



**Inverclyde Health and Social Care
Partnership**

Integration Joint Board Financial Regulations

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Approved by	Integration Joint Board Audit Committee
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Inverclyde Integration Joint Board positively promotes the principles of sound corporate governance within all areas of the Integration Joint Board's affairs. These Financial Regulations are an essential component of the corporate governance of the Inverclyde Integration Joint Board.

1. What the Regulations Cover

- 1.1 The Public Bodies (Joint Working) (Scotland) Act 2014 established the framework for the integration of health and social care in Scotland. Inverclyde Health and Social Care Partnership is governed by the Inverclyde **Integration Joint Board** which was established by Parliamentary Order on 27 June 2015 following approval of the Inverclyde Integration Scheme by the Scottish Ministers. Inverclyde Council and (the Health Board) have delegated functions and resources to the Integration Joint Board. The Integration Joint Board will direct the Council and the Health Board on how resources will be spent in line with the approved Strategic plan, and allocate resources back to the Council and Health Board in accordance with this direction. The Integration Joint Board retains responsibility for oversight and management of expenditure within the allocated budgets.
- 1.2 Both the Health Board and the Council operate under Financial Regulations/Standing Financial Instructions in the operational delivery of services. As this service delivery will continue to be carried out within the Health Board and the Council, these Financial Regulations relate specifically to the affairs of the Integration Joint Board itself and therefore are more limited and focussed in scope. All operational and transactional finance matters for delivery of Inverclyde Health and Social Care Partnership will comply with Inverclyde Council Financial Regulations and Health Board Standing Financial Instructions.
- 1.3 The Integration Joint Board is a legal entity in its own right created by Parliamentary Order, following ministerial approval of the Integration Scheme. It is accountable for the stewardship of public funds and is expected to operate under public sector best practice governance arrangements, proportionate to its transactions and responsibilities. Stewardship is a major function of management and, therefore, a responsibility placed upon the appointed members and officers of the Integration Joint Board.
- 1.4 These Financial Regulations should be read in conjunction with the Standing Financial Instructions of the Health Board and the Financial Regulations of Inverclyde Council.
- 1.5 The Chief Officer, supported by the Chief Finance Officer must ensure that there are adequate systems and controls in place for the proper management of the Integration Joint Board's financial affairs. These Financial Regulations of the Inverclyde Integration Joint Board are for its own financial affairs.
- 1.6 These Regulations set out the respective responsibilities of the Integration Joint Board, the Chief Officer and the Chief Finance Officer of the Integration Joint Board.

- 1.7 It will be the duty of the Chief Officer assisted by the Chief Finance Officer to ensure that these Regulations are made known to the appropriate persons within the Integration Joint Board and to ensure that they are adhered to. All actions which affect the Integration Joint Board's finances should only be carried out by properly authorised employees. The Chief Officer and other authorised persons will ensure that all expenditure within the Integration budget meets proper accounting standards.
- 1.8 The Integration Joint Board will give directions to Inverclyde Council and the Health Board that are designed to ensure resources are spent in accordance with the Strategic Plan and Integration Scheme.
- 1.9 If it is believed that anyone has broken, or may break, these Regulations, this must be reported immediately to the Chief Finance Officer, who may then discuss the matter with the Chief Officer to determine what action is to be taken.
- 1.10 These Regulations will be the subject of regular review by the Integration Joint Board Chief Finance Officer in consultation with the Health Board Director of Finance and the Inverclyde Council Section 95 Officer, and where necessary, subsequent adjustments will be submitted to the Integration Joint Board Audit Committee for approval.

2. Corporate Governance

- 2.1 Corporate governance is about the structures and processes for decision-making, accountability, controls and behaviour throughout the Integration Joint Board. The basic principles of corporate governance are as follows.

Openness Anyone with an interest in the affairs of the Integration Joint Board should have confidence in the decision-making and management processes and the individuals involved in them. This confidence is gained through openness in its affairs and by providing full, accurate and clear information which leads to effective and timely action and scrutiny.

Integrity There should be honesty, selflessness, objectivity and high standards of conduct in how the Integration Joint Board's funds and affairs are managed. Integrity depends on the effectiveness of the control framework and on the personal standards and professionalism of members and officers involved in the running of its affairs.

