



## MINUTES OF THE MEETING OF THE EAST LOTHIAN INTEGRATION JOINT BOARD

THURSDAY 22 FEBRUARY 2024  
VIA DIGITAL MEETINGS SYSTEM

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### **Voting Members Present:**

Councillor S Akhtar (Chair)  
Mr A Cogan  
Councillor J Findlay  
Mr G Gordon\*  
Ms F Ireland  
Councillor L Jardine  
Mr P Knight\*  
Councillor C McFarlane

### **Non-voting Members Present:**

Mr D Binnie	Ms L Byrne
Dr P Conaglen	Ms S Gossner
Dr J Hardman	Mr D Hood
Mr D King	Ms C McDonald
Ms M McNeill	Mr T Miller
Ms F Wilson	

### **Present from NHS Lothian/East Lothian Council:**

Mr P Currie	Ms L Kerr
Ms I Nisbet	

### **Clerk:**

Ms F Currie

### **Apologies:**

Ms E Gordon (\*substitute)  
Dr P Cantley (\*substitute)  
Ms M Allan

### **Declarations of Interest:**

**Item 4** – Andrew Cogan declared an interest in this item as he was nominated for the role of Vice Chair. He agreed to leave the meeting during this item.

**Item 5** – David Binnie declared an interest in this item as he was nominated for re-appointment. He agreed to leave the meeting during this item.

## **1. MINUTES OF THE MEETING OF THE EAST LoTHIAN IJB ON 14 DECEMBER 2023 (FOR APPROVAL)**

The minutes of the IJB meeting on 14 December were approved.

## **2. MATTERS ARISING FROM THE MINUTES OF 14 December**

The following matters arising were discussed:

**Item 6 (page 4)** – The Chair asked for a progress report on the transfer of hosted services to East Lothian HSCP and the transitional management arrangements. Fiona Wilson confirmed that work was ongoing, and that the NHS Lothian board had agreed the arrangements for the transition of staff in time for the handover of services in March 2024.

**Item 7 (page 6)** – Councillor Jardine asked if there had been any response to the decision by the Council, as part of its 2024/25 budget-setting, to reduce funding to the Adaptations budget. Ms Wilson said she was aware of this decision and that a meeting had been arranged with Council officers to discuss the impact of this change.

## **3. CHAIR'S REPORT**

The Chair reported on the following items:

Audit Scotland Report on the NHS in Scotland – she commended this report to members and offered to circulate further details to those who would be interested.

NHS Lothian Board discussed the recent announcement by the Scottish Government that there would be no support for capital projects for the next two years.

Local Economic Development Strategy – the Chair had recently attended a workshop on the draft strategy and had had the opportunity to highlight the work of the IJB and the challenges facing health and social care services across the county.

East Lothian Council budget for 2024/25 – the Chair confirmed that the Council had agreed to the transfer of funds to fully support the cost of the 2023/24 pay award. She offered to provide further details on a one-to-one basis if any member would find this helpful.

*Sederunt: Andrew Cogan left the meeting during consideration of Item 4.*

## **4. APPOINTMENT OF A NEW VICE CHAIR AND CHANGE TO VOTING MEMBERSHIP**

A report was submitted by the Chief Officer seeking agreement from the Integration Joint Board (IJB) for the appointment of a new Vice Chair, and to note a change to the NHS Lothian voting membership.

Ms Wilson presented the report outlining the background and recommendations. In response to a question from Councillor Findlay, she confirmed that the relevant nominating bodies for IJB voting members were NHS Lothian and East Lothian Council.

Councillor Jardine and the Chair commended both appointments.

A vote was taken via roll call and the recommendations were approved unanimously.

### **Decision**

The IJB agreed to:

- (i) approve the appointment of Andrew Cogan as the new Vice Chair of the IJB until 31 March 2025; and
- (ii) note the appointment of Dr Patricia Cantley, replacing Peter Murray, as a voting member of the IJB representing NHS Lothian.

*Sederunt: Mr Cogan re-joined the meeting. David Binnie left the meeting during consideration of Item 5.*

## **5. APPOINTMENT OF A CARERS' REPRESENTATIVE TO THE IJB**

A report was submitted by the Chief Officer asking the IJB to agree the appointment of a non-voting member to act as a carer representative.

Paul Currie presented the report outlining the background and appointment process. He advised members that David Binnie had been recommended for re-appointment for a maximum term of 3 years.

Councillor McFarlane welcomed Mr Binnie's recommendation for re-appointment observing that he had made a very positive contribution in the role to date.

The Chair agreed that Mr Binnie had made a very valuable contribution to the IJB. She added that his re-appointment would allow the IJB to continue to benefit from his experience and for carers to maintain a strong voice on the IJB.

A vote was taken via roll call and the recommendation was approved unanimously.

### **Decision**

The IJB agreed:

- i. To the reappointment of David Binnie to represent carers.
- ii. That Mr Binnie's term of office should be three years.

*Sederunt: Due to technical issues, Mr Binnie was unable to re-join the meeting.*

## **6. IJB AND AUDIT & RISK COMMITTEE MEETING DATES FOR 2024/25**

A report was submitted by the Chief Officer proposing the dates of East Lothian Integration Joint Board (IJB) business meetings and development sessions, and meeting dates for the Audit & Risk Committee during session 2024/25.

The Clerk presented the report drawing members' attention to the proposed dates and confirming that efforts had been made to avoid clashes with meeting dates for the NHS Lothian board and committees, and neighbouring IJBs.

A vote was taken via roll call and the recommendations were approved unanimously.

## **Decision**

The IJB agreed to:

- i. approve the dates for IJB business meetings during session 2024/25.
- ii. approve the dates for IJB development sessions during session 2024/25; and
- iii. approve the dates for the Audit & Risk Committee meetings during session 2024/25.

## **7. FINANCIAL UPDATE – 2023/24 POSITION AND 2024/25 BUDGET-SETTING**

A report was submitted by the Interim Chief Finance Officer providing an update to the two financial papers presented to the IJB at its December 2023 meeting, looking at the steps toward setting the 2024/25 budget for the IJB, and reflecting on the IJB's workshop of 30<sup>th</sup> January 2024.

David King provided a detailed summary of the report. He highlighted that the financial position remained challenging, and that work was underway to set a balanced budget for 2024/25. He also drew members' attention to the latest forecast outturn position for 2023/24 and indicated that further discussions would be required with the IJB's partners, if agreed recovery plans were not able to deliver a break-even position at the end of this financial year. He reported on the IJB's reserves position and the plans for spending from earmarked reserves within the current financial year. He expected around £4M to be spent, leaving £1M to be carried forward to 2024/25. He also provided definitions of the acronyms used within his report and reminded members that a further development session on financial matters would take place directly following this meeting.

Mr King responded to questions from Councillor Jardine explaining the differences between the budget-setting and year end reconciliation [process for NHS Lothian and East Lothian Council, and the implications these had for the IJB's own financial planning and budget-setting arrangements. He also confirmed that efficiency measures had been drawn up early in the financial year and continued to be refined and added to during the year to address the ongoing budget shortfall. He added these there would be further discussion and examination of these plans and process during the development session which would directly follow this meeting.

Replying questions from the Chair, Mr King and Ms Wilson provided an explanation of what was meant by Set Aside services and gave examples of services which had helped to shift the delivery of care from central to local settings. Mr King also confirmed that he expected the spend on earmarked Reserves to be in the region of £4M by the end of 2023/24 but that would continue to be closely monitored.

The Chair said it was important to understand where the challenges lie and to closely monitor those funds that were committed to ensure that any money not spent could be put back into the IJB's Reserves.

## Decision

The IJB agreed to:

- i. Note the updated 2023/24 out-turn forecast.
- ii. Note the updated 2024/25 financial forecast.
- iii. Note the recovery plan work to date; and
- iv. Note the timetable for setting the 2024/25 budget.

