developed, anticipating where possible the revised Scottish Government guidance. These Directions will reflect the priorities and outcomes set out in the Strategic Plan and the transformation work set out in the section 6. Further discussion around the governance and accountability of the workstreams will help to ensure that the Directions are co-produced in the manner recommended by the Scottish Government.

## **11 CONCLUSIONS**

- 11.1 This report presents the budget for the Falkirk IJB for 2019/20. At this stage savings have not been identified to fully balance the budget. This is a significant risk for the IJB as well as the NHS board and the Council.
- 11.2 As a matter of urgency identification and delivery of savings needs to be prioritised to balance the budget and deliver financial stability. This is critical if the IJB is going to manage the pressures forecast in the medium term.
- 11.3 To facilitate this work, it is vital that governance and transformation activities, including accountability is agreed.

### **Resource Implications**

The resource implications are considered in the body of the report.

### **Impact on IJB Outcomes and Priorities**

The report sets out the budget available to the IJB for delivery of the outcomes and priorities of the Strategic Plan. There is a risk that an insufficient budget would negatively impact on the ability to deliver the outcomes and priorities of the Strategic Plan.

### **Legal & Risk Implications**

Key risks are set out in section 8 of this report. The capacity of the management team to delivery operational services, delivery efficiencies and implement significant service changes remain a risk. A support structure will be developed to mitigate these risks.

A summary of all savings options for the Partnership will be prepared to include risk rating. At this stage the savings presented for Adult Social Care are all considered to be deliverable in 2019/20. These risk evaluations take into account both risks

associated with deliverability of the saving and/or the impact of the saving on quality of service, delivery of strategic objectives and the whole systems approach that the Partnership has committed to take.

There is a risk of using non-recurring means to achieve financial balance. This is the case for 2018/19 pressures will be felt in 2019/20. A focus on recurring savings will be essential going forward.

### **Consultation**

Requirements for consultation on the proposed savings programme will required to be considered.

### **Equalities Assessment**

An equalities assessment will require to be prepared for each of the savings proposals. However on the Adult Social Care side initial assessment suggests little or no negative impact. This reflect the focus on outcomes for service users.

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Approved for Submission by: Patricia Cassidy, Chief Officer

**Author – Amanda Templeman**

**Date:** 11 March 2019

**List of Background Papers: The papers that may be referred to within the report or previous papers on the same or related subjects.**

**BUDGET SUMMARY STATEMENT 2019/20**

	<b><u>Budget</u></b>	
	<b>£m</b>	
Adult Social Work Services	75.978	Note 1
NHS Forth Valley - Set Aside	27.506	
NHS Forth Valley - Operational & Universal	117.259	
Partnership Funding Spend	<u>3.744</u>	
<b>Sub - Total</b>	<b>224.487</b>	
Use of Earmarked Reserves	<u>-</u>	
<b>NET EXPENDITURE</b>	<b><u>224.487</u></b>	
 <b><u>Funded By :</u></b>		
Falkirk Council Contribution	61.685	
Falkirk Council Pass Through of SG Funding	4.241	
NHS Forth Valley Contribution	141.293	
Integration Funding (via Health Boards)	10.052	
Partnership Funding (via Health Boards)	<u>3.744</u>	
<b>NET INCOME</b>	<b><u>221.015</u></b>	
 <b>SURPLUS/(DEFICIT)</b>	 <b><u>(3.472)</u></b>	 Note 2

**Notes**

- 1 The above figures assume approval of the Adult Social Work savings.
- 2 This figure covers the pressures on the health arm of the budget. Savings are being reviewed for future presentation to the IJB.



