

# AGENDA ITEM

7

**Title/Subject:** 2018/19 Budget  
**Meeting:** Integration Joint Board  
**Date:** 1 June 2018  
**Submitted By:** Chief Finance Officer  
**Action:** For Decision

## 1. INTRODUCTION

- 1.1. The purpose of this report is to provide the Board with an update on the 2018/19 budget. This report provides an update on the issues which were highlighted as requiring further work in the budget report presented to the April 2018 IJB.

## 2. RECOMMENDATIONS

The IJB is invited to:

- 2.1. note the contents of this report
- 2.2. approve the savings at Appendix 3, excluding those relating to mental health services
- 2.3. note that further information on mental health budgets will be presented to the IJB following confirmation of funding from the Scottish Government.

## 3. BACKGROUND

- 3.1. The IJB has received a number of reports on the 2018/19 budget. The financial settlements from the Partners and the baseline budget for the Partnership has been set and approved. The last budget report to the IJB in April 2018 highlighted a number of issues that required further work and where further information would be reported to the IJB.

## 4. APPROVED 2018/19 BUDGET

- 4.1. The budget report to the April 2018 IJB meeting set out the agreed financial settlements from both Partners and a baseline budget for the Partnership. A summary of the position is included at Appendix 1.
- 4.2. To date finance reports to the IJB have included an appendix setting out NHS spend and an appendix setting out Adult Social Care spend. For 2018/19, it is proposed to present one appendix which sets out the budget for the Partnership, focussing on the services being provided, for example spend on mental health services, residential care etc. Work is ongoing to develop this and a provisional position is set out in

Appendix 2. However, there is undoubtedly more work required to refine the figures and it is acknowledged that this process will take time. Appendix 2 is a good starting point for focussing attention on how the Partnership is spending its money and for moving towards a locality based model where appropriate.

## **5. SAVINGS DEVELOPMENT**

- 5.1.** Previous reports to the IJB have noted that a savings tracker would be developed. The savings tracker is included at Appendix 3 and includes all the savings approved in respect of Adult Social Care and the savings proposed to date for in scope health services.
- 5.2.** In total the funding gap for 2018/19 is estimated to be £4.341m. The updated Appendix 3 identifies savings of £4.509m. These identified savings include Set Aside.
- 5.3.** The April 2018 report to the IJB noted that the funding gap on the Operational & Universal side of the NHS budget required savings of £1.674m, whilst savings of £1.436m had been identified. Savings of £1.758m have now been identified and these are shown in Appendix 3 to this report. Whilst a number of these savings have a risk rating of red or amber, the Partnership has a more secure platform for moving forward for this financial year. However, some of the savings identified include savings that would impact on mental health services. This is covered in Section 7 of this report.
- 5.4.** A paper to the NHS Board Senior Leadership Team has set out an approach for identification and delivery of savings. This includes the identification of an Executive/Director lead, supported by a Senior Finance Manager to drive delivery of area wide savings, such as people/workforce, prescribing and procurement, and support delivery of Directorate savings.
- 5.5.** The focus for NHS Forth Valley is on cost reduction and risk assessments and equality assessments will be prepared where appropriate. Monthly savings performance reports will be prepared, and IJB specific information will be incorporated into IJB finance reports.

## **6. EMERGING PRESSURES – CONTINGENCY BEDS**

- 6.1.** As part of the agreed winter planning arrangements NHS Forth Valley agreed to use winter planning funding to cover the costs of additional beds at Falkirk Community Hospital (FCH) and Bo' ness Community Hospital (BCH). 21 beds were open in ward 5 at FCH and four additional beds were opened in ward 1 of BCH. At the same time an additional four beds were put into wards 2 and 3 of FCH.
- 6.2.** The winter planning funding was in place until 31 March 2018. The beds in ward 5 and ward 1 remained open until late April 2018. The four additional beds in wards 2 and 3 at FCH remain open and efforts continue to get these beds closed.