Accountability There needs to be a clear understanding by everyone involved in the

Integration Joint Board's affairs of their roles and responsibilities. There should also be a process which provides appropriate independent examination of the decisions and actions of those involved in the Integration Joint Board's affairs, including how the Integration Joint Board's funds and performance are managed.

- 2.2 These Financial Regulations are an essential part of the corporate governance of the Integration Joint Board.
- 2.3 Members of the Integration Joint Board are required to follow any formally agreed national codes of conduct.

3. Responsibilities under these Financial Regulations

- 3.1 The Integration Joint Board will continuously work to secure best value for money, and economy, efficiency and effectiveness in how the organisation directs its resources.
- 3.2 The Chief Finance Officer (in consultation with the Chief Officer) will advise the Integration Joint Board on the financial implications of the Integration Joint Board's activities. The Chief Finance Officer will ensure that budget holders receive impartial advice, guidance and support and appropriate information to enable them to effect control over expenditure and income.

Strategic Plan and Integrated Budget

- 3.3 The Integration Joint Board's Strategic Plan sets out arrangements for planning and directing the functions delegated to it by Inverclyde Council and the Health Board. The Strategic Plan covers a rolling five-year period and will determine the budgets allocated to each operational partner for operational service delivery in line with the Strategic Plan, recognising that these may need to be indicative for years two to five.
- 3.4 The Chief Officer and the Chief Finance Officer will develop an integrated budget based on the Strategic Plan and agreed funding from Inverclyde Council and the Health Board for consideration and agreement as part of the annual budget setting process and financial plan linked to the overall Strategic Plan
- 3.5 The Integration Scheme sets out the detail of the integration arrangement agreed between the Health Board and Inverclyde Council. In relation to financial management it specifies:
 - The financial management arrangements including treatment of budget variances;

- Reporting arrangements between the Integration Joint Board, the Health Board and Inverclyde Council;
- The method for determining the resources to be made available by the Health Board and Inverclyde Council;
- The functions which are delegated to the Integration Joint Board by the Health Board and Inverclyde Council.

3.6 Budget Setting and Financial Planning Protocol

A budget setting and financial planning protocol for the Integration Joint Board is enclosed at Appendix A. This outlines the step by step process in place to develop and agree budgets and financial plans for the Integration Joint Board.

3.7 Budget Management

Budget holders within the Council and the Health Board will be accountable for all budgets within their control as directed by the Integration Joint Board in line with its Strategic Plan. The Integration Joint Board will ensure appropriate arrangements are in place to support good financial management and planning.

3.8 Inverclyde Council's Section 95 Officer and the Health Board's Director of Finance will provide the Chief Finance Officer with management accounts and forecasts to allow the Integration Joint Board to monitor the overall financial performance of the Integration Joint Board's functions in relation to the approved Revenue Budgets.

3.9 The Chief Finance Officer will provide regular budget monitoring reports to the Integration Joint Board along with explanations for any significant variations from budget and the action planned to deal with them.

4. The Framework for Financial Administration

4.1 The Financial Regulations set out the responsibilities of Board Members, the Chief Officer and the Chief Finance Officer within the context of the Integration Joint Board's financial management framework.

5. Financial Planning and Reporting

Preparing Procedures, Records and Accounts

5.1 The Chief Finance Officer will prepare the Annual Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (The CODE), reporting the Integration Joint Board's financial performance for the year to 31 March to the Integration Joint Board. The approved Accounts must also be forwarded to the Controller

of Audit no later than the 30th June of the same year, or such date as decided by the Controller of Audit.

- 5.2 The accounts of the Integration Joint Board will be hosted by Inverclyde Council.
- 5.3 The Chief Finance Officer must provide any information necessary for the closure of the Accounts and within prescribed timescales. Details of the information required and procedures to be followed will be issued annually by the Chief Finance Officer. The format of the Accounts and the relevant notes to the Accounts of the Health Board and the Council will be in line with national CIPFA and / or LASSAAC guidance.

Presenting External Audit Reports

- 5.4 The Chief Finance Officer will ensure the presentation of all External Audit reports including reports on the audited Annual Accounts to the Integration Joint Board and make such reports available to the Health Board and Inverclyde Council.
- 5.5 In consultation with Inverclyde Council, which hosts the annual accounts, the Chief Finance Officer will make appropriate arrangements for the public inspection of the Integration Joint Board's Accounts.