## **9. SERVICE CHANGE & TRANSFORMATION**

- 9.1. This section of the report sets out the aspirations for each of the key adult social work service areas, along with some options for changes in service delivery.
- 9.2. **Assessment & Care Planning**  
Assessment and Care Planning is a critical function in determining how the service meets individual need and allocates resource. As such this will continue to be a key focus for ongoing transformation in the Partnership.
- 9.2.1. The Partnership recognises that care is provided to a large proportion of the Falkirk population. The Social Care Survey for 2017 indicated that 61.9 per 1,000 of those over 65 years old are in receipt of home care. This is well above the Scottish average of 48.9. The current projections for the population of Falkirk show an expected rise in the population of those over 65 years old of 10% by 2024.
- 9.2.2. In addition, the Social Care Survey suggested that in the Falkirk area there is a higher proportion of 18-64 year olds receiving care than would be expected on the basis of benchmarking with comparators across Scotland. That we provide support to more people, on a per capita adjusted basis, than elsewhere is not a badge of success. By enabling more people to live their lives independently of services, through a reablement ethos, we support those people to achieve better outcomes related to feeling independent and in control of their own lives. We also free up costly service inputs, such as hours of home care support, to enable people who have high levels of care need to continue to live in their own homes rather than be compelled to move to institutional care settings.
- 9.2.3. The above data must be caveated in that the service has introduced changes over the last two years which through time will bring Falkirk's performance into closer alignment with experience across Scotland, there being an ambition to reach a best performing position. However, failure to deliver that change, i.e. continuing to provide the services as we currently do, to a cohort of service users who we know from benchmarking can be supported to be independent of services, will quickly lead to our model becoming over-burdened and unsustainable in the face of demographic change.
- 9.2.4. Following on from the work already undertaken, it is recognised that a whole system review of assessment and planning is required. The planned workstreams should result in better outcomes for those assessed by the service and at the same time helping to reduce demand for services. This approach will be critical if the Partnership is to address the pressures on services and the budget. However, it must be recognised that along with the procedural changes required, there is a significant cultural change required. As a service, there needs to be a greater shift away from providing people with as much support as possible, to providing people with the right support

that will help them to meet their outcomes. It is recognised that over-provision of care can de-skill people and create dependencies that do not necessarily take into account an individual's desired outcomes. Such a significant cultural shift is underway but can take time.

9.2.5. There are a number of strands to the work required in this area, outlined in the table below:

Embed the new eligibility criteria	During 2016/17 the Service implemented a new framework of eligibility criteria. The step change was away from prescriptive provision of services, towards a focus on the person's outcomes, taking account of their strengths and natural supports. This is a cultural change which can only be embedded through intensive effort and attention over time.
Continued roll out of Self Directed Support	This is a national programme of change, founded upon giving people control over their own budget for care and support, with work underway locally to design an 'Individual Budget Calculator.'
Embed reablement into the assessment process	The key principle of reablement is that people should be supported to gain or regain independence or as much independence as possible. It follows that it will not be appropriate to allocate a budget for care and support under SDS, unless reablement has been provided.
Continued roll out of outcomes focussed reviews	Effective reviewing practice is integral to the assessment and planning process. The Service has identified reviewing practice as a key improvement opportunity.
Adopting a process of financial assessment as part of the assessment process	Financial security is critical to the achievement of personal outcomes. The Service has identified a focus on income maximisation, as an integral part of assessment and planning, as an area of improvement opportunity .This will enable a more robust contributions policy to be adopted.  The Work can link to Falkirk Council's entitlement calculator which helps people work out what benefits can be claimed.
Supporting self assessment and direct access to low level support and solutions.	Living Well Falkirk offers people pathways to managing their own support for low level interventions, removing the need for some assessment and planning work, thereby enabling more efficient use of the resource.

### 9.3. **Review of Care Packages**

The review of care packages forms part of the workload of the Assessment and Care Planning teams. However, it has been highlighted separately in the business plan as it forms such a critical part of the strategy to manage demand and budget pressures. The full implementation of a reablement

ethos will in time change how new referrals are supported. It remains the case that the majority of existing service provision was commenced before reablement was available. There is a major challenge in reviewing over provision of service which has been in place in some cases over many years.