- 6.3.** Colleagues in NHS Forth Valley are calculating the additional cost of the above beds which will sit as a pressure in the budget. However, it is hoped that these costs will be mitigated during the financial year. It is worth noting that this position is a significant improvement on the contingency bed situation in 2017/18 thanks to significant efforts on the part of staff to find creative solutions to the bed requirements as well as the continuing emphasis being put on “Home First” across the Partnership.

## **7. MENTAL HEALTH BUDGET AND SAVINGS**

- 7.1.** As noted at paragraph 5.2, there is some clarity required over the approach to the mental health budget and savings requirements.
- 7.2.** The NHS Forth Valley Local Delivery Plan states that “settlement funding for mental health will require to be ring-fenced from any savings to meet the commitment to a real terms increase in funding”. However, it is important to stress that whilst the mental health services budget is to some degree protected, the need to ensure that funds are spent in an efficient, economical and effective manner remains.
- 7.3.** The savings proposed to date include some savings that would impact on mental health services. These are the redesign of the community rehabilitation team and changes to skill mix in the mental health care group. These savings contribute c£0.110m to c£0.150m to the savings identified of £1.758m. It is worth highlighting that these savings were approved as part of the 2017/18 budget process but delivery of the savings flows into 2018/19. These savings are now subject to review.
- 7.4.** Once the Board are in receipt of the allocation from Scottish Government for new mental health monies, it will be possible to understand the complete mental health financial framework for 2018/19 and the steps required to deliver both national and local commitments in this area. A detailed report covering the redesign of mental health services is a separate item on this agenda.

## **8. ALCOHOL & DRUG PARTNERSHIP (ADP)**

- 8.1.** The 2018/19 budget for the ADP has not been finalised. At the time of writing this report, the Scottish Government has not confirmed the allocation of new funding to ADPs. The conditions attached to this funding are not known either and so it is difficult to effectively plan.
- 8.2.** The 2017/18 budget for Forth Valley ADP was £8.9m. This includes ‘bridging’ funding of c£0.6m which NHS Forth Valley continued to allocate to the ADP following funding reductions by the Scottish Government in 2016/17.
- 8.3.** Whilst the ADP are working on savings proposals at this time, it remains unclear what quantum of savings they will have to find. A final position on the ADP funding and

savings requirement for 2018/19 cannot be reached until confirmation of the funding allocation from Scottish Government.

## **9. BUDGET RETURN TO THE HEALTH AND SPORTS COMMITTEE**

- 9.1.** As part of its ongoing scrutiny of integration authority budgets, the Scottish Parliament's Health and Sport Committee asked all integration authorities to complete a short pro-forma return to gather some basic information on budgets.
- 9.2.** The return was to be completed and submitted by 2 May 2018. The return was discussed with colleagues in both Partners before submission. A copy of the return to the Scottish Government is included at appendix 4.

## **10. SET ASIDE RETURN**

- 10.1.** The Director of the Health Finance Directorate wrote to Integration Authority Chief Officers and Health Board Chief Executives to request a progress statement on establishing set aside arrangements. The request was effectively for a self assessment against six key steps for implementing set aside arrangements, as set out in statutory guidance. Deadline for submission was 18 May 2018.
- 10.2.** Following a meeting with colleagues in NHS Forth Valley and the Clackmannanshire and Stirling HSCP, it was agreed that we would prepare a joint response as far as practicable. The Scottish Government letter and the completed return have been attached as appendices 5 and 6. It is anticipated that this area will be closely monitored throughout 2018/19 and much of the work will factor into the strategic plan refresh and medium term financial planning.

## **11. DIRECTIONS**

- 11.1.** At the April IJB it was noted that some minor, immaterial changes were required to the Directions issued to Falkirk Council and NHS Forth Valley. These changes were duly made and the revised Directions sent to the appropriate Chief Executive. It is proposed that the Directions will be updated throughout the year and included in the regular financial position reports for approval. The revised Directions have been included as appendices 7 and 8 to this report. Going forward Directions will be issued as part of each Finance Report submitted to the IJB.
- 11.2.** There is work ongoing at a national level in respect of Directions but this has not been completed. In the event that revised guidance is issued, the Directions will be reviewed and brought back to the IJB.