DRAFT

Signed

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Councillor Shamin Akhtar  
Chair of the East Lothian Integration Joint Board



**REPORT TO:** East Lothian Integration Joint Board  
**MEETING DATE:** 28 March 2024  
**BY:** Interim Chief Finance Officer  
**SUBJECT:** Review of 2023-2024 Financial Out-turn.

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## 1 PURPOSE

1.1 This report presents to the IJB;

- i. An update on the projected financial out-turn for 2023/24.
- ii. A review of the IJB reserves.

## 2 RECOMMENDATIONS

2.1 Members are asked to:

- i. Note the current 23-24 out-turn forecast.
- ii. Note the projected position for the IJB's Reserves
- iii. Agree a position for the utilisation of the IJB's General Reserve either
  - a) Utilisation of the general reserve to support the 2023-2024 year-end position.
  - or
  - b) Request additional funding from the Partners to meet the in year gap of 2023/24.

## 3 BACKGROUND

### 3.1 Revised 2023-2024 Out-turn Forecast

Both partners have updated their financial forecast for 2023-2024 out-turn position. The output is as follows – Values are variances, favourable/(unfavourable):

	£000's
Health Core	771
Hosted	284
Set Aside	<u>(1,883)</u>
Total Health	(828)
Social Care	(2,950)
<b>Total</b>	<b>(3,778)</b>

3.2 This is an improvement on the forecast out-turn reported to the IJB at its February 2024 meeting which was an overspend of £4,119,000. The improvement being in the social care budgets.

### 3.3 Health Position

It can be seen from the table above that the core and hosted health budget are now forecast to be underspent. The core budget being the operational budget for the HSCP. The hosted services being those services delegated to the IJB but operationally managed by NHS Lothian for example, the IJB's share of the Mental Health services which are provided at the Royal Edinburgh Hospital.

This underspend is underpinning an element of the IJB's Set Aside budget which remains overspent.

Set Aside health services are those functions delegated to the IJB but managed by the Acute Hospital Teams at Royal Infirmary of Edinburgh and Western General Hospital. The major overspends being within Diabetes & Endocrinology, ED & minor injuries, Gastroenterology and General Medicine.

In previous years, NHS Lothian had been able to support the IJB's health budgets non-recurrently in year and to allow them to break-even. NHS Lothian have indicated that this may not be possible in the current financial year and discussions around the management of the financial year end are continuing.

### Social Care Position

As has been described in previous finance reports to the IJB (most recently in February 2024) forecasting the social care out-turn is volatile, given that the social care services are largely delivered by third parties and the commitments are recorded in a separate, non-finance system.

As part of the year-end processes, work continues to examine the projects that are funded from the IJB's earmarked reserves. If, having completed the work that these reserves have been held to support, there is a residual element of funds then these funds will be used to support the 23/24 out-turn position. That said, such funding is non-recurrent and will not support the financial pressures identified recurrently.

It is expected that these actions will improve the social care out-turn but details are not available at this time.

### 3.4 Review of the Set Aside Budget Model.

The Set Aside budget model was developed in 2015 and was based on a high level review of which elements of the Acute health system (those



services delivered at the Royal Infirmary of Edinburgh, The Western General Hospital and St. Johns at Howden) were delegated to the IJBs. As the IJBs themselves were developed this budget model has evolved to ensure that it represented the acute functions over which the IJB had the appropriate influence. The development of the Set Aside model was paused during the Covid outbreak in 2020. The IJBs have asked NHS Lothian to restart this review and a revised Set Aside budget model has now been agreed.

This new model excludes some services which are not directed by the IJB's, for example Gastro-Intestinal services and Infectious Diseases. This has reduced the Set Aside budget from its previous position. The charges and overspend associated with these budgets are also removed. This new budget model will be used from 2024/25 onwards.

### 3.5 Actual out-turn position for 2023/24

The actual financial position for 2023/24 will not be known until the end of May 2024. However, it's important that this position is considered now for two reasons –

1. The impact of the 2023/24 position on the 2024/25 financial forecast.
  - a. NHS Lothian financial forecasting model takes into account in-year pressures that are carried forward into future years and this has been fed into the forecast provided for the health element of the IJB's budget.
  - b. The current forecast social care position (an overspend of c. £2.9m) requires a recovery programme and this has now been built into the 2024/25 forecast position.

### 2. The Utilisation of the IJB Reserves.

The IJB has two 'classes' of reserves. Earmarked Reserves which are held for a specific purpose and elements of which are being used to support the 2023/24 position. It is estimated that the earmarked reserves will be c.£1.1m by 31/3/24. And General reserves which are estimated at c. £4.3m after having provided for the costs of the analogue to digital alarm conversion (c.£750,000) as agreed by the IJB.

The General reserves has two purposes - it allows the IJB to support programmes non-recurrently and it provides support (if required) to underpin the year-end position.

The IJB is governed by its Integration Scheme. This scheme described the agreements between East Lothian Council and NHS Lothian as to how the IJB should manage any year-end overspends. Section 9.14.1 lays out that *'where an overspend occurs at the end of the financial year end, and there are insufficient available reserves to meet the overspend then the Parties may make additional payment to the Board [IJB]'*.

## 4 ENGAGEMENT

- 4.1 The IJB makes its papers and reports are publicly available.

4.2 The issues in this report have been discussed with the IJB's partners but do not require wider engagement.

## **5 POLICY IMPLICATIONS**

5.1 There are no new policies arising from this paper.

5.2 The recommendations in this report implement national legislation and regulations on the establishment of IJBs.

## **6 INTEGRATED IMPACT ASSESSMENT**

6.1 The issues in this report do not require an integrated impact assessment.

## **7 DIRECTIONS**

7.1 There is no implication for Direction at this stage.

## **8 RESOURCE IMPLICATIONS**

8.1 Financial – There are no immediate resource implications from this report. Any resource implications from the outcome of the process will be highlighted in a future report if required.

8.2 Personnel – None

8.3 Other – None

## **9 BACKGROUND PAPERS**

9.1 None

<b>AUTHOR'S NAME</b>	David King
<b>DESIGNATION</b>	Interim Chief Finance Officer
<b>CONTACT INFO</b>	David.king4@nhslothian.scot.nhs.uk
<b>DATE</b>	March 2024

**REPORT TO:** East Lothian Integration Joint Board

**MEETING DATE:** 28 March 2024

**BY:** Interim Chief Finance Officer

**SUBJECT:** Budget Offer from the IJB's partners - 2024/25

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## 1 PURPOSE

- 1.1 This paper lays out the budgets offers from the IJB's partners (East Lothian Council and NHS Lothian) for 2024/25

## 2 RECOMMENDATIONS

- 2.1 Members are asked to:
- 2.2 **Note** the proposed budgets offers from the partners.
- 2.3 **Accept** the 2024/25 budget offers from both partners as detailed in 3.9 below.

## 3 BACKGROUND

- 3.1 East Lothian IJB has been delegated a range of health and social care functions from its partners NHS Lothian and East Lothian Council. In order to plan for the delivery of these functions the IJB receives funding from both of these bodies. East Lothian Council have now made a formal budget offer to the IJB having set their own budget for 2024/25. NHS Lothian have provided an indicative offer for 2024/25. NHS Lothian will set a budget for 2024/25 at their April Board meeting.
- 3.2 The IJB applies two tests to the partners' budget offers, these being compliance with the Scottish Government's own budget settlement letters to the partners, and a more subjective test of 'fairness'. The latter test is a mechanism to reflect that the funding partner can only pass on what they themselves have been given through the Scottish Government's budget settlement.