Capital Planning

- 5.6 The Chief Officer annually, in consultation with Inverclyde Council and the Health Board, will prepare a Capital Plan to make best use of existing resources and identify the asset requirements to support the Strategic Plan.
- 5.7 The Capital Plan will be submitted to the Integration Joint Board for approval.
- 5.8 Business Cases will be prepared by the Chief Officer and Chief Finance Officer and submitted to Inverclyde Council's Capital Planning Group or the Health Board's Capital Planning Group for approval.
- 5.9 The Chief Officer will be a member of both partners' Capital Planning Groups.
- 5.10 Where new capital investment is required to deliver the Strategic Plan both partners should consider the Business Plan.

Control of Capital Expenditure

- 5.11 The Integration Joint Board does not receive a capital funding allocation. Capital projects

are funded by either Inverclyde Council or the Health Board and expenditure will be controlled in accordance with their financial regulations.

5.12 The Integration Joint Board will receive financial monitoring reports which include information on capital expenditure from both partners against approved schemes relevant to the services delegated to the Integration Joint Board.

5.13 In matters relating to capital planning and expenditure, the Capital Planning Guidance developed for the partnerships in Greater Glasgow & Clyde should be followed.

5.14 **Strategic Plan and Integrated Budget**

The Integration Joint Board is responsible for the production of a Strategic Plan which sets out the services for their population over the medium term (5 years). The resources within scope of the Strategic Plan are:

- The payment made to the Integration Joint Board by Inverclyde Council for delegated social care services;
- The payment from the Health Board to the Integration Joint Board for delegated primary and community healthcare services and for those delegated hospital services managed by the Chief Officer.
- The amount set aside by the Health Board for delegated services provided in large hospitals for the population of the Integration Joint Board.

the Health Board and Inverclyde Council will provide indicative funding allocations to the Integration Joint Board to support the Strategic Plan and medium term financial planning process. Such indicative allocations will remain subject to annual approval by both organisations.

5.15 The Chief Officer and the Chief Finance Officer will develop an integrated budget and medium term financial plan based on the Strategic Plan and agreed funding from the Health Board and Inverclyde Council. The budget proposal paper and any medium term financial plan papers should be evidence based with full transparency on its assumptions and take account of:

- **Activity Changes.** The impact on resources in respect of increased demand e.g. demographic pressures and increased prevalence of long term conditions, and for other planned activity changes;
- **Cost Inflation.** Pay and supplies cost increases;
- **Efficiencies.** All savings (including increased income opportunities and service rationalisations/cessations) should be agreed between the Integration Joint Board, Inverclyde Council and the Health Board as part of the annual rolling financial

planning process to ensure transparency;

- **Performance on outcomes.** The potential impact of efficiencies on agreed outcomes must be clearly stated and open to challenge by Inverclyde Council and the Health Board;
- **Legal requirements.** Legislation may entail expenditure commitments that should be taken into account in adjusting the payment;
- **Transfers to/from the notional budget for hospital services** set out in the Strategic Plan;
- **Additional Funding for National Priorities and Adjustments to address equity.** Inverclyde Council and the Health Board may choose to adjust contributions to reflect increased funding received for National priorities or to smooth the variation in weighted capita resource allocations across partnerships.

5.16 The Strategic Plan will determine the budgets allocated to each operational partner for operational service delivery in line with the Plan.

5.17 **Limits on Expenditure**

No expenditure will be incurred by the Integration Joint Board unless it has been included within the approved Integration budget and Strategic Plan except:

- I. Where additional funding has been approved by the Health Board and/or Inverclyde Council and the integrated budget/strategic plan has been updated appropriately;
- II. Where a supplementary budget has been approved by the Integration Joint Board;
- III. In emergency situations in terms of any scheme of delegation;
- IV. As provided in paragraphs 5.18 and 5.19 below (Virement).

5.18 **Virement**

Virement is defined by CIPFA as “the transfer of an underspend on one budget head to finance additional spending on another budget head in accordance with the Financial Regulations”. In effect virement is the transfer of budget from one main budget heading (employee costs, supplies and services etc.) to another, or a transfer of budget from one service to another. Where resources are transferred between the two operational arms of the Integrated Budget this will require in-year balancing adjustments to the allocations from the Integration Joint Board to Inverclyde Council and the Health Board i.e. a reduction in the allocation to the body with the underspend and a corresponding increase in the allocation to the body with the overspend.