## **12. CONCLUSIONS**

- 12.1.** This report provides the IJB with an update on the budget issues for 2018/19. On the NHS arm of the budget, further savings need to be identified. Clarity is required on both the mental health and ADP budgets of the Partnership.
- 12.2.** The continuing use of contingency beds may result in a financial pressure on the Partnership for 2018/19.
- 12.3.** Two returns have been completed and submitted to the Scottish Government. The returns required budget information and proposed arrangements for dealing with the Set Aside budget. The returns were completed in consultation with Partners.

### **Resource Implications**

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

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

The report confirms the budget available to the Partnership to deliver 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 for the Partnership are the identification of sustainable, deliverable and recurring savings. There is a risk of using non-recurring means, such as one off savings or the use of reserves, to achieve financial balance. A focus on recurring savings will be essential going forward. At this stage savings have not been identified to mitigate the overall financial risk to the Partnership.

Risks also include the capacity of the management team to deliver operational services, delivery efficiencies and implement significant service changes. A support structure will be required to mitigate these risks.

The savings set out in Appendix 3 include a risk rating. A number of these are rated "red" or "amber". This means that there are risks associated with the deliverability of the saving.

### **Consultation**

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

**Equalities Assessment**

An equalities assessment will require to be prepared for each of the savings proposals, where it is not already available.

---

Approved for Submission by: Patricia Cassidy, Chief Officer, Falkirk IJB

**Author: Amanda Templeman, Chief Finance Officer**

**Date:** 16 May 2018

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

**BUDGET MONITORING STATEMENT 2018/19  
FOR PERIOD TO 30/04/18**

**SUMMARY STATEMENT**

	<u>Budget</u> £m	<u>Projected</u> <u>Outturn</u> £m	<u>(Fav)/ Adv</u> <u>Variance</u> £m
Adult Social Work Services	72.214	72.214	-
Falkirk Council Spend to Save	-	-	-
NHS Forth Valley - Set Aside	25.444	25.444	-
NHS Forth Valley - Operational & Universal	110.553	110.553	-
<b>Sub - Total</b>	<u>208.211</u>	<u>208.211</u>	<u>-</u>
Use of Earmarked Reserves	-	-	-
<b>NET EXPENDITURE</b>	<u>208.211</u>	<u>208.211</u>	<u>-</u>
<b><u>Funded By :</u></b>			
Falkirk Council Contribution	62.162	62.162	-
Falkirk Council Spend to Save Contribution	-	-	-
NHS Forth Valley Contribution	135.997	135.997	-
Integration Funding (via Health Boards)	10.052	10.052	-
Leadership Funding	-	-	-
<b>NET INCOME</b>	<u>208.211</u>	<u>208.211</u>	<u>-</u>
<b>SURPLUS/(DEFICIT)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer from HRA Reserves		-	
Transfer to Reserves		-	
<b>Projected Outturn</b>		<u>-</u>	

Above figures do not include £3.744m of Partnership Funding.