- 9.3.1. In the past, savings have been generated by focussing on the review of high cost care packages. To date, such reviews have generated in excess of £1m in savings. Whilst such exercises have been highly effective, it is essential that a strategy for tackling reviews on an ongoing basis is developed and appropriate processes embedded in the service. There is no principled case for restricting the application of reviewing best practice to high cost care packages alone. The next step in this programme will involve embedding outcomes based review, rooted in reablement, across all service provision.
- 9.3.2. An appropriate strategy to tackle reviews should result in better outcomes for service users who should see an improvement in their capacity, as well as reduced spend for the service. Anecdotally the Partnership has been approached by some providers who recognise that they will struggle to meet new demand without appropriate reviews of existing care packages. It is recognised that some care packages may increase whilst some efficiencies may be absorbed by new demand.
- 9.3.3. The review strategy will consider both the short term imperative of targeting our resources effectively as well as the wider need to ensure the review process is appropriately embedded into the work of the service and is sustainable.

#### 9.4. **Residential Care**

In reviewing our provision of residential care, a number of factors were noted:

- Our in house residential care is relatively expensive when compared to private sector providers.
  - The average age for admission to a care home is lower for Falkirk than for the Scotland average and Falkirk is the only area in Scotland where average age on admission fell by comparison with the position 10 years.
  - In 2017, Falkirk had a higher percentage of residents between the ages of 18-64 (12%) than Scotland (10%)
  - Of the 29 local authorities where data was available, Falkirk had the 10<sup>th</sup> highest percentage of 18-64 year old long stay residents in 2017.
  - A number of residential care packages are placements outwith the area.
- 9.4.1. As a Partnership we have recognised that residential care does not always provide the best outcomes for our service users and their families, particularly for younger residents, and those placed outwith the area. The

Scottish Government will imminently publish a report, provisionally titled 'Coming Home' which will set a national policy imperative to support people with learning disabilities to live within their own communities rather than in out of area placements. While the HSCP has been successful in supporting several people who were delayed for long periods of time in their discharge from Lochview Hospital, there are a significant number of other service users who are supported in out of area placements and who can be supported in 'coming home.' Progress on Transitions planning will have a positive impact on the avoidance of new out of area placements

- 9.4.2. The alignment of practice with the Strategic Plan outcomes of service user experience and community based support will be expected to change current expenditure priorities.
- 9.4.3. Moving forward, the aim is for high quality residential care to be provided when all other potential care plans have been explored. Residential care will effectively become a last resort and will be available within the area where possible. Supported care within the community will be available, in collaboration with our partners, including Falkirk Housing Services.
- 9.4.4. Key milestones in achieving this aspiration are:
- Further training and development for our assessment and care planning team, embedding the reablement approach and outcomes focussed assessment.
  - Review of in house residential care provision with a view to delivery of a redesign and rationalisation programme. This will recognise the shift towards supporting service users, who do not need nursing care, to remain at home.
  - Review of out of area placements with the potential to relocate back to the Falkirk area with more suitable arrangements.
  - Complete action planning around in house home care, significantly increasing the flexibility and responsiveness of the service so as to prevent or delay admission to care home.
  - Embed the ethos of Home First in hospital settings, recognising the current strong correlation between admission to hospital and admission onward to care home.
- 9.4.5. Projected spend on residential care for 2018/19 is £42.1m. Given this scale of spend as a proportion of total Social Work Adult Services budget it is imperative that a significant contribution to the 2019/20 saving comes from this area. The aspiration must be to achieve a baseline saving of £1m in this area of spend, with a contribution to the saving coming from both in house and external home care. Further significant reduction in spend should be achieved in the remaining years of the 5 year business case.

9.5. **Home Care**

In 2018 the average number of weekly home care hours provided by Falkirk is c14,370. In 2015 the equivalent figure was 13,510, reflecting an increase of 6.4% over the last three years. The Partnership needs to understand the reasons behind this increase and the work planned in Assessment and Care Planning will help the Partnership to understand the cost drivers and how they can be mitigated.