5.19 Virements require approval and they will be permitted subject to any Scheme of Delegation of the Integration Joint Board as follows:

- I. Virement must not create additional overall budget liability. One off savings or additional income should not be used to support recurring expenditure or to create future commitments including full year effects of decisions made part way through a year.
- II. The Chief Officer will not be permitted to vire between the Integrated Budget and those budgets that are managed by the Chief Officer, but are outwith the scope of the Strategic Plan, unless agreed by Inverclyde Council and the Health Board.
- III. Any virement over £20,000 which changes the specific budget values delegated back to the Health Board or Council requires the approval of the Integration Joint Board.

5.20 **Budgetary Control**

It is the responsibility of the Chief Officer and Chief Finance Officer to report regularly and timeously on all budgetary control measures, comparing projected outturn with the approved financial plan, to the Integration Joint Board and other bodies as designated by the Health Board and Inverclyde Council.

- The Health Board Director of Finance and the Section 95 officer of Inverclyde Council will, along with the Integration Joint Board Chief Finance Officer put in place a system of budgetary control which will provide the Chief Officer with management accounting information for both arms of the operational budget and for the Integration Joint Board in aggregate.

5.21 It is the responsibility of the Integration Joint Board Chief Finance Officer, in consultation with the Health Board and the Section 95 Officer of Inverclyde Council, to agree a consistent basis and timetable for the preparation and reporting of management accounting information.

5.22 The Integration Scheme specifies how in year over/under spends will be treated. Where it appears that any heading of income or expenditure may vary significantly from the Financial Plan, it will be the duty of the Chief Officer and the Chief Finance Officer, in conjunction with the Health Board Director of Finance and the Section 95 Officer of the Council, to report in accordance with the appropriate method established for that purpose by the Integration Joint Board, the Health Board and Inverclyde Council, the details of the variance and any remedial action required.

5.23 **Reports to Integration Joint Board**

All reports to the Integration Joint Board and sub-committees thereof must specifically identify the extent of any financial implications. These must have been discussed and agreed with the Integration Joint Board Chief Finance Officer prior to lodging of reports.

6. Legality of Expenditure

- 6.1 It will be the duty of the Chief Officer to ensure that no expenditure is incurred, or included within the Strategic Financial Plan unless it is within the power of the Integration Joint Board. In cases of doubt the Chief Officer should consult the respective legal advisers of the Health Board and Inverclyde Council before incurring expenditure. The legality of expenditure on new service developments, initial contributions to other organisations and responses to emergency situations which require expenditure must be clarified prior to being incurred.

7. Reviewing the Financial Regulations

- 7.1 The Integration Joint Board Audit Committee will consider and approve any alterations to these Financial Regulations. The Integration Joint Board may also withdraw these Financial Regulations. If so, this will come into force from the first working day after the end of the Integration Joint Board Audit Committee meeting at which the change or withdrawal was approved. This policy will be formally reviewed through the Audit Committee at least every three years.

8. Reserves

- 8.1 Section 106 of the Local Government (Scotland) Act 1973 as amended, empowers the Integration Joint Board to hold reserves which should be accounted for in the financial accounts and records of the Integration Joint Board. The Integration Joint Board Reserves Policy and Strategy outlines the level of reserves required and their purpose. This will be agreed as part of the annual budget setting process and will be reflected in the Strategic Plan agreed by the Integration Joint Board.

9. VAT

- 9.1 HMRC has confirmed that there is no requirement to have a separate VAT registration for the Integration Joint Board as it will not be delivering any services within the scope of VAT. This situation should be kept under review by the Chief Finance Officer should the operational activities of the Integration Joint Board change and a need to register be

established. HMRC guidance will apply to Scotland.

10. Financial Reporting

10.1 Accounting Procedures and Records

All accounting procedures and records of the Integration Joint Board will be as specified in applicable legislation and regulations. Financial Statements will be prepared following the Code of Practice on Local Authority Accounting in the UK. Statements will be signed as specified in regulations made under Section 105 of the Local Government (Scotland) Act 1973.