**BUDGET MONITORING STATEMENT 2018/19  
FOR PERIOD TO 30/04/18**

	<b>Falkirk Council</b>	<b>NHS Forth Valley</b>	<b>Total Partnership</b>
	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Budget</u></b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Care at Home Services</b>			
Care at Home	32.435		32.435
MECS/Telecare/Telehealth	0.584		0.584
Equipment & Adaptations	0.403		0.403
Housing Aids & Adaptations	1.200		1.200
Improvement Grants	0.327		0.327
Garden Aid	0.489		0.489
Community Based AHP Services	-	6.212	6.212
Care of Elderly Provided Outwith a Hospital	-	1.137	1.137
District Nursing	-	4.294	4.294
Palliative Care	-	0.082	0.082
	<b><u>35.438</u></b>	<b><u>11.725</u></b>	<b><u>47.163</u></b>
<b>Residential/Building Based Services</b>			
Community Hospitals	-	5.743	5.743
Residential Care	21.341		21.341
Housing with Care/Sheltered Accommodation	1.193		1.193
	<b><u>22.534</u></b>	<b><u>5.743</u></b>	<b><u>28.277</u></b>
<b>Mental Health Services</b>			
Mental Health Inpatient Services	-	6.550	6.550
Community Mental Health	1.179	5.152	6.331
Addiction Services	-	2.650	2.650
	<b><u>1.179</u></b>	<b><u>14.352</u></b>	<b><u>15.531</u></b>
<b>Respite &amp; Carers Support</b>			
Respite Care	1.538		1.538
Carers	0.048		0.048
	<b><u>1.586</u></b>	<b><u>-</u></b>	<b><u>1.586</u></b>
<b>Other Care Services</b>			
Assessment & Care Planning	4.239		4.239
Day Care Services	4.542		4.542
Community Learning Disability	0.951	0.836	1.787
Adult Support & Protection	0.101		0.101
Sensory Team & Resource Centre	0.450		0.450
Voluntary Organisations	0.554		0.554
Public Health Promotion	-	1.176	1.176
Continence Services	-	0.195	0.195
Public Dental Service	-	0.998	0.998
	<b><u>10.837</u></b>	<b><u>3.205</u></b>	<b><u>14.042</u></b>
<b>Joint Partnership</b>			
Advocacy	0.096		0.096
Joint Loan Equipment Store	0.344		0.344
Joint Partnership Agreements	-	1.818	1.818
Resource Transfer	-	11.398	11.398
	<b><u>0.440</u></b>	<b><u>13.216</u></b>	<b><u>13.656</u></b>
<b>Universal Services</b>			
Prescribing	-	34.787	34.787
Primary Care	-	34.074	34.074
	<b><u>-</u></b>	<b><u>68.861</u></b>	<b><u>68.861</u></b>
Set Aside (excluding Mental Health)	-	18.895	18.895
Management & Support Costs	0.200		0.200
<b>TOTAL</b>	<b><u><u>72.214</u></u></b>	<b><u><u>135.997</u></u></b>	<b><u><u>208.211</u></u></b>

SAVINGS TRACKER 2018/19  
FOR PERIOD TO 30/04/18

REF	DESCRIPTOR	RISK RATING	PROPOSED SAVING £m	PROJECTED SAVING £m	SHORTFALL £m	COMMENTS
<b>Efficiencies/Housekeeping</b>						
1A	Dietetics		0.028			
1B	Adult Speech & Language Team - review of service		0.011			
<b>Case for Change Produced/Required</b>						
2A	Redesign of Administering Intravenous Antibiotics in the Community, Specialist Rehab Provision, Day Hospital Review & Frailty		0.413			
2B	Redesign of Community Rehab Teams		0.110			
2C	AHP, MH, LD & OAP Care Group - skill mix changes		0.040			
<b>Prescribing</b>						
3A	Quetiapine prescriptions		0.075			
3B	Housekeeping		0.063			
3C	Technical Switches - Edoxaban		0.149			
3D	Technical Switches - Other		0.092			
3E	Review of Primary Care - over-ordering & waste		0.625			
3F	Changes in Melatonin Protocol		0.022			
3G	18/19 Part 7 Tariff Reductions/Off Patent Benefits		0.130			
<b>Total for Operational &amp; Universal Savings</b>			<b>1.758</b>	-	-	
<b>Set Aside</b>						
4A	Specialist Mental Health - cap non core staffing		0.025			
4B	Hope House Bed Income		0.111			
<b>Total for Set Aside Savings</b>			<b>0.136</b>	-	-	
<b>TOTAL NHS SAVINGS</b>			<b>1.894</b>	-	-	
<b>Efficiencies/Housekeeping</b>						
1.1	High Cost Care Packages		0.800			
1.2	Reduction in Costs Relating to Sickness Absence		0.100			
1.3	Improved Rotas at Care Homes for Older People		0.050			
<b>Changing Models of Service Delivery</b>						
2.1	Reduction in spend on Purchased Care Home Placements		0.400			
2.2	Provision of Equipment		0.030			
2.3	Older Adults Day Services		0.200			
<b>Increasing Income &amp; Other Savings</b>						
3.1	Application of Integration Funding		0.700			
3.2	Charging Income		0.300			
3.3	Supporting People Budget		0.035			
<b>TOTAL ADULT SOCIAL CARE SAVINGS</b>			<b>2.615</b>	-	-	
<b>TOTAL PARTNERSHIP SAVINGS</b>			<b>4.509</b>	-	-	
<b>SAVINGS REQUIRED PER APRIL 2018 BUDGET REPORT</b>			<b>4.341</b>			