- 9.5.1. The way that home care is provided has been changing over the three years also. In 2015 the split of hours of internal versus external provision was 50:50. In 2018 this moved to 35:65. The number of hours being provided externally is steadily increasing, with the costs in part being offset by a reduction in internal home care.
- 9.5.2. The efficiency and effectiveness of the internal home care provision has been under review during 2018/19. The service has struggled with high sickness absence levels, currently running at around 9.5%. In addition, a number of changes have been introduced within the service to improve flexibility and responsiveness. These changes will take some time to bed in. Areas of progress within the home care service include:
- Move to a single grade of carer to improve service flexibility and responsiveness
  - Working in localities with a schedule co-ordinator based in each locality
  - Review of the medications administration policy to improve service flexibility and responsiveness
  - Amendments to shift patterns – moving away from a historic arrangement of using bands of availability
  - Encourage use of pooled cars or personal cars to improve productivity
  - Maximising the use of the CM2000 system to provide robust management information
- 9.5.3. A separate workstream has been ongoing as part of the Priority Setting Framework project, run in conjunction with the Scottish Government and Glasgow Caledonian University. This project has focussed on home care with a view to considering how best to focus the work of the in-house service and how best to procure care externally.
- 9.5.4. Data shows that externally provided home care is, on average, cheaper than that provided internally. The focus of the internal service will be reviewed to ensure continued strategic fit. This approach is likely to result in significant savings for the Partnership albeit an options appraisal exercise will be necessary. Partnership areas that have undertaken a similar piece of work have taken c2 years to deliver the project.
- 9.5.5. The IJB received a number of reports on the new home care tender, delivered for 2018/19. These reports included information on the cost of providing continuity of care for those service users in receipt of services from poorer ranking providers. There could be efficiencies by reviewing the

continuity of care policy through review and planning with service users. Reducing packages to three poorer ranking providers could, for example, produce savings of £0.150m.

- 9.5.6. A review of the MECS service and the out of hours service could be undertaken, exploring the opportunities presented by integration for more efficient joining working with out of hours services for health care. A single out of hours service has the potential to recognise efficiencies, providing more flexibility and holistic care.
- 9.5.7. Work is required to look at the provision of housing with care across the area. There is an established and highly valued model of housing with care in, for example, the Dorrator court complex. Enhancing such provision considering equal access across the Falkirk area will help the IJB to keep people out of residential care where appropriate and could be delivered in collaboration with our partners in Housing Services and Registered Social Landlords.
- 9.5.8. A more detailed proposal setting out the way forward for home care will be brought to a future meeting of the IJB.
- 9.6. **Day Care**  
The IJB has received regular reports on the review of day services for younger people. This review encompassed a shift from building based day care to more inclusive, community based day care. This change was supported by extensive consultation in order to reflect the views of service users, their carers and younger people who were potential future users of the service. The change programme accommodated both the need for reassurance that change would retain what existing service users liked about the previous service model and the aspirations of those who wished to be involved in more day to day, age appropriate activities in their communities, rather than attend a day centre. .
- 9.6.1. Whilst the driver for the day service review was not financial, the review has placed the service on a more sustainable financial footing, giving a stronger fit with the expectation of more service users seeking to manage their own budget. The programme is supported by use of ringfenced funding which allowed the commissioning of services such as Dates n Mates and Neighbourhood Networks. The day service for younger adults was excluded from a requirement of budget savings in 2018/19 in order to support the implementation of the change programme. In 2019/20 it will not be possible to continue this exclusion of day services from a contribution to savings.
- 9.6.2. During 2019/20 an evaluation of the work done to date on the review of day services for younger people will be undertaken, looking at service user experience to better understand the impact of the change.
- 9.6.3. For the 2018/19 budget a review of older adults day services was agreed. The financial report presented to the IJB in October 2018 noted that savings were not expected to be achieved in 2018/19. However, the day services

review is underway. This review is being led jointly by Service Managers in Falkirk Council and NHS Forth Valley and is expected to take c18 months.

9.6.4. In the meantime, there are some efficiency savings which could be realised. The Partnership currently procures day care, on a block basis, from a number of external providers and in some cases we recognise that these services are under utilised. Through procurement discussions with these providers, it is anticipated that significant savings could be identified.

