

**PERTH & KINROSS INTEGRATION JOINT BOARD
REVENUE BUDGET 2024/25 TO 2026/27**

	24/25 £'000	25/26 £'000	26/27 £'000
EXPENDITURE PRESSURES - Health			
Pay - Core Health			
Additional costs from a pay increase to NHS Tayside employed staff, based on a planning uplift assumption of 2% per year, in line with the latest NHS financial planning assumptions.	1,058	1,078	1,100
Sub-Total Pay & Cost Pressures Health	1,058	1,078	1,100
Undelivered Saving - Review of Rehabilitation Beds			
As part of the 2019/20 budget setting process, and in response to NHS Tayside's Integrated Clinical Strategy, Perth and Kinross Health and Social Care Partnership (HSCP) explored options around its inpatient models within community hospitals. At that time, investment was made into community-based resources to support a transition from rehabilitation provided in an inpatient setting to one provided in a homely setting, with corresponding disinvestment to be realised from the reduction in inpatient rehab beds.			
As a result of COVID, there have been delays in the co-ordination and delivery of these savings. A transformation programme is now underway to refresh the Review of Rehabilitation Beds across the Perth & Kinross area, taking account of contextual and demand changes post-COVID, with a view to identifying where the need for these beds is and how best to provide this support. This work is anticipated to release budget in Years 2 & 3 due to a redesign of service provision. This pressure addresses the existing budget deficit from the 2019/20 planned saving.	740	0	0
Sub-Total Older People Pressures Health	740	0	0
Learning Disabilities Increased Cost & Need			
The pressure reflects the increasing recurring cost of Complex Care packages for clients with Learning Disabilities. This is due to increased need for services, along with uplift to rates for providers of services.	0	230	110
Sub-Total Learning Disabilities Pressures Health	0	230	110

24/25	25/26	26/27
£'000	£'000	£'000

EXPENDITURE PRESSURES - Health

General Adult Psychiatry Drugs			
This drugs budget has been a source of cost pressure in recent years. There is an upwards trend in expenditure caused by a change in the ratio of old to new generation anti-psychotic drugs used within the General Adult Psychiatry service.	76	0	0
Sub-Total Mental Health Pressures Health	76	0	0
Prescribing Cost & Volume Pressure			
The prescribing financial plan is identifying a pressure of £4.559m. The main issue being considerable price increases and additional new medicines. The prescribing budget is already insufficient for Perth & Kinross, with a projected c£3m overspend in 2023/24. The Scottish Government have confirmed no uplift funding will be provided for 2024/25. This plan assumes a 1% volume growth in 2024/25 and 5% price growth (in line with national planning assumptions).	4,559	600	600
Sub-Total Prescribing Pressures	4,559	600	600
Total Pressures Health	6,433	1,908	1,810

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**24/25 25/26 26/27
£'000 £'000 £'000**

EXPENDITURE PRESSURES - Social Care

<p>Pay</p> <p>Additional costs from a pay increase to Perth and Kinross Council employed staff, based on a planning uplift assumption of 3% per year, in line with the latest Council financial planning assumptions.</p>	674	695	716
<p>Care Home Contract Rates</p> <p>The uplift to the national care home contract is negotiated annually on a national basis. The uplift for 2024-25 increases the residential care rate by 8.3% to £825.94 per week and increases the nursing rate by 6.76% to £948.59 per week.</p>	2,883	1,479	1,522
<p>Living Wage for Adult Social Care</p> <p>A pay uplift for Adult Social Care workers in commissioned services has increased the hourly rate from £10.90 to a minimum of £12.00. This represents a 10.1% uplift in 2024/25. This pressure assumes 3% uplift for pay in Years 2 and 3, with an uplift of 1% on non-pay elements of contracts across all 3 years.</p>	3,631	1,213	1,247
<p>Contract Uplift</p> <p>Provision for contract inflation across Service Level Agreements. Inflation rates assumed are 3.5%, 3% and 2%.</p>	80	71	49
<p>Free Personal Care Increase</p> <p>The uplift for Free Personal Care in 2024/25 has been set and confirmed by the Scottish Government at 6.68%. This increases the weekly free personal care residential rate to £248.70 and the nursing rate to £360.60.</p>	474	227	234
<p>External Transport Cost Increase</p>			