**Health and Sport Committee: Integration Authorities Survey 2018**

As part of its ongoing scrutiny of integration authority budgets, the Scottish Parliament's Health and Sport Committee would like to gather some basic information on IA budgets. We would therefore be grateful if you could complete the attached short proforma and return by **2 May 2018**. Please email your responses to [HealthandSport@parliament.scot](mailto:HealthandSport@parliament.scot).

If you require any further information regarding this survey please contact:

**Rebecca Macfie, Senior Assistant Clerk, Health and Sport Committee, Tel: 0131 348 5247 [rebecca.macfie@parliament.scot](mailto:rebecca.macfie@parliament.scot)**

## Budget Scrutiny: Integration Authorities

1. Which integration authority are you responding on behalf of?

**Falkirk**

2. Please provide details of your budgets for each of the last three years:

	<b>2016-17 £m</b>	<b>2017-18 £m</b>	<b>2018-19 £m</b>
Health board	118.997	117.598	124.349
Local authority	56.926	60.676	62.162
Set aside budget	24.155	24.679	25.444
<b>Total</b>	<b>200.078</b>	<b>202.953</b>	<b>211.955</b>

The information on table 2 relates to the funding settlements from the Partners and is taken from the original budget papers. Health Board funding includes Integration Funding and ICF and Delayed Discharge Funding.

In 2017/18 Partnership Funding (ICF & Delayed Discharge Funding) was not included in the original budget papers as part of the base Partnership Budget and was instead reported on separately. A further £3.774m was received in 2017/18.

We are in discussions with the Health Board on the best way to present Partnership Funding going forward.

3. Please provide a broad breakdown of how your integration authority budget has been allocated across services over the last three years.

	<b>2016-17 £m</b>	<b>2017-18 £m</b>	<b>2018-19 £m</b>
Hospital	24.155	24.728	25.445
Community healthcare	43.469	41.753	55.487
Family health services & prescribing	68.458	69.012	68.861
Social care	63.996	67.460	72.214
<b>Total</b>	<b>200.078</b>	<b>202.953</b>	<b>211.955</b>

Broad assumptions have been made that all 2015/16 pressures carried forward to 2016/17 on the NHS arm of the budget were related to prescribing (£1.739m).

In addition all spend of ICF & Delayed Discharge (£3.744m) for 2016/17, 2017/18 and 2018/19 has been shown under Community healthcare. In reality, a proportion of this will sit under social care.

**The information in table 3 is taken from the original budget papers.**

4. Has your budget for 2018-19 been finalised? (YES/NO)

**Yes. Settlements have been agreed but the savings on the NHS arm of the budget have not been fully identified and approved. The budget is not therefore balanced.**

**There is financial risk across the Partnership with a number of medium and high risk rated savings included in the proposals.**

5. If YES, please provide link to relevant board paper:

<http://www.falkirk.gov.uk/coins/submissiondocuments.asp?submissionid=14475>

<http://www.falkirk.gov.uk/coins/submissiondocuments.asp?submissionid=14565>

6. If NO, please indicate when you would expect the budget to be finalised and highlight any particular issues that remain to be resolved:

**As noted above, the settlements have been agreed. The savings requirement on the NHS arm of the budget (excluding Set Aside) is £1.674m. Savings identified to date are £1.436m. However, 95% of these savings have previously been rated as red or amber risk in terms of deliverability. In addition, some of the savings identified impact on mental health services (between £110k and £150k). It is expected this money will be reinvested in mental health services and therefore further savings options not involving mental health will also be required.**

