

PERTH AND KINROSS INTEGRATION JOINT BOARD

Minute of Special Meeting of the Perth and Kinross Integration Joint Board (IJB) held virtually via Microsoft Teams on Wednesday 31 March 2021 at 3.00pm.

Present:

Voting Members:

Councillor E Drysdale, Perth and Kinross Council (Chair)
Councillor X McDade, Perth and Kinross Council
Councillor C Purves, Perth and Kinross Council
Councillor J Duff, Perth and Kinross
Mr B Benson, Tayside NHS Board (Vice-Chair) (up to Item 4)
Mr R Erskine, Tayside NHS Board
Ms P Kilpatrick, Tayside NHS Board
Dr N Pratt, Tayside NHS Board (substituting for vacant position)

Non-Voting Members

Mr G Paterson, Chief Officer / Director – Integrated Health & Social Care
Ms J Smith, Chief Financial Officer

Stakeholder Members

Ms S Auld, Service User Public Partner
Ms S Dickie, NHS Tayside
Ms L Blair, Scottish Care
Ms S Watts, Third Sector Representative
Mr S Hope, Staff Representative, Perth and Kinross Council
Ms B Campbell, Carer Public Partner

In Attendance:

S Hendry, A Taylor, A Brown and K Molley (all Perth and Kinross Council); E Devine, D Mitchell and V Aitken (all Perth and Kinross Health and Social Care Partnership); M Summers, Substitute Carer Public Partner and I McCartney, Substitute Service User Public Partner.

Apologies

Mr A Drummond, Staff Representative, NHS Tayside
Dr L Robertson
Ms J Pepper, Chief Social Work Officer, Perth and Kinross Council

1. WELCOME AND APOLOGIES

Councillor Drysdale welcomed all those present to the meeting and apologies were noted as above.

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest made in terms of the Perth and Kinross Integration Joint Board Code of Conduct.

3. MEMBERSHIP UPDATE

There was a verbal report by the Clerk to the Board who referred to the meeting of the Integration Joint Board of 23 September 2020 where it was noted that staff from the Perth and Kinross Health and Social Care Partnership were engaging with local service user groups on a forthcoming election process of a Service User Public Partner to the Board, he advised that it was also agreed that the terms of appointment for both the current service user representative and substitute be extended until the outcome of the election process. He then went on to update the Board on the recent election process administered by the Reference Group for Health and Social Care Service Users and Carers.

Resolved:

The appointment of Ms Sandra Auld as the Service User representative and Mr Ian McCartney as the substitute Service User representative on the Board for a 2-year period, be approved.

4. BUDGET 2021/22

There was submitted a report by the Head of Finance and Corporate Services (G/21/25) presenting the 2021/22 Revenue Budget to the Perth and Kinross Integration Joint Board for approval.

The Chief Financial Officer provided members with a very detailed update on the current position with regards the 2021/22 Budget, a copy of the additional information verbally provided is attached. **(Appendix 1)**

Councillor Purves made reference to the welcome uplift in the allowance for free personal care and queried whether there was any specific funding that has been allocated for the change in this allowance. In response, the Chief Financial Officer confirmed the additional £72.6m social care funding specifically provides earmarked funding for the increase in free personal care but stated that in terms of the overall allocation we receive there will not be much left over to go towards anything else.

Councillor Purves also made reference to the welcome news of the additional funding from NHS Tayside which has helped bring that side of the budget into balance and queried whether any discussions had taken place with the Scottish Government with a view to receiving any additional funding to help plug the gap in relation to savings that have been delayed as a result of Covid-19. In response, the Chief Financial Officer confirmed that this has been something that has been raised with the Scottish Government but unfortunately at this time she had no further update to provide but endeavoured to find out more and provide an update to the Board at the scheduled meeting on 23 April 2021.

P Kilpatrick made reference to the £1.376m savings slippage in the Health Budget and queried whether looking back now if this was a realistic figure, she also made reference to some of the demand pressures, specifically pharmacy costs in primary care showing an increase when the trend overall suggests these should be decreasing. In response, the Chief Finance Officer confirmed that despite expecting significant slippage, existing savings plans for 2021-22 have been fully reviewed and remain the correct way forward with the core element of the health plans being the

integration of our Health and Social Care teams, she also confirmed that a review of rehabilitation beds remains at the forefront of our plans but would still require significant work / engagement. She further commented in relation to prescribing her agreement that we should expect to see the item costs reducing but highlighted the extraordinary year just past and the difficulty this has provided in making any kind of assessment as to what is driving the increased costs be it Covid-19 or our departure from the European Union and confirmed that these are questions that will be posed to our expert colleagues in NHS Tayside Pharmacy Department who we are reliant upon to provide us with their forecasts for next year.

B Benson made reference the bridging loan agreement and commented on the potential difficulties faced in terms of cost cutting as was his understanding that any bridging loan would require to be repaid unless we were permitted to use reserves and would still be seeking more clarity on cost savings and queried exactly where we stand on this issue. In response, the Chief Financial Officer confirmed that we are not formally being expected to repay the bridging finance that has been made available which is the case with the non-recurring funding from both NHS Tayside and Perth and Kinross Council.