10.2 The financial statements must be completed to meet the audit and publication timetable specified in regulations made under section 105 of the Local Government (Scotland) Act 1973. It is the primary responsibility of the Chief Finance Officer to meet these targets and of the Chief Officer to provide any relevant information to ensure that the Health Board and Inverclyde Council meet their respective statutory audit and publication requirements for their individual and group financial statements.

10.3 The Integration Joint Board Chief Finance Officer will agree the financial statements timetable with the external auditors of the Integration Joint Board.

11. Internal Audit

11.1 Responsibility for Internal Audit

It is the responsibility of the Integration Joint Board to establish adequate and proportionate internal audit arrangements for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources. This will include determining who will provide the internal audit service for the Integration Joint Board and nominating a Chief Internal Auditor.

11.2 The operational delivery of internal audit services within the Health Board and Inverclyde Council will be covered by their respective internal audit arrangements as at present.

11.3 A Chief Internal Auditor will be appointed to act as the Integration Joint Board Chief Internal Auditor in addition to their role as Chief Internal Auditor of their respective authority.

11.4 The Internal Audit Service will undertake their work in compliance with the Public Sector

Internal Audit Standards.

- 11.5 On or before the start of each financial year the Integration Joint Board Chief Internal Auditor will consult with the Chief Officer and Chief Finance Officer in the preparation of a strategic and risk based audit plan, which the Chief Internal Auditor will then submit to the Integration Joint Board Audit Committee for approval. The internal audit plan will consider:
- The Strategic Plan and planning process;
 - The financial plan underpinning the Strategic Plan; and
 - Relevant issues raised from the partner Health Board and Local Authority.
- It is recommended that the internal audit plan is shared with the relevant committees of the Health Board and Inverclyde Council.
- 11.6 The Integration Joint Board Chief Internal Auditor will report to the Integration Joint Board on the annual audit plan, delivery of the plan and recommendations and will provide an annual internal audit report including the audit opinion.
- 11.7 The Integration Joint Board annual internal audit report will be shared with the Audit Committees of NHS Greater Glasgow & Clyde and Inverclyde Council.
- 11.8 Internal audit reports carried out as part of the Integration Joint Board internal audit plan will be submitted to the Chief Officer and the Integration Joint Board Audit Committee for scrutiny.
- 11.9 Relevant internal audit activity carried out by partners will also be submitted to the Integration Joint Board Audit Committee for information and note. This activity will be agreed with partner auditors, the Chief Officer and / or Chief Executives of NHS Greater Glasgow & Clyde and Inverclyde Council.

12. External Audit

- 12.1 The Accounts Commission will appoint the Auditors to the Integration Joint Board.
- 12.2 The Integration Joint Board should make appropriate and proportionate arrangements for consideration of external audit reports including those relating to the annual financial statements to ensure that they are compliant with relevant statutory provisions and Accounting Codes of Practice.
- 12.3 Reports on external audit activity will be submitted to the Chief Officer and the Integration

Joint Board Audit Committee for scrutiny.

13 Audit Committee

- 13.1 The Integration Joint Board will put in place an Audit Committee to ensure that an effective assurance process is in place that assesses the objectives, risks and performance of the Partnership. This will include consideration of any reports from auditors.
- 13.2 It will be the responsibility of the Integration Joint Board to agree the membership having regard to the agreed remit, skills and good practice for a the Audit Committee. It is anticipated that members of the Integration Joint Board will serve in this capacity.

14. Risk Management and Insurance

14.1 Responsibility for Insurance and Risk

The Integration Joint Board, while having legal personality in its own right, has neither replaced nor assumed the rights or responsibilities of either the Health Board of the Council as the employers of the staff delivering integrated services; or for the operation of buildings or services under the operational remit of those staff. The Council and the Health Board will continue to indemnify, insure and accept responsibility for the staff that they each employ; their particular capital assets that integrated services are delivered from or with; and the respective functions themselves that each has delegated to the Integration Joint Board.

- 14.2 The Integration Joint Board will make appropriate insurance arrangements for all activities of the Integration Joint Board in accordance with the risk management strategy.
- 14.3 The Chief Officer will arrange, taking such specialist advice as may be necessary, that adequate insurance cover is obtained for all normal insurable risks arising from the activities of the Integration Joint Board for which it is the general custom to insure. This will include the provision of appropriate insurance in respect of members of the Integration Joint Board acting in a decision making capacity.
- 14.4 The Health Board's Director of Finance and the Section 95 Officer of Inverclyde Council will ensure that the Chief Officer has access to professional support and advice in respect

of risk management.