**Colleagues in the NHS are working to mitigate the above risks and further discussions will be held shortly. The IJB will be updated in June.**

**On the social care arm of the budget there are £1.350m of savings (out of £2.615m) that have been identified as an amber risk for deliverability. This will be closely monitored and reported back to the IJB.**

**Thank you for your assistance**

Health Finance Directorate  
Christine McLaughlin, Director



T: 0131-244 3464  
E: christine.mclaughlin@gov.scot

Integration Authority Chief Officers  
Health Board Chief Executives

Cc Local Authority Chief Executives  
Integration Authority Chief Finance Officers  
Health Board Directors of Finance

12 April 2018

Dear Colleagues

### **Progress establishing set aside arrangements – integrated budgets**

As you will be aware, a Finance Development Group (FDG) has been established to support implementation of the financial aspects of the health and social care integration legislation and associated guidance. The FDG includes representation from NHS Boards, Integration Authorities, local authorities, Audit Scotland, CIPFA, COSLA and Scottish Government. At the most recent meeting, the group agreed that there was a need to understand the progress that is being made towards planning across the full pathway of care, including the acute hospital component and the way in which the statutory guidance on the use of delegated hospital budgets is being applied in practice.

The [statutory guidance](#) sets out six key steps for implementing the arrangements, as follows:

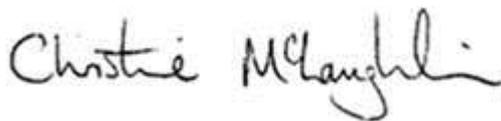
1. A group should be established comprising the hospital sector director and finance leads, and the Chief Officers and Chief Finance Officers of the Integration Authorities, whose populations use the hospital services, including those with a material level of cross boundary flow. The purpose of the group is to develop an understanding of the baseline bed capacity used by Integration Authority residents in the delegated specialties and the resource affected; to develop projections and agree a plan for the capacity that will be needed in future; and to monitor implementation of the plan.
2. The baseline bed days used by Integration Authority residents in the ten specialties should be quantified and the relevant budgets mapped to the bed capacity. The resulting amounts would then be the baseline sum set aside.
3. A method should be agreed for quantifying how the sum set aside will change with projected changes in bed capacity. This should be at two levels of detail: one allowing for the development of outline plans, giving an initial indication of the potential resource implications; and a more comprehensive analysis of agreed changes in capacity, that takes into account cost behaviour and timing of resource changes. Although ultimately left to local decision, the guidance recommends that a similar process to the one successfully used for Learning Disability Same As You (LDSAY) should be used for the more detailed modelling.

4. A plan should be developed and agreed that sets out the capacity levels required by each Integration Authority (taking into account both the impact of redesign and of demographic change) and the resource changes entailed by the capacity changes.
5. Regular information should be provided to the group to monitor performance against the plan.
6. As the plan for hospital capacity is a joint risk held by the Integration Authorities and the Health Board an accountability framework should be agreed that clarifies relevant risk sharing arrangements.

I am writing to you in my role as Chair of the FDG to request information on the development of your local arrangements for this key part of the legislation. I would be grateful if you could provide a response, agreed by both the Integration Authority and NHS Board. which sets out your assessment of your partnership's progress in implementing these six recommendations and plans for this financial year 2018/19. It would be helpful if you could identify any areas that would support further progress when responding.

Responses should be sent to [Eilidh.love@gov.scot](mailto:Eilidh.love@gov.scot) on completion, by close on 18<sup>th</sup> May. Please let me know if this timescale presents any practical difficulties.

Yours sincerely



CHRISTINE MCLAUGHLIN

Christine McLaughlin  
Director  
Health Finance Directorate  
The Scottish Government  
St Andrew's House  
Regent Road  
Edinburgh  
EH1 3DG

Date 18 May 2018

Enquiries to Cathie Cowan  
Extension 210  
Direct Line 01786 457210  
Email [cathiecowan@nhs.net](mailto:cathiecowan@nhs.net)

Dear Christine

### **Progress establishing set aside arrangements – integrated budgets**

I write with reference to your correspondence of 12 April 2018 on the above. This is submitted as a collective response from the Chief Officers of both Falkirk and Clackmannanshire and Stirling Integration Authorities, and the Chief Executive of NHS Forth Valley.

