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<b>Report To:</b>	<b>Social Work &amp; Social Care Scrutiny Panel</b>	<b>Date:</b>	<b>23 February 2023</b>
<b>Report By:</b>	<b>Kate Rocks Chief Officer Inverclyde Health &amp; Social Care Partnership</b>	<b>Report</b>	<b>SWSCSP/15/2023/CG</b>
	<b>Craig Given Head of Finance, Planning &amp; Resources Inverclyde Health &amp; Social Care Partnership</b>		
<b>Contact Officer:</b>	<b>Craig Given</b>	<b>Contact No:</b>	<b>01475 715381</b>
<b>Subject:</b>	<b>Draft Social Care Budget 2023/24</b>		

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## **1.0 PURPOSE AND SUMMARY**

- 1.1  For Decision  For Information/Noting
- 1.2 The purpose of this report is to provide the members of the Social Work and Social Care Scrutiny Panel with an update on the expected social care budget for 2023/24.
- 1.3 Inverclyde Council will set their 2023/24 budget on 2 March and will confirm a funding allocation for the IJB for the year.
- 1.4 As part of its 2022/23 settlement the Deputy First Minister wrote to all Council Leaders on 15 December outlining the details of his Draft Budget announcement earlier that day. Within the letter he advised that, "Local Authority budgets for allocation to Integration Authorities must be at least £95million greater than the 2022-23 recurring Budgets". The proposed 2023/24 contribution to the IJB as being £68.159million which is a £2.637million (4%) increase from the recurring contribution agreed on 24 February 2022.
- 1.5 There are cost pressures within the Social Care and Health services which are detailed in this report. Anticipated cost pressures, funding changes and service development proposals for 2023/24 currently total £4.770m. The paper identifies additional funding and savings adjustments which will reduce this deficit to £0.985m.
- 1.6 There is an anticipated cash shortfall of £0.985m which would require to be funded through the temporary use of reserves or as part of the overall IJB budget including the Health element.

- 1.7 Children's External Placements pressures represent ongoing areas of financial risk area within the Social Care budget. These will be monitored closely throughout the year and are subject to an ongoing review and the use of smoothing reserves for 2023/24.
- 1.8 Any in-year over/underspends will be funded from/carried forward into IJB reserves.

## **2.0 RECOMMENDATIONS**

2.1 It is recommended that the Social Work and Social Care Scrutiny Panel:

1. Notes the contents of this report;
2. Notes the anticipated funding contribution of £68.159m from Inverclyde Council to the IJB, subject to approval by Inverclyde Council on 2<sup>nd</sup> March and approval by the IJB on 20<sup>th</sup> March.

**Kate Rocks**  
**Chief Officer**  
**Inverclyde Health & Social Care**  
**Partnership**

**Craig Given**  
**Head of Finance, Planning & Resources**  
**Inverclyde Health & Social Care**  
**Partnership**

### 3.0 BACKGROUND AND CONTEXT

- 3.1 From 1 April 2016 the Health Board and Council delegated functions and are making allocations to the IJB in respect of those functions as set out in the Integration Scheme. The Health Board also “set aside” an amount in respect of large hospital functions covered by the Integration Scheme
- 3.2 The IJB makes decisions on integrated services based on the strategic plan and the budget delegated to it. Now that the resources to be delegated have been proposed the IJB can set a 2023/24 budget, give directions and allocate budget where relevant to the Health Board and Local Authority for delivery of the services in line with the Strategic Plan.

### 4.0 REVENUE FUNDING ALLOCATION FROM INVERCLYDE COUNCIL AND PROPOSED SAVINGS FOR SOCIAL CARE FOR 2023/24

- 4.1 The draft Local Government Finance Settlement was announced 15 December 2022. The condition set out by the Scottish Government for 2023/24 regarding the level of funding from Councils to the IJB was that the funding level provided by Councils must be greater than the 2022/23 contribution to the IJB plus the Council’s share of the additional £95m. This additional funding is intended to cover the payment of the Living Wage. The IJB will also receive its allocations for Free Personal Nursing Care, removal of the interim care funding, Whole Family Wellbeing funding and additional payroll funding. The value of additional funding for Inverclyde is £2.634m. It should be noted that the IJB have received payroll recurring funding from Inverclyde Council of £0.600m. This is net of a £0.500m saving that Inverclyde Council approved as part of the budget process.
- 4.2 On 2 March, the Council will agree its budget for 2023/24. Included within this, the Council will be asked to agree £68.156m to be designated as the Council’s recurrent contribution to the IJB in line with the Integration Scheme.
- 4.3 There are a number of cost pressures in Social Care which require to be funded from the new 2023/24 monies and agreed savings. A full breakdown of Social Care pressures for 2023/24 are detailed below:

<b>Social Care Estimated Inflationary Pressures</b>	<b>£000s</b>
Pay award (2022/23 shortfall and 2% for 2023/24)	1,866
Living wage uplift, National Care Home Contract Uplift and inflationary pressures on contracts	2,393
<b>Total Inflationary Pressures</b>	<b>4,259</b>
<b>Social Care Estimated Other Cost Pressures</b>	<b>£000s</b>
Utilities & fuel	147
Free Personal and Nursing Care uplifts	218
Homelessness Support	31
Whole Family Wellbeing Fund	421
Scottish Disability Administration Funding	26
<b>Total Other Cost Pressures</b>	<b>843</b>

<b>Budget reductions</b>	<b>£000s</b>
Management restructure	(3)
Removal of interim funded care home beds 22/23 only	(329)
<b>Total Budget Reductions</b>	<b>(332)</b>
<b>TOTAL PRESSURES (NET OF BUDGET REDUCTIONS)</b>	<b>4,770</b>

4.4 The pressures outlined above are to be funded through a combination of new funding, savings adjustments and the use of reserves. These are detailed as follows:

<b>Funded by</b>	<b>£000s</b>
Share of £95m Social care funding	1,670
Free Personal and Nursing Care funding	218
Settlement adjustments/Management Restructure £3k reduction	475
Reduction for temporary Interim Care Beds Funding 22/23	(329)
Additional Payroll Funding from Council	600
<b>Total Funding</b>	<b>2,634</b>
<b>Gap to be funded by savings</b>	<b>2,136</b>

As per the table this leaves a remaining funding gap in Social Care of £2.136m which needs to be addressed.

4.5 Over the last number of months the SMT and the IJB Budget Working group have met on a number of occasions and have developed the following budget savings / adjustments:

<b>Social Care Proposed Savings</b>	<b>£000s</b>
Social care management system reduced maintenance costs	(130)
Reduction in Long Term care beds	(245)
Additional Payroll Management target	(500)
Review of sleepovers - Learning Disability	(126)
Learning Disability - Day Services transport	(50)
Review of long term vacancies	(100)
<b>Total proposed savings</b>	<b>(1,151)</b>
<b>Council budget gap</b>	<b>985</b>

All of these savings / adjustments can be implemented with minimal service disruption, no loss of existing posts and no increase in charges to users.

This leaves a remaining funding gap of £0.985m which the IJB propose to close with the use of overall IJB recurring funding and the use of smoothing reserves. A new exercise into recurring budget savings will commence early 2023/24.

4.6 The IJB recognises that there are existing core funding pressures in Children and Families of over £1m. This is currently the subject of an overall review of Children & Families services. For 2023/24 this pressure will be funded through the use of the Children and families specified Earmarked Reserve if required will be dealt with going forward as part of the 2024/25 budget process.

## 5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

<b>SUBJECT</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Financial	✓		
Legal/Risk			✓
Human Resources			✓

Strategic (LOIP/Corporate Plan)			✓
Equalities & Fairer Scotland Duty			✓
Children & Young People's Rights & Wellbeing			✓
Environmental & Sustainability			✓
Data Protection			✓

## 5.2 Finance

All financial implications are discussed in detail within the report

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

## 5.3 Legal/Risk

There are no specific legal/risk implications arising from this report.

## 5.4 Human Resources

There are no specific human resources implications arising from this report.

## 5.5 Strategic

There are no specific strategic implications arising from this report.

## 6.0 CONSULTATION

6.1 This report has been jointly prepared by the Corporate Director (Chief Officer), Inverclyde Health Social & Care Partnership and the Head of Finance, Planning and Resources, Inverclyde Health & Social Care Partnership.

## 7.0 BACKGROUND PAPERS

7.1 There are no background papers for this report.