	24/25 £'000	25/26 £'000	26/27 £'000
EXPENDITURE PRESSURES - Social Care			
The Public Transport Unit have advised they expect inflationary pressures to reach 4.26% for 2024/25.	33	0	0
Sub-Total Pay & Cost Pressures Social Care	7,775	3,685	3,768
Care Home Placements Need & Demographic Increase			
This pressure reflects the increasing demographic of Older People in Perth & Kinross who require a long-term care placement. The Older People Strategic Delivery Plan had assumed that the Care Home Placement resource was sufficient, however increases in placements throughout 2023-24 requires the IJB to reassess this assumption, recognising the increasing population and need for Care Home Placements.	350	500	500
Care at Home Need & Demographic Increase			
The Older People population in Perth & Kinross is increasing, therefore the Older People Strategic Delivery Plan has recognised that additional funding will be required in future years to meet increased levels of need. This proposal includes pressures in Year 1 in order to support the Transformation of Care at Home services, to provide an effective, efficient and sustainable service. A reduction in expenditure as a result of this transformation work is expected to be realised in Year 2.	1,030	250	250
Sub-Total Older People Pressures Social Care	1,380	750	750
Learning Disabilities Need & Demographic Increase			
The pressure reflects the full cost of new clients and increase in cost of existing clients. It is difficult to predict need in future years, therefore years 2 and 3 are based on the current levels of increasing need and cost continuing.	862	594	593
Learning Disabilities Transitions & Transformation			

	24/25 £'000	25/26 £'000	26/27 £'000
EXPENDITURE PRESSURES - Social Care			
Every year a predictable number of young people with a Learning Disability and/or Autism will transition from Education & Children's Services to Adult Social Work and Social Care. Despite early intervention the cost of many individuals' care packages is significant when they move to adult services.	578	596	642
Sub-Total Learning Disabilities Pressures Social Care	1,440	1,190	1,235

24/25 25/26 26/27
 £'000 £'000 £'000

EXPENDITURE PRESSURES - Social Care

Community Mental Health Increased Need			
The pressure reflects the full cost of new clients and increase in cost of existing clients within placements for adults with Mental Health needs.	217	0	0
Sub-Total Mental Health Pressures Social Care	217	0	0
Total Pressures Social Care	10,812	5,625	5,753

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**24/25 25/26 26/27
£'000 £'000 £'000**

BUDGET REDUCTIONS AND SAVINGS

Efficiency	<p>Review of Uncommitted Budgets</p> <p>This proposal has identified areas of ongoing underspend which are now deemed to be surplus budgets. Including this option as a saving allows the budgets to be utilised elsewhere in a planned way, and in line with strategic objectives.</p>	465	0	0
	<p>Vacancy Factor - Previously protected areas</p> <p>Proposal to increase the vacancy factor within previously protected, non-inpatient health services to 5%, in line with the existing vacancy factor budget within other Health budgets. The vacancy factor being proposed is already being achieved through natural recruitment and turnover. The saving formally recognises this as available.</p>	285	0	0
Transformation	<p>Transformation of Care at Home</p> <p>The Transformation of Care at Home is aiming to make the service more efficient, effective and sustainable. This includes the development of new systems, integration of care teams into sub-localities and use of technology to supplement and enhance care services. This work is expected to continue throughout 2024/25 as described in the corresponding pressure for this year, with efficiencies expected to be realised in the second half of the year leading to recurring savings from Year 2.</p>	0	800	0