### NHS Lothian Offer

- 3.3 NHS Lothian has now revised its budget setting model for the Set Aside budget, following a request to do so by the four Lothian IJB Chief Officers. The original model set up in 2014 reflected on

the theoretical delegation of 'acute' functions and tried to match these to the appropriate budgets. This has been a work-in-progress and NHS Lothian has now finished a detailed review. Although this reduced the Set Aside budget, it more accurately reflects the budgets for the delegated functions, will reduce the charges against these budgets, and reduce the overall impact of the financial pressure on the four Lothian IJBs.

- 3.4 Given this adjustment above, the NHS Lothian offer is effectively flat, recognising that this is the budget settlement that they themselves have available.
- 3.5 Scottish Government have committed to funding pay awards made in 2024/25 to NHS staff. NHS Lothian are clear in their budget offer to the IJB, that any such pay award funding will be appropriately passed onto the IJB.

### **East Lothian Council Offer**

- 3.6 The Scottish Government settlement to the Local Authorities was also effectively flat. The Adult Social Care Pay Uplift fund (Real Living Wage) was passed over by the Scottish Government as was an additional uplift to the allowance for Free Personal and Nursing Care. These funds were passed on to the IJB in the East Lothian Council Offer.

### **3.7 East Lothian Council's offer is as follows:-**

<b>East Lothian Council</b>	<b>£000's</b>	<b>Notes</b>
23/24 Baseline Social Care Budget	68,493	
Exclude non-delegated	(540)	
23/24 Pay		
Award	522	<b>1</b>
Funding for the RLW increase	4,637	<b>2</b>
Free Personal and Nursing Care uplift	366	<b>2</b>
Self Directed Support uplift	5	<b>2</b>
HRA Delegated budget	1,494	<b>3</b>
<b>Total 24/25 budget</b>	<b>74,977</b>	

### **Notes –**

**Note 1:** In 23/24, the Scottish Government has made funds available to Local Authorities to reflect that the pay awards are greater than the original assumptions. As part of the 23/24 budget setting the Scottish Government did not make any pay award funding available and considered that an indicative 3% award had to be found within the Councils own resources. Funds were made available in year are for the additionality (that is the amount over 3%) in the pay award settlement in 2023/24. The funds above being the social care element passed onto to the IJB

**Note 2:** The Council has passed through, in full, the Scottish Government funds for RLW and FNPC. These funds will then be passed onto the providers of social care. Although the net impact is zero, it is very helpful to have these funds which otherwise would have created additional pressures.

**Note 3:** These are the budgets for the HRA(Housing Revenue Budgets) which are delegated to the IJB

3.8 What is not shown in this offer is the impact of the changes in the employer's superannuation costs. The cost of employing a Council member of staff is the total of the costs of their pay plus the employer's contribution towards the employee's pension and a contribution towards the employee's National Insurance payments. A review of the Local Authority pension fund has indicated that these funds are now over-provided for their future pension commitments. As a result, the employer's contribution has now been reduced and this reduces the total cost of employing each member of staff. The impact of this is to reduce the Council's staffing costs of the IJB's budget by c. £714,000. This is a benefit to the IJB and has been built into the budget setting position for 2024/25.

3.9 In summary the opening IJB budget for 2024/25 is as follows –

	2024/25 £000's
NHS Lothian	
Core	80,500
Hosted	14,369
Set Aside	18,735
	<b>113,604</b>
East Lothian Council	
Social Care	74,977
Total	<b>188,581</b>

This includes an indicative allocation for GMS (General Medical Services, the running costs of the GP Practices in East Lothian), the allocation from the Scottish Government for GMS for 2024/25 will not be received until the new financial year.

3.10 The budget offers from both parties are in background papers.

## **4 ENGAGEMENT**

4.1 The IJB makes its papers and reports available publicly.

4.2 The issues in this report have been discussed with the IJB's partners and will require wider engagement.

## **5 POLICY IMPLICATIONS**

- 5.1 There are no new policies arising from this paper, but new policies may have to be developed.
- 5.2 The recommendations in this report implement national legislation and regulations on the establishment of IJBs.

## 6 INTEGRATED IMPACT ASSESSMENT

- 6.1 The issues in this report do not require an integrated impact assessment.

## 7 DIRECTIONS

- 7.1 There is no implication for Directions at this stage.

## 8 RESOURCE IMPLICATIONS

- 8.1 Financial – There are no immediate resource implications from this report. Any resource implications from the outcome of the process will be highlighted in a future report if required.
- 8.2 Personnel – None
- 8.3 Other – None

## 9 BACKGROUND PAPERS

- 9.1 Appendix 1 – 2024/25 Draft Financial Plan Summary by Integrated Joint Boards (East Lothian).
- 9.2 Appendix 2 – IJB Offer Letter 2024-25 – Final.
- 9.3 Appendix 3 - Letter to East Lothian IJB - Feb 24.

<b>AUTHOR'S NAME</b>	David King
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<b>CONTACT INFO</b>	David.king4@nhslothian.scot.nhs.uk
<b>DATE</b>	March 2024

**APPENDIX 1**

**2024/25 DRAFT FINANCIAL PLAN SUMMARY BY INTEGRATED JOINT BOARDS**

	East Lothian IJB
	£k
<b>Full Year Recurring Expenditure Budget</b>	<b>113,003</b>
<b>Baseline Pressures</b>	<b>(4,043)</b>
Projected Expenditure Uplifts & Commitments	(222)
Growth and Other Commitments	(880)
Policy Decisions	(107)
Strategic Investments	0
Essential Service Development	0
Unscheduled Care	0
<b>Projected Expenditure Uplifts &amp; Commitments</b>	<b>(1,209)</b>
<i>Percentage of Recurring Budget</i>	<i>(1.1%)</i>
<b>Projected Costs</b>	<b>(5,252)</b>
<b>Recurring Resources</b>	
Recurrency of 23/24 FP Investment	12
<b>Additional Resources</b>	<b>12</b>
<b>Financial Outlook Gap before FRP's</b>	<b>(5,239)</b>
<b>Financial Recovery Plans</b>	<b>3,037</b>
<b>Financial Outlook Gap after FRP's</b>	<b>(2,202)</b>
<i>Percentage of Recurring Budget</i>	<i>(1.9%)</i>
<b>Final estimated outturn - 24/25</b>	<b>(2,202)</b>

## APPENDIX 2



20 March 2024

David King  
Chief Finance Officer  
East Lothian Integrated Joint Board

John Muir House  
Haddington  
East  
Lothian  
EH41 3HA  
Tel 01620 827827

Dear David,

### Revised Financial resource proposal from East Lothian Council to East Lothian Integration Joint Board – 2023/24 and 2024/25

In accordance with the provisions set out in the Integration Scheme agreed between East Lothian Council and NHS Lothian, this letter sets out the formal proposal from East Lothian Council to the Integrated Joint Board (IJB) advising of the level of financial resources that will be delegated by the Council in financial year 2024/25 to the IJB following approval by Council on 20 February 2024.

#### 2023/24 Revised Financial Resource Proposal

Firstly, I want to confirm that the final IJB funding for 2023/24 has increased from £69.447 million to £69.947 million reflecting the additional £500,000 of pay funding which the council has agreed to pass over to the IJB. The revised funding is set out below:

2022/23 Adult Wellbeing Budget	£66.834m
Excluding Non-Delegated	(£0.540m)
Excluding Non-recurring funding (interim care)	(£0.386m)
Exploring Benefits of Partnership Working	(£0.250m)
2023/24 Council funding for pay award	£0.500m
<b>TOTAL - Opening Baseline</b>	<b>£66.158m</b>
<b>New National Investment</b>	
RLW National Uplift	£1.951m
FPNC Uplift	£0.344m
<b>TOTAL - New National Investment</b>	<b>£2.295m</b>
<b>Other Delegated Budgets</b>	
Non-HRA Private Sector Housing Grant	£0.256m
HRA - Disabled Adaptations (Capital)	£1.000m
HRA - Garden Aid	£0.238m
<b>TOTAL - Other Delegated Budgets</b>	<b>£1.494m</b>
<b>2023/24 Total IJB Financial Resource</b>	<b>£69.947m</b>



## 2024/25 Financial Resource Proposal

The budget proposal to the IJB has been considered in the context of one of the most difficult and challenging financial climates that this Council has ever experienced and resulted in a funding gap for 2024/25 of £17.3m rising £55.9m over the five years period to 2028/29. Given the extent of these pressures both in the current year and the impact going forward, managing the financial environment now remains the highest scoring corporate risk ever publicly reported by the Council. We are also aware that many of these cost pressures are being faced by the IJB, and the need to work in partnership to address this shared challenge is now acutely important.

