



REPORT TO: East Lothian IJB Audit and Risk Committee

MEETING DATE: 10 January 2019

BY: Chief Finance Officer

SUBJECT: Scottish Government Medium Term Health & Social Care Financial Framework

1 PURPOSE

- 1.1 This report summarises the recent publication by Scottish Government of its medium term health and social care financial framework.

2 RECOMMENDATIONS

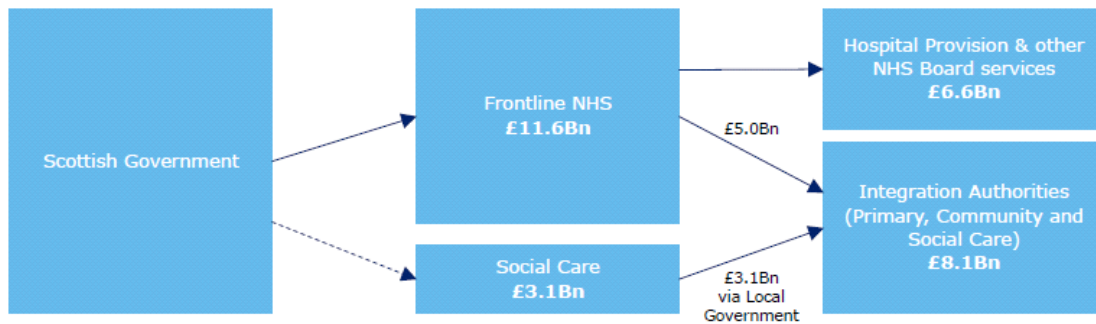
- 2.1 The Committee is asked to:
- i. Note the publication of the Financial Framework
 - ii. Note the key messages as a result of these reports

3 BACKGROUND

- 3.1 The Scottish Government Medium Term Health & Social Care Financial Framework was announced by the Cabinet Secretary for Health and Sport in a Ministerial Statement in Parliament on 4 October 2018. The publication of the report followed (<https://www.gov.scot/publications/scottish-government-medium-term-health-social-care-financial-framework/>).

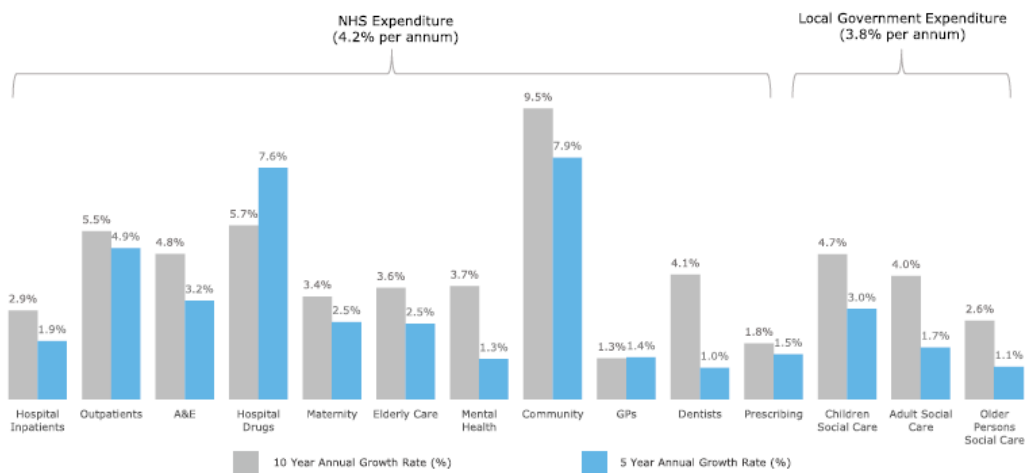
Key Messages

- 3.2 The financial framework provides parameters for local systems to plan both financially and for reform. Nationally over £14 billion of funding is invested into frontline healthcare and social care services of which £8 billion flows into integration authorities.



Source:
 Scottish Government Medium Term Health and Social Care Financial Framework
 Published by The Scottish Government, October 2018

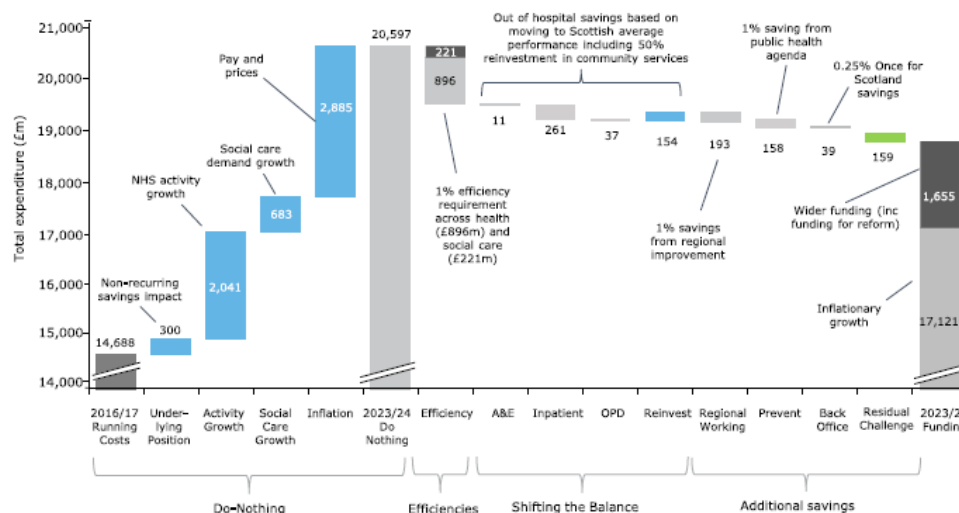
3.3 The framework highlights national historical expenditure trends showing growth as much as 9.5% for community services over the past 10 years and for that reason such levels of growth therefore require the need for reform.



Source:
 Scottish Government Medium Term Health and Social Care Financial Framework
 Published by The Scottish Government, October 2018

3.4 The five reform areas of health and social care highlighted as contributing are shifting the balance of care (a move out of acute hospital based care to local community provisions), regional working – providing productivity savings of 1%, public health and prevention – delivering a 1% reduction in demand, once for Scotland – assuming 0.25% reduction in costs and annual savings plans – a 1% assumption around delivering the ongoing productivity and efficiency savings on an annual basis.

Bridging the Gap Analysis (£m)



Source:
 Scottish Government Medium Term Health and Social Care Financial Framework
 Published by The Scottish Government, October 2018

3.5 There is ongoing dialogue nationally with Chief Finance Officers, Scottish Government and COSLA to review and move forward this framework.

4 ENGAGEMENT

4.1 The IJB's Audit and Risk Committee is held in public and the papers are available on East Lothian Council's website.

5 POLICY IMPLICATIONS

5.1 The framework focuses on supporting the implementation of the Public Bodies (Joint Working) (Scotland) Act 2014. There are no further policy implications arising from this paper.

6 INTEGRATED IMPACT ASSESSMENT

6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy

7 RESOURCE IMPLICATIONS

7.1 Financial – none

7.2 Personnel – none

7.3 Other – none

8 BACKGROUND PAPERS

8.1 None

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DATE	18 December 2018