#### 9.7. **Alcohol and Drug Partnership Services**

Falkirk Alcohol and Drug Partnership (ADP) will carry out a review of service provision in the area, including:

- What is spent on ADP services?
- What services are being delivered?
- What are these services achieving?
- Are there gaps in service provision?
- How do we prioritise spend in this area?

9.7.1. The Partnership spends a substantial amount on residential care and day care services for those with alcohol and drug issues. The review will consider whether this approach is meeting the outcomes of the service users and providing Best Value for the Partnership.

9.7.2. A task force has been established to develop a partnership response to the very concerning current increase in the incidence of drug related deaths. It can also be anticipated that this work will lead to a review of investment priorities.

9.7.3. To support this work, a revised governance process for the Falkirk ADP and the link with the Falkirk IJB is being developed. This will ensure that the ADP review process includes appropriate oversight, allowing the IJB to fulfil its statutory responsibilities.

#### 9.8. **Income Generation**

The main area of income generation for the Partnership is the provision of chargeable services. For such services, service users are asked to make a contribution towards the cost of their care. Decision making over service user contributions for Adult Social Care remains with Falkirk Council, not the IJB. However, the Partnership can make recommendations to the Council.

9.8.1. Service user contributions are a complex area, subject to varying rules and restrictions. For example, following implementation of the Carers' Act the Council waives contributions for Carers, albeit the service user may have to make a contribution.

9.8.2. As part of the 2018/19 budget setting process, it was agreed that a review of the contributions for Adult Social Care should be undertaken. Work has

commenced on this review. However, with the complex nature of this area and limited resources, due in part to the work on the new Social Work Information System, progress has been limited. In addition, a benchmarking exercise is currently being undertaken across all IJBs in Scotland. It is hoped that this work will help to inform the Falkirk review.

9.8.3. The review of service user contributions involves a number of key questions:

- a) How are people financially assessed? Currently full financial assessments are only carried automatically out for those moving to residential care or those in receipt of respite.
- b) What contribution are service users asked to make? In order to review contributions in a meaningful way, service users must be financially assessed, including income maximisation work. This will help to ensure that contributions are fair and proportionate. The link between addressing poverty and maximising income through supporting disabled people into work/employability must also be acknowledged and explored in further detail.
- c) How is non payment of debt handled? Currently Social Work Adult Services do not use any formal debt collection methods, beyond sending out reminders for payment. This is the only area of the Council that operates in this way. As such, the same service users can be referred to Sheriff Officers for non-payment of other debts such as Council Tax and Rent.
- d) How will a revised approach to contributions reflect consideration of disability related expenditure and the extension from 1<sup>st</sup> April 2019 of free personal care to under 65s?

9.8.4. Services which are subject to service user contributions fall into five main areas:

Residential Care	In 2018/19 the maximum charge per week for residential care was £796.25 (with some exceptions). This is subject to full financial assessment.
Day Care	This is subject to a weekly charge.
Care at Home	For under 65 year olds, this is subject to an hourly rate.  For over 65 year olds, this is subject to a weekly rate.
Respite Care	This includes: <ul style="list-style-type: none"> <li>• Joint Dementia Initiative</li> <li>• Rowans Short Break Service</li> </ul>

Other Care	This includes: <ul style="list-style-type: none"> <li>• MECS</li> <li>• Meals on Wheels</li> <li>• Lunch Club and Day Centre Lunches</li> </ul>
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9.8.5. Falkirk Council operates a weekly cap system for non residential services which includes:

- a) MECS
- b) Day Care
- c) Care at Home

9.8.6. This cap is determined by the age of the service user. In 2018/19 the cap was set as following:

Under 65's	£28.84 per week
Over 65's	£15.04 per week

9.8.7. Officers are of the view that the disparity in the cap is unfair and should be reviewed.

9.8.8. Two options have been identified for 2019/20 whilst work continues on the contributions review. These are:

- a) An uplift of existing charges. A scale of the income that could be expected based on percentage uplifts is provided below:

2018/19 Projected Income		3%	5%	10%	
Non Residential	£1,385,780	£41,570	£69,290	£138,580	
Residential	£9,126,110	£237,280	£237,280	£237,280	Limited to 2.6%
<b>Total</b>		<b>£278,850</b>	<b>£306,570</b>	<b>£375,860</b>	

- b) Move towards an equalisation of charges. The table below shows anticipated income if the rates for those aged 65+ were increased by 25% in 2019/20.