The IJB financial resource proposal for 2024/25 has been set in the context of managing these collective challenges and is based on the budget approved by Council on 20 February 2024 recognising other funding announcements.

The specific details setting out the resource proposal are set out further below:

- The Council has continued to pass on budgets aligned to the current scheme of integration and delegated functions, however, as you know the Integration scheme and respective delegated functions remains subject to on-going review aligned to the scheme of integration, and as such these functions may be subject to change. The total value of these delegated budgets that remain subject to discussion is £1.494m for 2024/25.
- The Council has continued to pass over its share of resources aligned to national commitments as set out within the national settlement over and above baseline 2023/24 budgets which amounts to £5.008m within the 2024/25 proposal.
- Taking these factors into consideration the financial resource that would be made available to the IJB for 2024/25 is now £74.977 million.

2023/24 Adult Wellbeing Budget	£68.493m
Excluding Non-Delegated	(£0.540m)
Baseline Pay Award and Staffing	£0.522m
<b>TOTAL - Opening Baseline</b>	<b>£68.475m</b>
<b>New National Investment</b>	
£12 per hour Real Living Wage National Uplift	£4.637m
Free Personal and Nursing Care Uprating	£0.366m
Self-Directed Support	£0.005m
<b>TOTAL - New National Investment</b>	<b>£5.008m</b>
<b>Other Delegated Budgets</b>	
Non-HRA Private Sector Housing Grant	£0.256m

HRA - Disabled Adaptations (Capital)	£1.000m
HRA - Garden Aid	£0.238m
<b>TOTAL - Other Delegated Budgets</b>	<b>£1.494m</b>
<b>2024/25 Total IJB Financial Resource</b>	<b>£74.977m</b>

We will continue to update you on any further changes to your budget offer during the financial year. We will also continue to update you on national pay negotiations and potential implications pending any national pay award for 2024/25. Within the budget assumptions for the IJB in 2024/25, the Council have provided the benefit of £714,000 from pension contribution reductions within the offer above.

These budgets will remain subject to annual review aligned to budget setting but given the scale of the financial challenge facing both the Council and the IJB, I would strongly encourage the IJB to start to consider and develop robust and deliverable medium term financial plans, which as a minimum takes into account the forward financial projections being set by the Council.

I would also strongly encourage that the financial plans being considered for 2024/25 are robust and deliverable to meet the full extent of the forecast budget gap. Discussions around the development of further savings options for Council will continue to be explored and as always, the holistic impact of these decisions and shared outcomes will be an important consideration for all partners.

Yours sincerely



Sarah Fortune  
Executive Director for Council Resources (Chief Financial Officer)  
East Lothian Council

Cc: Monica Patterson – Chief Executive, ELC  
Fiona Wilson – Chief Officer East Lothian  
David Hood – Head of Operations East Lothian  
Shamin Akhtar – Chair East Lothian IJB  
Andrew Cogan – Vice Chair East Lothian IJB  
Ellie Dunnet – Head of Finance

## APPENDIX 3

Lothian NHS Board

Finance Director's Office Waverley Gate  
2-4 Waterloo Place  
Edinburgh  
EH1 3EG



Telephone 0131 536 9000

[www.nhslothian.scot.nhs.uk](http://www.nhslothian.scot.nhs.uk)

Date 29 February 2024  
Your Ref  
Our Ref

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Direct Line 0131 465 5543  
Email [Craig.Marriott@nhslothian.scot.nhs.uk](mailto:Craig.Marriott@nhslothian.scot.nhs.uk)

Dear Colleagues,

### EAST LOTHIAN IJB – INDICATIVE BUDGET FOR 2024/25

Further to NHS Lothian's Finance and Resources (F&R) Committee on February 14<sup>th</sup>, I write to update you on the position relating to East Lothian IJB in 2024/25.

We have yet to conclude our financial planning process, and we will look to take a final iteration of the Plan through our F&R Committee on the 27<sup>th</sup> of March, with final sign off at our Board meeting on the 24<sup>th</sup> April. The figures shared with you at this stage are therefore indicative until the final plan has been agreed.

Further to the Scottish Government Budget announcement on 19<sup>th</sup> December 2023, 4.3% uplift for Health Boards in 2024/25 was set out. However, this is not new resource rather a reinstatement of resource received in 2023/24.

The Scottish Government have also set out that further funding support will be made available to Boards for any pay awards made for 2024/25. As in previous years, we will pass through the share of this settlement to each IJB, based on budget shares.

The IJB mapping table used to collate the delegated IJB budget, and the consequential share of costs has been through a routine review and update following external audit recommendations in 2023 and at the request of Chief Finance Officers (CFOs). This updated mapping table has been used to review the latest financial plan position by IJB.

The Plan shared at the February Committee recognised a budget of £113,003k for East Lothian IJB. This budget figure includes GMS elements which are non recurring in nature and other additional non recurring budget adjustments with Table 1 showing the breakdown.



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Chair Professor John Connaghan CBE  
Chief Executive Calum Campbell

*Lothian NHS Board is the common name of Lothian Health Board*

**Table 1: Budget for East Lothian IJB 24/25**

	Status	Allocation	East Lothian IJB £'000
<b>Baseline Budget</b>	Delegated	Core	66,998
		Hosted	14,369
	Set Aside		<u>18,735</u>
			<b>100,101</b>
		GMS	<u>12,902</u>
<b>Total</b>			<b><u>113,003</u></b>
	Additional other budget adjustments		<b>600</b>
<b>Total Budget</b>			<b><u>113,603</u></b>

The final review of the NHS Lothian Financial Plan will conclude shortly, a further update on 2024/25 budgets will be provided to you at this time. We will also update you on any changes to your budget offer as a result of the 2024/25 pay agreement.

I am keen to understand from East Lothian IJB as early as possible how its Directions will shape the delivery of financial recovery savings in 2024/25 and the application of resources in support of financial balance.

I would be happy to have further discussion with your IJB in advance of the final confirmation on the application of health resources in 2024/25.

Yours sincerely



CRAIG MARRIOTT  
Director of Finance

**REPORT TO:** East Lothian Integration Joint Board

**MEETING DATE:** 28 March 2024

**BY:** Interim Chief Finance Officer

**SUBJECT:** Budget Setting 2024/25

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## 1 PURPOSE

1.1 This report sets out:

- The 2024/25 budget setting process and the work undertaken to date.
- A proposed balanced budget for the IJB based on a range of savings proposals.
- Noting that the IJB must set a balanced budget before the start of the new financial year.

## 2 RECOMMENDATIONS

2.1 Members are asked to:

2.1.1 Note the development of the 2024/25 budget setting process.

2.1.2 Note savings proposals described as Service Redesign which are presented for information.

2.1.3 Agree the proposals 4-8 that support the development of a balanced budget for 2024/25.

2.1.4 Agree to review the Integrated Impact Assessments (IIAs) as set out within the proposals.

2.1.5 Agree to set a balanced budget for 2024/25.

## 3 BACKGROUND

3.1.1 The IJB continues to develop its five-year financial plan and East Lothian IJB was presented with a paper at its December 2023 meeting indicating the financial challenges over the next five years. This projection was drawn up before the Scottish Government presented its 2024/25 budget proposals. The December paper indicated a financial gap in 2024/25 of £11.6m.