14.5 Risk Strategy and Risk Register

The Chief Officer is responsible for establishing the Integration Joint Board risk strategy and profile and developing the risk reporting arrangements; this will include arrangements for a risk register. The Risk Management strategy will be approved by the Integration Joint Board Audit Committee.

- 14.6 The Health Board and Inverclyde Council will continue to identify and manage within their own risk management arrangements any risks they have retained under the integration arrangements. The partners will continue to report risk management to their existing committees including the impact of the integration arrangements.

14.7 Notification of Insurance Claims

The Chief Officer and the Chief Finance Officer will put in place appropriate procedures for the notification and handling of any insurance claims made against the Integration Joint Board.

15. Board Members' Expenses

- 15.1 Payment of voting Integration Joint Board Members' allowances will be the responsibility of the Members' individual Council or Health Board, and will be made in accordance with their own Schemes.
- 15.2 Non-voting members of the Integration Joint Board will be entitled to payment of travel expenses. Non-voting members are required to submit claims on the Integration Joint Board's agreed expenses claim form and as far as practicable to provide receipts in support of any expenses claimed. The costs relating to expenses incurred by the non-voting members of the Integration Joint Board will be shared equally by the Health Board and the Council.
- 15.2 The Chief Finance Officer will ensure that a record of all expenses paid under the Scheme, detailing name, amount and nature of payment.

16. Economy, Efficiency and Effectiveness (Best Value)

- 16.1 The Chief Officer will ensure that arrangements are in place to maintain control and clear public accountability over the public funds delegated to the Integration Joint Board. This will apply in respect of:
- the resources delegated to the Integration Joint Board by the Health Board and Inverclyde Council; and
 - the resources paid to the Health Board and Inverclyde Council by the Integration Joint Board for use as directed and set out in the Strategic Plan.
- 16.2 The Integration Joint Board has a duty to put in place proper arrangements for securing Best Value in the use of resources and delivery of services. There will be a process of strategic planning which will have full board member involvement, in order to establish the systematic identification of priorities and realisation of Best Value in the delivery of services.
- 16.3 It will be the responsibility of the Chief Officer to deliver the arrangements put in place to secure Best Value and to co-ordinate policy in regard to ensuring that the Integration Joint Board provides Best Value.
- 16.4 The Chief Officer will be responsible for ensuring implementation of the strategic planning process. Best Value should cover the areas of human resource and physical resource management, commissioning of services, financial management and policy, performance and service delivery process reviews.