	2019/20
1. Set day care rate as the weekly cap	
Day Care Rate	£11.28
Weekly Rate	£18.49
<b>Additional Income</b>	<b>£114k</b>

<b>2. Increase weekly cap, then day care rate</b>	
Day Care Rate	£8.87
Weekly Rate	£18.49
<b>Additional Income</b>	<b>£43k</b>
<b>3. Align day care rate, include the rate within weekly cap</b>	
Day Care Rate	£11.28
Weekly Rate	£20.90
<b>Additional Income</b>	<b>£73k</b>

9.8.9. If the Council chose to increase non residential contributions by 5% and took option 3 for the equalisation of charges, the additional income would be c£0.380m.

## 9.9 Capital Planning

It is essential that the Partnership makes best use of the assets it has available. Ideally, efficiencies would be made in the existing infrastructure, which would allow investment to make key buildings fit for purpose. In order to achieve the optimum results, the review must be undertaken across the Partnership, recognising that this is just one of the benefits of integration. Opportunities to co-locate should be taken wherever feasible and beneficial.

9.9.1 The Falkirk Council capital programme has previously included budget for two key projects – Bainsford Day Centre roof replacement - c£1.7m and Older Peoples Residential Care Home review c£3.7m. In both cases, it has been agreed that it would not be appropriate to use the funds for the originally intended purpose. To date Falkirk Council has continued to protect these budgets for spend in Adult Social Work. Consideration has therefore been given to more effective use of the budget:

Bainsford Day Centre	<p>This project was reviewed as part of the younger adult day service review. In order to enable service users to have a more inclusive experience within the community, priority has been given to the provision of changing place toilets in the area (in collaboration with Falkirk Community Trust).</p> <p>Further proposals include:</p> <ul style="list-style-type: none"> <li>• Existing day care facility refurbishment</li> <li>• Establishment of independence clinics</li> <li>• Refurbishment of Carronbank House to facilitate building rationalisation and support the West locality.</li> <li>• Further Changing Places Toilets investment</li> </ul>
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**APPENDIX 2**  
**EXTRACT FROM 2019/20 BUSINESS PLAN**

Older Peoples Homes	<p>To date the funds of c£3.7m have been set aside to create a new intermediate care facility on the site of the current Falkirk Community Hospital. No final decision has been made on this project.</p> <p>Falkirk Council's capital budget is subject to ongoing review as the proposals submitted by services will cost more than the funds available. The Council therefore goes through a scoring process to prioritise projects.</p> <p>To date the Council has protected the c£3.7m of capital budget for Adult Social Work Services. Proposals will have to be developed as a priority if the Partnership wants to use this funding.</p>
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## Appendix 3