- 3.1.2 Given that the IJB must set a balanced budget prior to the start of the financial year it was clear that a significant range of savings proposals would be required to bring the 2024/25 back into balance. There are no alternative savings proposals available for consideration other than those outlined within this report. It is therefore the strong recommendation of officers that the 2024/25 Savings Programme is agreed in its entirety by the IJB.
- 3.1.3 If a balanced budget is not agreed by the IJB, a financial recovery plan would need to be developed immediately by the Chief Officer and it is likely that would place severe restrictions on any new expenditure.
- 3.2 Between the December 2023 forecast position for 2024/25 and the current forecast position for 2024/25 a range of revisions were undertaken. These were;
- a) The impact of the Scottish Government's 2024/25 budget settlement on the NHSL 2024/25 forecast (the health element of which is included in the IJB's own forecast). This increased the financial pressure in the health element of the IJB's budget.
  - b) The IJB Set Aside model was reviewed as was described in the 23/24 out-turn paper presented earlier at this meeting. This has the effect of reducing the Set Aside financial pressures within the IJB's 2024/25 forecast.
  - c) The Social care 2024/25 pressures have also been reviewed. There being two elements to the forecast 2024/25 position;
    - i) The underlying pressure as expressed through the projected overspend in 2023/24 of c. £2.8 million. This has fluctuated as the 23/24 out-turn forecast has been reviewed.
    - ii) Specific 2024/25 pressures (pay awards, inflationary increases, and an element for demography) have been reviewed. In the light of the application of additional funding to support the delivery of the Real Living Wage which improved the position along with the full year effect of the additional pay award funding received in 2023/24.

3.3 After these reviews the projected financial pressure for 2024/25 is;

Budget	Projected Gap £000's
Health Core	(3,034)
Health Hosted	(295)
Health Set Aside	(1,940)
<b>Total Health</b>	<b>(5,269)</b>
Social Care b/fwd from 23/24	(2,750)
24/25 Pressures	(2,794)
<b>Total Social Care</b>	<b>(5,544)</b>
<b>Total</b>	<b>(10,813)</b>

A summary of the movements between the five-year financial plan paper presented to the IJB at its December meeting and the table above is attached as **Appendix 4**.

- 3.4 Within the health budgets above the main financial pressures are due to staffing pressures, issues in relation to both the increased costs and demand for drugs both in the community services (GP Prescribing), and demand within the Set Aside services (Acute budgets) and from the continued high levels of demand with the community services.
- 3.5 The Social Care budget pressures are due to demand for Social Care services particularly around services for older people and people with Learning disabilities.
- 3.6 Having identified the financial challenge, Health and Social Care management teams have prepared a range of proposals that, if fully actioned, would bring the budget for 2024/25 back into a balanced position.
- 3.7 There are three categories of savings proposals that have been developed:
- a) **Grip and Control/Efficiency:** This is the review of all financial management and more rigorous examination of operational management of expenditure.
  - b) **Service Redesign:** This is a review of the method of service delivery with a view to reducing the costs.
  - c) **Proposals:** These are proposals which result in significant change in service delivery and likely to involve redesign which will have may impact on the IJB's Strategic objectives.
- 3.8 The IJB has had three finance workshops (held 30/1/2024, 27/2/2024 and 7/3/24 the last being a meeting of the SPG). These workshops have worked through the process of developing and preparing the savings

proposals which would be required to balance the 2024/25 position. These sessions involved a wide range of attendees including members of the IJB, HSCP managers and finance colleagues. Briefing packs and slides from these workshops were circulated to all IJB members.

- 3.9 The totality of the savings proposals currently proposed for 2024/25 are as follows:

Partner	G&C and Efficiency £000's	Service Redesign £000's	Proposals £000's
Health Core	2,484		2,046
Social Care	2,284	2,120	1,151
<b>Sub Total</b>	<b>4,768</b>	<b>2,120</b>	<b>3,197</b>
Health Hosted	494		
Health Set Aside	350		
<b>Sub Total</b>	<b>844</b>		<b>0</b>
<b>Grand Total</b>	<b>5,612</b>	<b>2,120</b>	<b>3,197</b>

- 3.10 For the purpose of setting a balanced budget for 2024/25, it is assumed that the Grip & Control and Efficiency Schemes will not impact on the IJB's Strategic Plan and therefore are available to support the financial pressures in 2024/25.

- 3.11 Also, it is assumed that the delivery of the services redesign proposals, these are described in **Appendix 2** will not impact on the IJB's strategic Plan.

- 3.12 Recognising that not one of the four Lothian IJB alone can resolve the Set Aside financial issues, East Lothian IJB will commit to work with the other three IJBs and NHS Lothian to support this position. The Set Aside pressure will not, therefore, be addressed in this budget setting position.

- 3.13 This leaves the following position:

	£000's	Notes
<b>Gap (as above)</b>	<b>(10,813)</b>	
Grip & Control and Efficiency	4,768	<b>1</b>
Service Redesign	2,120	
Adjustment for Set Aside	1,391	<b>2</b>
<b>Outstanding Balance</b>	<b>(2,534)</b>	

**Notes.**

1. This is the total of the Grip & Control and Efficiency schemes which have been developed by the HSCP management team. These are further analysed in **Appendix 1**. Detail behind the schemes developed by the management teams for the Hosted and Set Aside budgets are not currently available.



2. This is the net position of the IJB's hosted and Set Aside forecasts. That is the projected forecast less the Grip & Control and efficiency schemes developed by those management teams.

- 3.14 The remaining gap above (£2.5m) can be covered if the Proposals above are agreed and delivered. It is clear that these will not be fully delivered in year but if an appropriate amount can be delivered in-year then a break-even position is possible. The Proposals schemes are listed in **Appendix 2** and are described further in **Appendix 5**.
- 3.15 **Appendix 3** summarises this position and lays out a balanced financial position for the IJB for 2024/25 excluding the Set Aside position.
- 3.16 There is a significant risk in the delivery of the totality of the savings schemes laid out above and described in the appendices. A high-level review of the financial risks has been undertaken and this is laid out in **Appendix 2**.
- 3.17 **Risks and Mitigations.**

The IJB is working with the management teams to quantify, understand manage and mitigate the risks which are inherent in the budget setting process.

The key risk to the IJB relates to the requirement to agree a balanced budget. If this Savings Programme is not approved, it will not be possible to set a balanced budget and there will be an immediate requirement for the Chief Officer to bring forward a financial recovery plan, setting out the action required to deliver financial balance. This would severely restrict our ability to agree new expenditure which would likely present significant risk to services and outcomes for the people of East Lothian.

### **Financial Risks.**

There is unquestionably a financial risk as part of the savings plans identified to support a balanced budget. There will also be risks around the delivery of the savings plans identified by the management teams that support the IJB's Hosted and Set Aside Budget and the IJB has identified a financial risk of c. £1.3m within the Set Aside budget for which it will require further schemes to be developed. Work continues to fully quantify the financial risk in the budget setting model and to prepare a further series of recovery plans if these are needed.

### **Operational Risks**

Given that the totality of the financial pressures above are a mixture of underlying financial pressures and additional pressures that will develop in 2024/25 the operational challenge is significant. The management teams will have to deliver the services within the budgets available. There will be a further challenge on the financial management of the services to ensure that any variance from the financial plan (within the operational budgets) is identified and addressed timeously.

## **Strategic Risks**

The IJB's role is to deliver its Strategic Plan and the development of this plan, and its implementation has taken a considerable amount of time. The IJB will have to ensure that these savings proposals do not have a significant impact on its strategic plan and will have to consider what Directions it should issue for 2024/25.