Councillor McDade made reference to paragraph 4.7.5 of Report G/21/25, specifically the discussions taking place with NHS Tayside around the potential bridging finance and sought clarity as to whether this would be a bridging loan or whether any other options are being considered. In response, the Chief Financial Officer reiterated that this would be non-recurring support in the same way that Perth and Kinross Council provide non-recurring support in that there is no ask for repayment which allows us to carry this forward in our reserves to allow us to balance our budget and allow us to focus on longer-term transformation.

Councillor McDade made reference to the 4% that is being included for the national pay award for NHS staff and sought confirmation that this was being fully funded, including pension and national insurance contributions. In response, the Chief Financial Officer confirmed that this would be the case and would be in-line with the normal approach taken in these matters

Councillor McDade also made reference to the risk sharing agreement and queried what the current position is with the progress of the risk sharing agreement. In response, the Chief Officer confirmed he was keen to progress this and achieve some parity with the arrangements that currently exist within Dundee and Angus in relation to their integration schemes and risk sharing agreements but confirmed that due to the impact of the pandemic they have not been able to focus as much attention as we would have liked. The Chief Officer committed to providing a more formal update on the risk sharing agreement to the September meeting of the Board.

R Erskine made reference to paragraph 1.2 of Report G/21/25, specifically the recommendation to approve the Revenue Budget 2021/22 and sought some clarification on what exactly the Board was being asked to approve. He referenced the post budget paper changes that were explained by the Chief Financial Officer in her opening remarks and stated that it would have been helpful if we had a paper in front of us today that reflects these numbers and raised concern that the paper that

we are being asked to approve today is not going to be the finalised budget paper. He also advised that he had carried out some conversations with other officers to try and understand how this fitted in with other IJB's but also to try and fully understand the issue with the bridging finance element. R Erskine confirmed that one of these discussions had been with Stuart Lyall, Director of Finance at NHS Tayside who had stated that his expectation would be that any bridging finance would be required to be repaid and sought some clarification on this from the Chief Financial Officer. He further commented that given the uncertainty around the bridging finance and the recent changes to the figures he would be unable to endorse the papers presented to the Board today and suggested that perhaps an up-to-date paper could be presented to Members at the April meeting of the Board that could be signed off. In response, the Chief Financial Officer confirmed that she would be happy to bring a further formal update to the Board in April. She also reiterated her comments made in introducing and updating the report and stated that following a meeting with Stuart Lyall to bring forward a further formal written update to the Board it had not been possible due to time constraints. She also confirmed that in the discussions with Stuart Lyall a commitment had been provided that there would be no formal requirement for the bridging finance to be repaid and that regular meetings would be held to fully keep under review the financial positions of both NHS Tayside and the IJB's and this remains the formal position with the Chief Officer, the Chief Financial Officer and the Director of Finance at NHS Tayside.

Councillor Drysdale acknowledged the concerns raised by R Erskine and stated his support for the response provided by the Chief Financial Officer specifically around the timing of events and confirmed that discussions were moving at the last minute in terms of how the deficit was going to be addressed and that positive discussions had been held with Stuart Lyall.

R Erskine stated he was fully supportive of a one-year budget and if his comments were misconstrued around this then that was not what he intended. He also confirmed he fully understood and appreciated the last minute changes and adjustments received in the run up to this meeting but he was still firmly of the opinion that the Board should not be approving the budget today and reiterated his request that this be deferred to the next meeting of the Board on 23 April 2021 as there had not been sufficient time to pull all these elements into a paper that not only has the financial adjustments in it but also has more information of the formal agreement with the Director of Finance at NHS Tayside in writing so that members can see exactly how that agreement is worded.. In response, the Chief Financial Officer reiterated her recommendation contained within the report to approve the Revenue Budget 2021/22 today. She further commented that an approval in principle could be given recognising that there have been late verbal updates where full assurance has been provided but that for a full budget approval we could wait until the April meeting of the Board.

Councillor McDade sought clarification on whether R Erskine was proposing an amendment to today's budget and if so whether a copy of this could be provided to Board members for consideration.

B Benson made reference to the suggestion from the Chief Financial Officer that may help provide some assurance for members that we simply alter the wording

of recommendation 1.2 of Report G/21/25 to read 'Approve the Revenue Budget for 2021/22 in principle subject to assurances provided' which may help to allay some of the questions raised and would enable officers to further pursue assurances with the Director of Finance at NHS Tayside as outlined in due course.

THE BOARD ADJOURNED AT THIS POINT AND RE-CONVENED AT 5.16PM.

B BENSON LEFT THE MEETING AT THIS POINT.

Following the adjournment and advice from the Clerk, Councillor Drysdale confirmed that in line with Standing Orders, he would move the recommendations in the report, and then seek a seconder to his motion. He would then go round each Board Member individually asking whether they were in agreement with the recommendations in the report, and if not whether that member had a competent amendment to propose.