INVERCLYDE HSCP BUDGET SETTING AND FINANCIAL PLANNING PROTOCOL

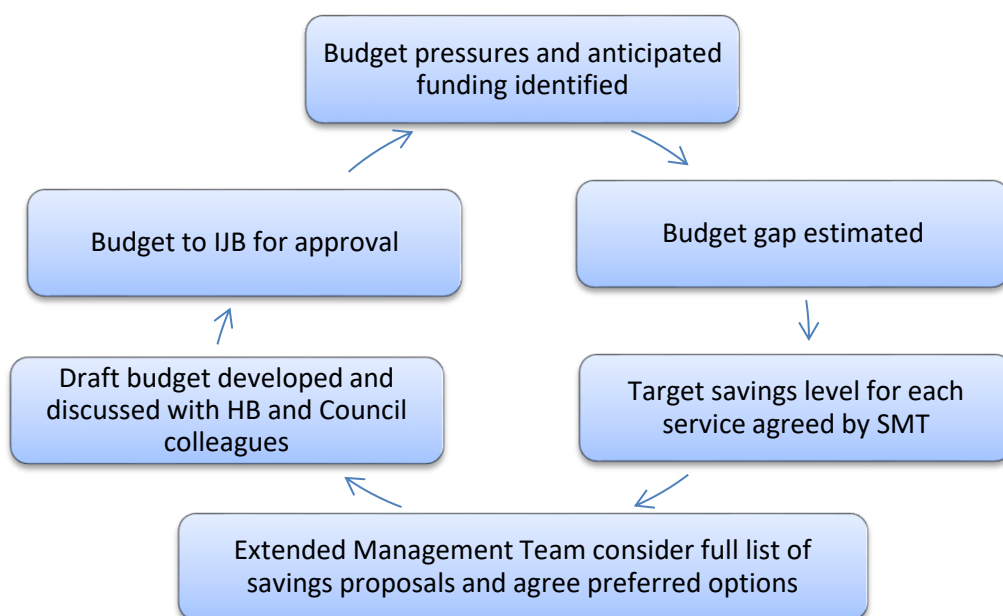
Introduction

The HSCP is funded by Inverclyde Council and NHS GG&C. Both parties have different budget setting timelines and protocols. The purpose of this paper is to outline a protocol for the HSCP which attempts to work effectively within both of these arrangements, meeting the needs of each funding partner in terms of their time lines while ensuring that the HSCP budget, its medium term financial plans and any investment or savings proposals are considered corporately with a clear overview of the impacts on the whole HSCP and other partners.

Developing savings proposals

Feedback in previous savings trawls has been that purely pro-rated savings were unhelpful and not conducive to improved working practices. It's preferable that the final proposals will be based on what is best for the partnership overall rather than a straight split of the savings target. In order to accomplish this the HSCP will always set an initial target higher than the anticipated gap and each service will put forward proposals for their share of that target.

The SMT and Extended Management Group will then jointly consider the full list of proposals developed across each service on the pro rata basis and agree which ones to put forward to the IJB for approval and implementation. The final decision on which proposals are further developed will lie with the SMT and Chief Officer.



HSCP Budget Setting Action List

Action	Responsibility	Timing
AGREEING BUDGET PRESSURES		
Identify potential budget pressures and notify to HOS	Budget holders with their Finance advisors	Ongoing exercise throughout the year
HOS review of potential budget pressures	HOS to review pressures and agree final values with their budget holders	Ongoing exercise throughout the year
SMT review of proposed pressures	Finance to collate for SMT to discuss agree	Initial review by Sept for the following year but reviewed again throughout the budget setting process
IDENTIFYING AND AGREEING SAVINGS PROPOSALS		
CFO to work with Council and Health Finance colleagues to agree underlying assumptions and calculate initial anticipated budget gap for SMT consideration	CFO – paper to SMT	Aug/Sept each year
SMT to consider anticipated gap and agree % targets for each service area	SMT – agree targets and budget setting timeline	Sept/Oct
Service Managers and HOS work up a set of proposals for their area to meet their SMT agreed target	Service Managers & Heads of Service submit proposals to CFO	Oct-Nov
All Managers and HOS welcome to additionally put forward ideas for cross cutting proposals which relate to other services	Extended Mgmt Team submit proposals to CFO	Oct-Nov
CFO collate proposals received for SMT consideration	CFO	As per SMT agreed timeline

Action	Responsibility	Timing
SMT consideration of initial set of proposals	SMT	As per SMT agreed timeline
Extended Management Group consideration of proposals	Extended Management Group	As per SMT agreed timeline
Seek feedback from funding partners on proposals	CO/CFO	As per SMT agreed timeline
IJB Development session to further explore savings proposals	CFO/CO/HOS	As per SMT agreed timeline
SETTING THE BUDGET		
Indicative funding allocations agreed with funding partners	CO/CFO with NHS & Council Finance Colleagues and Chief Execs	As per SMT agreed timeline
Budget proposals including assumptions around budget pressures, funding and savings proposals discussed with funding partners	CO/CFO with NHS & Council Finance Colleagues and Chief Execs	As per SMT agreed timeline
Draft Budget for IJB to approve with full list of agreed savings proposals	CFO/IJB	By 31 March

Medium Term Financial Planning

Medium Term Financial Plans for the IJB will be developed by the Chief Financial Officer following consultation with the Director of Finance for the Health Board, Council's Section 95 officer, IJB Chief Officer. The plan will be based on the current Strategic Plan and budget assumptions for the next financial year together with longer term budget assumption.

Information will be taken from consultations with funding partners, advice and guidance from Scottish Government and information gathered from all relevant professional networks and advisory groups as appropriate.

A range of scenarios will be considered as part of the planning process, best case, worst case and probable outcome. Costings will be included in the plan from the probable outcome scenarios. The medium term plan will be reviewed annually as part of the annual budget review and setting process. Full updates will be tied into the Strategic Plan review timelines.