- 3.18 There are a range of further factors which the IJB will need to be cognisant of:
- a) The partners have set up appropriate processes to ensure the delivery of the savings programmes. East Lothian IJB needs to consider how it can apply further scrutiny to the saving proposals to ensure IJB can effectively monitor its budget 2024/25. Bridging actions if required
  - b) NHS Lothian are developing a policy of delivering an element of their efficiencies in year 'locally' and an element 'corporately'. Locally in this case being work delivered by the East Lothian Health and Social Care partnership. It will be important to recognise the role of all four Lothian IJBs in this process and further discussions with NHS Lothian colleagues are underway to clarify this.
  - c) The General Medical Services (GMS) budget for the GP practices has not yet been distributed by the Scottish Government. It is likely that further financial pressures will arise in this budget. It is important to note this is not built into the current forecast. When this information is available, any financial pressures will be quantified, and recovery actions developed.
  - d) East Lothian IJB needs to continue to develop its five-year financial plan. Indications from the December 2023 paper are that there are additional pressures over and above the pressures managed in 2024/25 that will reach into 2025/26 and beyond. East Lothian IJB will be required to develop further savings schemes to manage these pressures.

## **4 ENGAGEMENT**

4.1 The IJB makes its papers and reports available publicly.

4.2 The issues in this report have been discussed with the IJB's partners.

## **5 POLICY IMPLICATIONS**

5.1 There are no new policies arising from this paper, but new policies may have to be developed.

5.2 The recommendations in this report implement national legislation and regulations on the establishment of IJBs.

## 6 INTEGRATED IMPACT ASSESSMENT

- 6.1 Integrated impact assessments have been carried out on the appropriate savings schemes that support this budget proposal.
- 6.2 We have developed a cumulative impact assessment which looks at the vulnerable groups most impacted (positively or negatively) by the budget proposals and the estimated level of impact.
- 6.3 All IIA's are published here [IIAs for 2024 ELIJB Budget Proposals | East Lothian Council](#)

## 7 DIRECTIONS

- 7.1 Until the 2024/25 budget is agreed, the IJB is unable to issue directions. Agreement to these proposals may impact on the current directions and may require the issuing of new directions.

## 8 RESOURCE IMPLICATIONS

- 8.1 Financial – these are discussed above.
- 8.2 Personnel – None.
- 8.3 Other – None.

## 9 BACKGROUND PAPERS

- 9.1 IJB Finance papers: December 28th, 2023, Initial Five Year Financial Plan
- 9.2 IJB Finance Workshops – 30/1/2024, 27/02/24
- 9.3 SPG Finance Meeting - 7/03/24

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<b>DATE</b>	March 2024

### ***Appendices***

1. Summary of Grip and Control and Efficiency Schemes.
2. Summary of Major Service Redesign and Proposals and Risks Review.
3. Summary of 2024/25 Budget Proposal.
4. Movements between the opening financial forecast (as laid out in the paper to the December IJB) and the current position.
5. Details of Major Service Redesign and Proposal

## Appendix 1 – Summary of Grip and Control and Efficiency Schemes.

No	Title	Lead	Value £000's	Theme
<b>Grip &amp; Control and Efficiency Projects</b>				
1	ADL Contract	Lesley Berry	42	Financial Sustainability
2	Admin & Management Review	Laura Kerr	232	Financial Sustainability
3	AHP Workforce	Lesley Berry	97	Internal Service Redesign
4	Maximising Income	David Hood	284	Financial Sustainability
5	Community Equipment	Lesley Berry	326	Financial Sustainability
6	Community Nursing Workforce	Sarah Gossner	254	Internal Service Redesign
7	Prescribing	Jamie Megaw	899	Financial Sustainability
8	Primary care	Jamie Megaw	210	Internal Service Redesign
9	East Lothian Community Hospital	Gillian Neil	296	Internal Service Redesign
10	Mental Health Medicine	Guy Whitehead	69	Financial Sustainability
11	Supplementary Staffing	Lesley Berry	90	Financial Sustainability
12	Transport Review	David Hood	130	Financial Sustainability
13	Eskgreen	Gillian Neil	60	Financial Sustainability
14	Mental Health Workforce	Guy Whitehead	340	Internal Service Redesign
15	Commissioning	Guy Whitehead	369	Sustainable commissioning and pathways
16	Older People	Isobel Nisbet	222	Financial Sustainability

17	Primary Care Service Level Agreement	Jamie Megaw	38	Financial Sustainability
18	Care Homes	Isobel Nisbet	800	Sustainable Commissioning and Pathways
19	Enjoy Leisure	Lesley Berry	10	Financial Sustainability
<b>Total Saving</b>			<b>4,768</b>	

### **Themes Key**

<b>Sustainable commissioning and pathways</b>	Strategic change programmes aimed at embedding new effective commissioning models and redesigning service pathways to improve outcomes for citizens.
<b>Internal service redesign</b>	Redesigning our models for internal services and teams to ensure effectiveness and best value.
<b>Financial sustainability</b>	Grip and control measures to deliver financial sustainability, or service/funding reductions to reduce costs.

## Appendix 2 – Summary of Major Service Redesign and Proposals and Risks Review.

Partner	Type	Description	Recovery Value £000's	Financial Risk Rating
Health	Proposal	Belhaven: Inpatient Beds	1,064	Low
Health	Proposal	Edington: Inpatient Beds	834	Low
Health	Proposal	Link workers	148	Medium
<b>Health Total</b>			<b>2,046</b>	<b>Low</b>
Social Care	Service Redesign	Intensive Housing Management	300	Low
Social Care	Service Redesign	LD Care at Home Reviews	928	Medium
Social Care	Service Redesign	Crookston (Bridging Actions)	400	Medium
Social Care	Service Redesign	Internal Care at Home	492	Medium
Social Care	Proposal	Voluntary Organisations	51	Medium
Social Care	Proposal	Belhaven: Care Home Beds	362	High
Social Care	Proposal	The Abbey	738	High
<b>Social Care Total</b>			<b>3,271</b>	<b>High</b>
<b>IJB Total</b>			<b>5,317</b>	<b>High</b>

### Appendix 3 – Summary of 2024/25 Budget Proposal.

Partner	Projected Gap	G&C and Efficiency	Service Redesign	Proposals Required 24/25	Gap: Surplus/(Shortfall)
	£000's	£000's	£000's	£000's	£000's
NHS (Core)	(3,034)	2,484	0	550	0
Social Care	(5,544)	2,284	2,120	1,140	0
<b>Sub Total</b>	<b>(8,578)</b>	<b>4,768</b>	<b>2,120</b>	<b>1,690</b>	<b>0</b>
Hosted	(295)	494	0	0	199
Set Aside	(1,940)	350	0	0	(1,590)
<b>Sub Total</b>	<b>(2,235)</b>	<b>844</b>	<b>0</b>	<b>0</b>	<b>(1,391)</b>
<b>Grand Total</b>	<b>(10,813)</b>	<b>5,612</b>	<b>2,120</b>	<b>1,690</b>	<b>(1,391)</b>

**Appendix 4 – Movements between the opening financial forecast (as laid out in the paper to the December IJB) and the current position.**

<b>Type</b>	<b>December IJB Paper £000's</b>	<b>March IJB Paper £000's</b>	<b>Movements £000's</b>	<b>Notes</b>
Core	(2,320)	(3,034)	<b>(714)</b>	Impact of SG Budget Settlement
Hosted	(93)	(295)	<b>(202)</b>	Impact of SG Budget Settlement
Set Aside	(3,000)	(1,940)	<b>1,060</b>	Impact of SG Budget Settlement & Revision of Set Aside Model
Social Care	(6,387)	(5,544)	<b>843</b>	Revision to 24/25 Financial Pressures
<b>Totals</b>	<b>(11,800)</b>	<b>(10,813)</b>	<b>987</b>	