Councillor Drysdale moved the report and was seconded by Councillor McDade.

R Erskine made reference to Section 9.1.5 of the Integration Scheme which related to the date the Board is required to set a budget for the IJB and highlighted that it does not mention the end of the financial year as a cut off but does mention that budget requisitions should be sent the day after the Council Tax is legally required to be set. In response, the officers confirmed that it would be competent to defer consideration of the budget to the next meeting in April. The Chief Financial Officer added that were the Board to defer approval at this point it would face heavy criticism from our External Auditors for not setting the budget by the 31 March as this is deemed best practice across the public sector. She further commented that there was nothing in legal terms that would prevent delaying a decision today.

P Kilpatrick sought clarification around the bridging finance from NHS Tayside and again queried whether this was required to be repaid. She acknowledged the previous comments from the Chief Financial Officer but highlighted the fundamentally differing views from NHS Tayside and the IJB's Chief Financial Officer. In response, the Chief Financial Officer confirmed that there was no difference in view between the officers of NHS Tayside and Perth and Kinross Health and Social Care Partnership in relation to this issue, she stated that there was no formal requirement for the non-recurring support being provided to balance our financial plan to be repaid.

FOLLOWING A FURTHER ADJOURNMENT, THE BOARD RE-CONVENED AT 6.15PM.

Resolved:

- (i) The Revenue Budget for 2021/22 as detailed in Report G/21/25, be approved.
- (ii) The ongoing discussions to identify further solutions to deliver financial balance in relation to health budgets, be noted.
- (iii) The work being undertaken to determine in more detail the Covid-19 costs for 2021/22 in line with the 2021/22 Perth and Kinross Health and Social Care

Partnership (PKHSCP) Remobilisation Plan, submitted via NHS Tayside to the Scottish Government, be noted.

- (iv) The Chief Officer issue the necessary Directions to NHS Tayside (NHST) and Perth & Kinross Council (PKC).

DRAFT

Living Wage Increase

The Scottish Government and COSLA agreed on 24 March 2021 to an overall 2.2% increase to the full hourly rate for Social Care Commissioned services. This is presented as an early commitment to implement the findings of the IRASC. It creates an additional cost pressure for HSCP's across Scotland which is likely to have implications for the settlement of the National Care Home Contract.

Confirmation was received on 26th March 2021 that £30.5m additional funding will be distributed to HSCP's across Scotland to meet the full costs of the new living wage commitment and towards the uplift in the National Care Home Contract. PKHSCP have been allocated a £923k proportionate share. It is not possible to finalise in budget terms the implications of the additional costs and the additional budget on the recurring position of the IJB until the NCHC uplift rate is agreed. It is hoped that this will be settled imminently. The additional funding is fully expected to meet additional costs and any impact on the recurring deficit in social care is likely to be positive. A further formal update will be provided to the IJB at its meeting on the 24th April in this regard.

COSLA/Scottish Government Statement of Intent

The Scottish Government and COSLA have issued a statement of intent which subject to the outcome of the parliamentary elections prioritises a number of the recommendations within the IRASC for delivery. This includes the ending of charging for non-residential social care services as soon as possible and the overhaul of eligibility criteria. It is important for the IJB to be aware of the potential significant cost implications of such commitments albeit that it may be unlikely that this will have budget implications for 2021/22. Full briefing will be provided to IJB members at the earliest possible stage.

HEALTH BUDGET

At the time of issuing the paper a balanced budget for delegated health services was not able to be presented although it was noted that positive discussions were taking place with the Director of Finance at NHS Tayside around the possibility of bridging finance. I am very pleased to advise that we have now reached agreement to the transfer of £1.4m additional budget from NHS Tayside to PKIJB in this financial year to be carried forward to 21/22 to support the IJB's financial position thus ensuring a balance budget. I am also pleased that regular meetings are being set up during 2021/22 with the Director of Finance to ensure ongoing review during the year of both the financial position of the HSCP's and that of NHS Tayside.

With regard to further spending commitments:-

NHS Pay Award

The Scottish Government announced on the 24 March 2021 that NHS staff would be offered a 4% pay increase, backdated to December 2020. A 4% uplift increases

2021/22 pay costs by c£1.3m. The Scottish Government have now confirmed that the backdated element and the 2021/22 recurring costs will be met in full by additional recurring funding.

Mental Health Services £120M

The Scottish Government Final Budget, approved on the 10th March 2022, included £120M of non-recurring investment in what is now being described as the Mental Health Recovery and Renewal Fund. On the 24th March the Minister for Mental Health set out investment priorities including CAMHS, Psychology Services, Primary Care Services and wider Community Services.

Although this funding is currently non-recurring, the SG have recognised some elements of plans will require recurring funding and they have advised they will work to address this in the next spending review. Full updates on the allocation of this important funding will be provided to the IJB at the earliest possible stage.