24/25
£'000

25/26
£'000

26/27
£'000

BUDGET REDUCTIONS AND SAVINGS

Prioritise & Reduce	<p>Review of Recent Investment (Hospital at Home)</p> <p>This option will be to close Hospital at Home as a stand-alone service and redeploy the medical team into the Perth City locality team, supporting the delivery of an integrated and advanced practice model. Hospital at Home is a short-term, targeted intervention that provides a level of acute hospital care in an individual's own home, preventing the need for an admission to an acute hospital. The service focuses on an early intervention approach identifying a deteriorating clinical condition of a patient in the community by delivering a more specialist advanced practice clinical intervention in the patients own home and supported by senior decision makers differentiates the Hospital at Home model from current community service provision in Perth and Kinross.</p> <p>The service has been aspiring to a virtual bed capacity of 10 beds in Perth City but throughout the pilot phase has achieved up to a maximum of 5 beds, and an average of 2/3 beds per weekday.</p> <p>The decision to cease the Hospital at Home service at this time is inconsistent with the policy direction from Scottish Government. However, financial support from Scottish Government has been non-recurring in nature and the model is not cost-effective at this time.</p> <p>Impact on Workforce - up to 10.9WTE</p>	593	0	0
	<p>Redesign of Psychiatry of Old Age</p> <p>In line with the Transformation programme for Dementia Services, several options are being explored at present. These are;</p> <p>1) Review of Post Diagnostic Support services and examination of commissioning model. 2) Review of In-patient bed base model 3) Review of Medical outpatient staffing model</p> <p>The outcome of the review, in partnership with the third and independent sector, will enable functions of the current service to be delivered differently and reducing costs whilst still enabling the service to provide a robust care and treatment option.</p> <p>Workforce Implications will be determined as part of the review.</p>	240	0	0

Transformation

24/25 25/26 26/27
 £'000 £'000 £'000

BUDGET REDUCTIONS AND SAVINGS

Transformation	<p>Recommencement of Rehabilitation Bed Review</p> <p>As part of the 2019/20 budget setting process, and in response to NHS Tayside's Integrated Clinical Strategy, Perth and Kinross Health and Social Care Partnership (HSCP) explored options around its inpatient models within community hospitals. NHST Integrated Clinical Strategy states,</p> <p>"A reliance on hospital based traditional healthcare no longer meets the needs of our communities. There is now a need to acknowledge and fully implement a move to more community-based services, proactive and preventative care models, and supported self-care for people who use our services."</p> <p>At that time, significant investment was made into community-based resources to support a transition from rehab provided in an inpatient setting to one provided at home or in a homely setting, with corresponding disinvestment.</p> <p>As a result of COVID, however, these savings have not yet been delivered. A transformation programme is now underway to refresh the review of Rehabilitation Beds across the Perth & Kinross area, taking account of contextual and demand changes post-COVID with a view to identifying an appropriate needs-led distribution of in-patient rehabilitation. This work is anticipated to release savings in Years 2 & 3 due to service redesign.</p> <p>Workforce Implications will be determined as part of the review.</p>	0	500	500
	<p>Integrated Care Teams & Discharge</p> <p>In line with the NHST Integrated Clinical Strategy (2018), this proposal seeks to better integrate the workforce and processes across Locality and in Discharge Planning Teams. Further integrating our core locality teams to ensure a multi-disciplinary response to support people at home. This promotes person-centred approaches and closer working relationships to provide care tailored to those people who need it. Work is ongoing to determine workforce models required to support the integration of community teams, however it is anticipated that cost reductions will be realised through more efficient models of working.</p> <p>Impact on Workforce - up to 12WTE</p>	465	155	0

Efficiency

24/25 25/26 26/27
 £'000 £'000 £'000

BUDGET REDUCTIONS AND SAVINGS

	24/25 £'000	25/26 £'000	26/27 £'000
Efficiency	Review and Redesign of Day Care/Opportunities for Older People		
	<p>At present, Day Provision for Older People in Perth and Kinross is offered through Day Care or Day Opportunities services, however this model of delivery may not be the most efficient option, or provide the most appropriate support for service users. This proposal seeks to carry out a review, redesign / commissioning of Older People Day Care/Opportunity Services currently provided by PKC including New Rannoch Day Centre in Perth and Strathmore Day Opportunities in Blairgowrie.</p> <p>This would allow the opportunity to design bespoke and person-centred services within communities of need.</p> <p>Workforce Implications will be determined as part of the review.</p>		
Sub-Total Older People Reduction and Savings			
2,048 1,955 500			
Transformation	Transformation of Services for People with Complex Care Needs		
	<p>Investment was approved in 2022/23 supporting a transformation programme to develop a model of care providing high quality, financially sustainable support for people with complex care requirements. This included the creation of a specialist multi-disciplinary SCOPE team, a Technology Enabled Care (TEC) Overnight Responder Service, Positive Behavioural Support resources and the implementation of Core and Cluster Models. As a result, this will deliver savings associated with high cost and out of area placements.</p>		
Sub-Total Learning Disabilities Reduction and Savings			
405 210 0			