## Appendix 5 – Details of Major Service Redesign and Proposals.

<b>No.</b>	<b>1</b>	<b>Savings Proposal:</b>	<b>Internal Care at Home</b>	<b>Lead:</b>	<b>Gillian Neil</b>	
<b>Proposal Summary (Scope)</b>	<p>The internal Home Care Service has undergone a review, resulting in a restructuring and the implementation of the 'One Plan' case management system. The introduction of One Plan in late 2023, has significantly benefited the service by:</p> <ul style="list-style-type: none"> <li>• Streamlining processes.</li> <li>• Centralising service user information in one place.</li> <li>• Improving communication with staff.</li> <li>• Improving compliance.</li> <li>• Enhancing visibility allowing improved care runs.</li> <li>• Generating time and cost savings.</li> </ul> <p>Despite being a relatively new system, One Plan has already contributed to improved efficiency and compliance, resulting in greater productivity and availability of care.</p> <p>Recruitment remains a challenge, despite our efforts in implementing a vigorous recruitment program. Unfortunately, we have been unable to fill our current vacancies.</p> <p>This proposal is to further rationalise the service by offering current vacancies as a cost-saving measure. It is anticipated that by fully implementing the One Plan system, introducing a more robust integrated review process, and collaborating closely with intermediate services, we will be able to achieve improved efficiency and capacity despite a reduced workforce.</p>				<b>Financial Impact</b>	
	<i>Forecast Savings for 24/25 (£k)</i>	<b>£492k</b>				

<b>Risks and impacts</b>	<ul style="list-style-type: none"> <li>• Ongoing risk that we are unable to retain staff, which will create ongoing vacancies and impact on delivery of service.</li> <li>• Impact on patient flow and delayed discharges if unable to sustain increased efficiency and capacity.</li> <li>• Risk of stress and upset if existing support arrangements change or reduce.</li> <li>• Positive impact that packages of care will be tailored to person's actual need/outcomes, moving away from time and task model.</li> </ul>
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<b>No.</b>	<b>2</b>	<b>Savings Proposal:</b>	<b>Learning Disabilities – Care at Home &amp; IHM</b>	<b>Lead:</b>	<b>Guy Whitehead</b>
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<b>Proposal Summary (Scope)</b>	<p><b>Care at Home (CAH)</b></p> <p>This first savings proposal is for review of Care at Home provision, an integral part of <i>community transformation</i> where services have been supporting clients out of building based services.</p> <ul style="list-style-type: none"> <li>• Yearly CAH review is a statutory requirement. Reviews ensure that people are receiving the right level of support to meet identified outcomes, and consequent resource commitment is correct. This saving will be achieved through review of the care offer to meet assessed needs, whilst ensuring clients are safe in the community.</li> <li>• Currently CAH review capacity within the Social Work Learning Disabilities (SWLD) team is 18 per month. Yearly reviews of all clients require an increase to 33 per month. This will be delivered by integrating the NHS Community Learning Disabilities Team with the SWLD team in John Muir House to share the review function and create review capacity.</li> </ul> <p><b>Intensive Housing Management (IHM)</b></p> <p>This second proposal is to improve rate of application for Intensive Housing Management revenue.</p>	<b>Financial Impact</b>	
		<i>Forecast Savings for 24/25 (£k)</i>	<p><b>CAH £928k</b></p> <p><b>IHM £300k</b></p>

	<ul style="list-style-type: none"> <li>IHM is a revenue stream for the Supporting Living sector that is effectively Enhanced Housing Benefit. IHM is DWP funded and delivered locally by housing benefit. Social landlords are eligible to apply on behalf of their tenants who need 'care, support and supervision'. We are working with <i>ELCAP</i> and <i>Places for People</i> (Social Landlord) to make applications for 28 supported people. This will ensure the level of care and support remains in line with assessed need whilst HSCP funding will be offset by predicted £300k IHM revenue.</li> </ul>		
<b>Risks and impacts</b>	<ul style="list-style-type: none"> <li>Increasing rate of CAH review has potential to impact Community Learning Disability Team (CLDT) capacity to deliver care and therapy.</li> <li>Decreasing CAH could adversely impact clients and carers.</li> <li>Work will be required around defining policy to support clinicians in delivery of reviews.</li> <li>IHM proposal should have no adverse impact.</li> </ul>		

<b>No.</b>	<b>3</b>	<b>Savings Proposal:</b>	<b>Crookston Care Home</b>	<b>Lead:</b>	<b>Gillian Neil</b>
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<b>Proposal Summary (Scope)</b>	<p>Crookston, a purpose-built care home spanning three floors, was established in 2014. Presently, there's a strategic vision to transform it into a specialist unit which can meet the needs and outcomes of residents with more complex needs. Currently, such residents are either delayed in hospital as the specialist care and support is not available locally or they are placed in specialist facilities out of the area, where these placements typically incur higher costs. This proposed transformation aims to create a more cost-effective model, allowing the Integrated Joint Board (IJB) to provide care closer to home while improving the outcomes of both patients and their families.</p> <p>The comprehensive redesign process is estimated to span up to 12 months. Consequently, significant financial benefits are not anticipated in the immediate term. To address this, bridging actions have been identified to alleviate overall financial pressure within the IJB:</p> <ul style="list-style-type: none"> <li>• <b>Staffing Review:</b> This assessment will focus on determining the necessary staffing profiles to deliver quality care efficiently.</li> <li>• <b>Facilities Management Review:</b> A thorough evaluation of current service level agreements will be conducted with the aim of reducing costs while maintaining standards.</li> <li>• <b>Interim Bed Measures:</b> An assessment of the bed base will be undertaken to ensure financial sustainability. This includes examining the number and types of beds available for operation.</li> </ul> <p>These measures are intended to provide interim solutions while the full redesign of Crookston progresses, ensuring financial stability and maintaining the quality of care provided.</p>	<b>Financial Impact</b>	
		<i>Forecast Savings for 24/25 (£k)</i>	<b>£400k</b>

<b>Risks and impacts</b>	<b>Impact on Current Residents, Families, and Carers:</b> The interim measures are not expected to have any adverse effects. For the strategic redesign, continuous support and communication will be provided to affected parties to ensure a smooth transition and address any concerns or needs they may have.
	<b>Impact on Current Workforce:</b> The interim bridging actions will guarantee the maintenance of a safe staffing level. Detailed modelling will be conducted to assess and determine the necessary skills and staffing requirements, thereby establishing the most cost-effective approach to delivering safe and high-quality care.

<b>4</b>	<b>Savings Proposal:</b>	<b>Belhaven – Inpatient &amp; Blossom House</b>	<b>Lead:</b>	<b>Gillian Neil</b>
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<b>Proposal Summary (Scope)</b>	<p>Belhaven Hospital, located in Dunbar, was established in 1912 as a cottage hospital, providing vital medical services to the local community. Today, it offers Blossom House, an 11-bedded care home, 6 inpatient beds, vaccination clinics, and serves as a community hub.</p> <p>In 2022, water quality issues led to the temporary transfer of all residents and inpatients to East Lothian Community Hospital (ELCH). Although care home residents returned in January 2023, NHS inpatient beds remained closed due to workforce challenges, with patients still accommodated at ELCH.</p> <p>Blossom House, managed by NHS and registered with the Care Inspectorate, currently has capacity for 11 residents, although there are only 9 residents at present. 3 of these residents are self-funding and 6 are local authority.</p> <p>Belhaven faces challenges due to the outdated infrastructure not meeting care home and inpatient standards. Maintenance costs are increasing steadily, which are anticipated to increase.</p>	<b>Financial Impact</b>	
		<i>Forecast Savings for 24/25 (£k)</i>	<p><b>Total</b> <b>£1,426k</b></p> <p><b>Split</b> NHS: £1,064k</p> <p>Social Care: £362k</p>