	Amount £m
<b><i>Efficiencies</i></b>	
Sickness Absence – Home Care	0.080
Sickness Absence – Care Homes	0.070
Home Care Efficiencies – through the introduction of revised shift patterns and the investment in the single grade of carer, both pieces of work bringing more flexibility into the scheduling system.	0.300
<b><i>Demand Management</i></b>	
Older People:	
Reduce demand on home care – this saving recognises that Falkirk Council has a substantially higher proportion of the population in receipt of home care than the Scottish average. Through embedding the already approved eligibility criteria, reablement approach and outcomes focussed assessment, demand should slow. In addition, introduction of a reviews strategy should improve the use of resources.	0.350
Reduce demand on residential care – numbers of older adults living in residential care has reduced incrementally over the last two years due to a change in practice and a focus on keeping people at home for longer. However, numbers remain higher than hoped for and work will continue to reduce demand through improved integrated practice in the locality based delivery model.	0.350
Younger Adults:	
Reduce demand for residential care – numbers of younger adults living in residential care remains high. It is critical that this issue is addressed through improving practice and commissioning alternatives to residential care. This approach should also enable those younger adults in placements outwith the area to be supported to return to Falkirk. This is a key project which will generate savings in future years. It has been included in this list for completeness but is not anticipated to generate savings in 2019/20.	-
<b><i>Service Redesign</i></b>	
Older Adult Day Services – this saving is generated through a review of existing day service provision which is not well used. This could be due to the historic nature of some of the commissioning arrangements. Any reduction will be discussed with providers but it is considered unlikely for example that a reduction in block bookings would significantly impact on the outcomes.	0.200
Younger Adult Day Services – this saving will flow from the previous redesign of day services for younger adults.	0.100
<b><i>Income</i></b>	
Increased income from charging – this has been kept at the inflationary uplift of 2.6% applied to state pensions.	0.273
<b>TOTAL</b>	<b>1.723</b>



**PUBLIC BODIES (JOINT WORKING) (SCOTLAND) ACT 2014**

**DIRECTION TO FALKIRK COUNCIL**

Direction for Financial Year 2019/20

1. The Integration Joint Board has the authority to make decisions in respect of services commissioned from Falkirk Council (“the Council”). The Integration Joint Board directs the Council in terms of section 26 of the Public Bodies (Joint Working) (Scotland) Act 2014 to carry out each of the functions listed in Annex 2 of the Integration Scheme (“the functions”), subject to the following conditions:-
  - (a) the functions will be carried out consistent with the existing policies of the Council and any relevant decisions of the Council in relation to its revenue budget;
  - (b) the functions will be carried out in a manner consistent with the strategic plan; and
  - (c) no material change will be made to policies (for example eligibility criteria) or service provision (for example Discharge to Assess services) within the functions (with the exception of the function under section 24 of the Local Government and Planning (Scotland) Act 1982) unless agreed by the IJB.
  - (d) any material change to policies or service provision as outlined in (c) must be initiated and discussed through the Leadership Group (agreed by the IJB on 7 October 2016)
2. The IJB will make a payment to the Council of £75.978m to carry out the functions.
3. This direction will remain in force until revoked in full or part by the IJB.

Falkirk Integration Joint Board  
28 March 2019



**PUBLIC BODIES (JOINT WORKING) (SCOTLAND) ACT 2014**

**DIRECTION TO FORTH VALLEY HEALTH BOARD**

Direction for Financial Year 2019/20

1. The Integration Joint Board has the authority to make decisions in respect of services commissioned from Forth Valley Health Board (“the Health Board”). The Integration Joint Board directs the Health Board in terms of section 26 of the Public Bodies (Joint Working) (Scotland) Act 2014 to carry out each of the functions listed in Annex 2 of the Integration Scheme (“the functions”), subject to the following conditions:-
  - (a) the functions will be carried out consistent with the existing policies of the Health Board and any relevant decisions of the Health Board in relation to its revenue budget;
  - (b) the functions will be carried out in a manner consistent with the strategic plan; and
  - (c) no material change will be made to policies (for example reablement strategies) or service provision (for example patient pathways) within the functions unless agreed by the IJB.
  - (d) any material change to policies or service provision as outlined in (c) must be initiated and discussed through the Leadership Group (agreed by the IJB on 7 October 2016)
2. The IJB will make a payment to the Health Board of £117.259m to carry out the functions. The Health Board will make use of the sum of £27.506m set aside in relation to Large Hospital Services.
3. The Health Board will pass through £10.052m of Integration Funding to Falkirk Council in line with Scottish Government allocations. £3.744m of funding for the Integrated Care Fund and Delayed Discharge will be allocated in line with the agreed Partnership Funding governance process.
4. This direction will remain in force until revoked in full or part by the IJB.