24/25 25/26 26/27
 £'000 £'000 £'000

BUDGET REDUCTIONS AND SAVINGS

Prioritise & Reduce	<p>Primary Care Resilience</p> <p>Perth & Kinross Health & Social Care Partnership approved this investment to partially fund the creation of a Primary Care Resilience Team. This investment followed national discussions around the importance of establishing robust approaches to GP Practice resilience and sought to invest in GP, pharmacist and other capacity aimed at providing short term support to GP Practices with workforce issues. Attempts to recruit to this model have been unsuccessful, it is therefore proposed that this investment be reversed.</p>	184	0	0
	<p>Sub-Total Primary Care Reduction and Savings</p>	184	0	0
Efficiency	<p>Increased Charges</p> <p>Under Perth and Kinross Council's Contributions Policy, Adult Social Care clients are asked to make a financial contribution towards the cost of their planned non-residential care services, based on each person's ability to pay. The Council's Financial Regulations state that charges must be reviewed at least annually. These charges have been frozen for several years. Other Perth & Kinross Council Fees and Charges increased by 3% in 2023/24 and are proposed to increase by a further 4% in 2024/25.</p> <p>It is therefore proposed that adult social care non-residential charges are increased by 7% for financial year 2024/25 and in line with anticipated inflation in Years 2 and 3. The increased charges were included in the Revenue Budget paper approved at Council on 28 February 2024.</p>	100	60	60
	<p>Integrated Management and Support</p> <p>As part of Perth and Kinross Health and Social Care Partnership's drive to better Integrate Health and Social Care functions, a review of the management and support structure is underway, with the aim of co-ordinating staff and resources in a more effective and efficient way. As a result of changes to management structures and associated support functions, it is anticipated that cost can be reduced through streamlining of processes and removal of duplication across the system, as well as through more collaborative and integrated working.</p> <p>Impact on Workforce - up to 12.1WTE</p>	400	225	225
	<p>Sub-Total Management & Support Reduction and Savings</p>	500	285	285

24/25 25/26 26/27
 £'000 £'000 £'000

BUDGET REDUCTIONS AND SAVINGS

Efficiency/ Transformation	Prescribing			
	This proposal outlines 5% savings and cost reductions against the Prescribing budget. This will be delivered through initiatives driven at Local, Board and National levels. This includes a review of medicines of low clinical value, medicines wastage, polypharmacy reviews and medicine switches. Local initiatives will be supported through our Quality, Safety & Efficiency Programme.	1,681	0	0
	Sub-Total Prescribing Reduction and Savings	1,681	0	0

FUNDING - Health

Parent Body Budget Settlement Benefit			
Assumption of 2% pay uplift per year, in line with NHS financial planning assumptions.	1,058	1,079	1,101
Prescribing Uplift			
Scottish Government have confirmed there will be no uplift to prescribing budgets in 2024-25. This proposal provides £700k of local uplift, funded through a review of uncommitted funding and allocating this to the prescribing pressure on a recurring basis. Years 2 and 3 assume a recommencement of a 2% non-pay uplift from the Scottish Government towards prescribing costs.	700	600	600
Sub-Total Funding Health	1,758	1,679	1,701

24/25 25/26 26/27
 £'000 £'000 £'000

BUDGET REDUCTIONS AND SAVINGS

FUNDING - Social Care

Scottish Government Social Care Allocation			
Scottish Government have confirmed funding to deliver the payment of £12 per hour minimum pay settlement for Adult Social Care workers in commissioned services via agreed contract uplifts.	6,765	2,700	2,700
Scottish Government Free Personal Care Funding			
Scottish Government have confirmed funding for the inflationary uplift on Free Personal Care and Nursing Rates.	776	378	390
Share of Resource Transfer Uplift			
Scottish Government have confirmed no uplift to non-pay budgets in 2024-25; this proposal assumes 2% non-pay uplift will be reinstated from Year 2 and this will be applied to budgets which are transferred from NHS to support expenditure incurred in Social Care.	0	355	362
Sub-Total Funding Social Care	7,541	3,433	3,452
Total Reduction, Savings and Funding	14,117	7,562	5,938