In preparation for the establishment of the two integration authorities in Forth Valley, significant work took place to identify those operational and set aside budgets in scope, and to construct a financial model to allocate in scope budget shares to the two Health and Social Care Partnerships.

Within the financial model, the sum for set aside is based on financial values for in-scope services, aggregated from service and ward level budgets. These budgets formed part of the model which then allocated the budgets across the two partnerships, using Integrated Framework (IRF) statistics, as provided by the Information Services Division. The model and the methodology used were subject to a due diligence exercise undertaken by internal auditors and assurance was given to the Integration Joint Boards. The requirement to revisit and further develop these arrangements has been acknowledged.

Regarding the six steps as set out in the statutory guidance we would respond as follows:

- 1 To update work previously undertaken on set aside, a group will be established, with appropriate Terms of Reference. It is envisaged that this group will include Chief Officers and their finance support, together with Hospital General Management and Planning and Project support. The group will report progress to the Unscheduled Care Programme Board.

Chairman: Alex Linkston CBE  
Chief Executive: Cathie Cowan

*Forth Valley NHS Board is the common name for Forth Valley Health Board  
Registered Office: Carseview House, Castle Business Park, Stirling, FK9 4SW*

[www.nhsforthvalley.com](http://www.nhsforthvalley.com)  [Facebook.com/nhsforthvalley](https://www.facebook.com/nhsforthvalley)  [@nhsforthvalley](https://twitter.com/nhsforthvalley)

- 2 The work done on the previous model will be reviewed and updated to take account of the most recently available data from SOURCE to establish an updated budget and activity baseline by specialty.
- 3 Once the baseline model is reviewed and updated and has been subject to appropriate due diligence scrutiny, it will be available to be used to model the impact of development plans which might propose an alternative utilisation of the current bed complement. As advised, the Learning Disability Same as You methodology will be reviewed for modelling purposes.
- 4 In order to identify the likely capacity levels required by each Integration Authority, it is envisaged that planning assumptions including those informed by new models of care, the General Register Office population statistics, local intelligence through Joint Strategic Need Assessments and activity information via SOURCE will be used, and aligned to current work on medium and longer term financial planning. It will be important to align assumptions with those developed for the West of Scotland Strategic Resource Framework.
- 5 As set out above, the reporting route will flow through the Falkirk IJB Leaderships Group, the Clackmannanshire and Stirling IJB Leadership Group and through the Unscheduled Care Programme Board, and will occur on a regular basis. A project plan will be established and performance against that will be monitored. Progress will also be reported as appropriate through the Integration Joint Boards, including committee structures to ensure visibility and understanding of relevant accountabilities.
- 6 The establishment of a robust accountability framework on risk share to manage proposed services and budget changes will be developed and agreed with Integration Joint Boards and NHS Board. This will aim to ensure that operational and financial turbulence is minimised.

In summary, we will establish an expert group to review work previously done on Set Aside and update for the most recent SOURCE information to update the current baseline. This model will then be available to understand capacity and resource usage by the Integration Authorities and give a platform to plan and manage change.

Yours sincerely



**Cathie Cowan**  
**Chief Executive**  
**NHS Forth Valley**

cc Patricia Cassidy, Chief Officer, Falkirk Integration Joint Board  
Shiona Strachan, Chief Officer, Clackmannanshire & Stirling Integration Joint Board

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

**DIRECTION TO FALKIRK COUNCIL**

Direction for Financial Year 2018/19

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 £72.214m 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  
6 April 2018

**PUBLIC BODIES (JOINT WORKING) (SCOTLAND) ACT 2014****DIRECTION TO FORTH VALLEY HEALTH BOARD**

Direction for Financial Year 2018/19

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 £110.553m to carry out the functions. The Health Board will make use of the sum of £25.444m 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.

Falkirk Integration Joint Board  
6 April 2018