	<p>Additionally, security and fire hazards are being reported, posing risks to staff and residents, particularly during non-operating hours.</p> <p>The work around care home beds has been supported by significant research and engagement with communities. This work over the last 3 years is detailed here <a href="#">Planning older people's services   East Lothian Council</a> with the report <a href="#">Provisioning Strategy Project – Updated Background Data Report – January 2024</a></p> <p>The proposal is to:</p> <ol style="list-style-type: none"> <li>1. Permanently close both the care home and inpatient beds.</li> <li>2. Relocate the community services currently based at Belhaven, due to the ongoing risk associated with fire hazards, security, and lone working. This will result in the full closure of the Belhaven site.</li> </ol>		
<p><b>Risks and impacts</b></p>	<ul style="list-style-type: none"> <li>• Impact on the availability of beds within East Lothian, particularly within the Dunbar area.</li> <li>• Risk to reputation as historically care home closures have been met with resistance from councillors, staff, residents, families, and trade unions.</li> <li>• Impact on current residents, families, and the wider community.</li> <li>• Impact on the current workforce and risk that staff leave Belhaven prior to the closure date.</li> <li>• Risk to residents as it is recognised that these are older and frailer citizens and there is always a heightened risk to life when moving residents from one home to another.</li> </ul> <p>Further detail on the risk, impact and mitigations are shown in <a href="#">Strategic Planning Group March 2024</a>  An Integrated Impact Assessment has been completed for this proposal and is available here: <a href="#">IIAs for 2024 ELIJB Budget Proposals   East Lothian Council</a></p>		

<b>No.</b>	<b>5</b>	<b>Savings Proposal:</b>	<b>The Abbey</b>	<b>Lead:</b>	<b>Gillian Neil</b>
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<b>Proposal Summary (Scope)</b>	<b>Financial Impact</b>	
	<i>Forecast Savings for 24/25 (£k)</i>	
<p>The Abbey is located within the grounds of a 15th-century convent and consists of an original building that has been expanded to incorporate additional bedrooms and living areas. The accommodation spans two floors and is accessible via a passenger lift and stairs to the upper levels. The facility comprises of 28 single rooms &amp; 1 double room.</p> <p>The Abbey Care Home Building is no longer fit for the longer-term delivery of safe and effective care. Extensive work would be required if the building is to meet current care and safety standards and this level of refurbishment is not financially viable, especially as no capital funding is available. At present only 16 of the bedrooms feature an en-suite toilet and hand basin facilities. There is only one shower and 2 baths within the Abbey, which are shared between 29 residents, which provides inadequate showering/bathing facilities for the number of residents and does not fully comply with infection protection and control protocols.</p> <p>Over recent years, extensive maintenance has been necessary, and it is anticipated that further work will be needed in the future, and this was evidenced by the Care Inspectorate last inspection in April 2023 which was graded at level 3 (adequate).</p> <p>In December 2022, the Care Inspectorate issued an enforcement notice to Eskgreen Care Home in Musselburgh, citing substantial concerns about the condition of the building and the refurbishment upgrades required. This resulted in its closure in May 2023 and the residents were required to permanently re-locate to alternative care homes at pace. It is likely that the Abbey may find itself in a similar position in the future, therefore it is crucial that the Abbey adopts a proactive and planned approach to support residents to source alternative care home placements.</p> <p>The proposal is to permanently close the Abbey Care Home &amp; existing residents will be supported to find alternative placements within East Lothian. The planned approach will likely take place towards the end of</p>	<i>Forecast Savings for 24/25 (£k)</i>	<b>£738k</b>

	<p>summer, allowing residents to make an informed decision regarding where they would like to move to. The process or re-deployment of staff will also follow due process and some of their decision may impact the decisions made by residents.</p> <p>The work around care home beds has been supported by significant research and engagement with communities. This work over the last 3 years is detailed here <a href="#">Planning older people's services   East Lothian Council</a> with the report <a href="#">Provisioning Strategy Project – Updated Background Data Report – January 2024</a></p>		
<p><b>Risks and impacts</b></p>	<ul style="list-style-type: none"> <li>• Risk to reputation as historically care home closures have been met with resistance from councillors, staff, residents, families, and trade unions.</li> <li>• Impact on the availability of beds within East Lothian.</li> <li>• Impact on current residents, families, and the wider community.</li> <li>• Impact on the current workforce and risk that staff leave the Abbey prior to the closure date.</li> <li>• Risk to residents as it is recognised that these are older and frailer individuals and there is always a heightened risk to life when moving residents from one home to another.</li> </ul> <p>Further detail on the risk, impact and mitigations are shown in <a href="#">Strategic Planning Group March 2024</a>  An Integrated Impact Assessment has been completed for this proposal and is available here: <a href="#">IIAs for 2024 ELIJB Budget Proposals   East Lothian Council</a></p>		



<b>No.</b>	<b>6</b>	<b>Savings Proposal:</b>	<b>The Edington</b>	<b>Lead:</b>	<b>Gillian Neil</b>
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<b>Proposal Summary (Scope)</b>	<p>Established in 1903, The Edington has served the North Berwick community with various services over the years:</p> <ul style="list-style-type: none"> <li>Initially providing access to 9 inpatient GP beds, later reduced to 7 due to COVID guidelines.</li> <li>Offering a nurse-led minor injuries service.</li> <li>Housing the North Berwick GP practice.</li> <li>Providing community services including MSK, CTAC, and vaccination appointments.</li> </ul> <p>In response to COVID-19 challenges and significant workforce issues, a strategic decision was made in August 2021 by the East Lothian Hospitals Contingency Plan at Gold Command. This decision involved relocating staff and the bed capacity from the Edington to East Lothian Community Hospital (ELCH) in September 2021. Ward 6 was established within ELCH to accommodate these beds, optimising resources, and maintaining high-quality patient care.</p> <p>Through a robust review and redesign of community services, such as homecare and social work, it has been identified that patients can receive care and support within their own community. This approach enables the delivery of quality care in a more accessible and familiar setting, closer to home.</p> <p>The proposal is to not relocate patients back to the Edington, closing the beds permanently &amp; permanently close the inpatient beds within Ward 6.</p>	<b>Financial Impact</b>	
		<i><b>Forecast Savings for 24/25 (£k)</b></i>	<b>£834k</b>
<b>Risks and impacts</b>	<ul style="list-style-type: none"> <li>Impact on the availability of beds within East Lothian.</li> <li>Impact on current residents, families, and the wider community.</li> <li>Impact on the current workforce.</li> </ul> <p>Further detail on the risk, impact and mitigations are shown in <a href="#">Strategic Planning Group March 2024</a>  An Integrated Impact Assessment has been completed for this proposal and is available here: <a href="#">IIAs for 2024 ELIJB Budget Proposals   East Lothian Council</a></p>		

<b>No.</b>	<b>7</b>	<b>Savings Proposal:</b>	<b>Voluntary Organisations</b>	<b>Lead:</b>	<b>Laura Kerr</b>
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<b>Proposal Summary (Scope)</b>	Proposed budget reduction to the 'Vol Org Commissioned Budget' and removal of non- recurring, reserves from the Carers Act funding 23/24.	<b>Financial Impact</b>								
	<p>In line with ELHSCP's Financial Recovery Plan, under the General Manager for Planning and Performance the 'Vol Org Budget' and the Carers Act Funding were considered and because of the strategic impact, the proposals need to be agreed by ELIJB. Both budgets are used predominately to commission community based, 3<sup>rd</sup> sector organisations to deliver both preventative and early intervention services in addition to supporting Carers to continue in their caring roles. The services are designed to prevent individuals escalating into more expensive crisis response services, including primary care and acute health services. This is particularly so for providers of Mental Health support where people are coming from health settings to continue their recovery in the community. The reductions proposed will see the 'Vol Org Budget' being reduced by 6% and the removal of the non-recurring reserves from the Carers Act Monies is also at 6 % of the total budget. The level of reduction and impact of such, has been discussed with each provider. The objective is to ensure the stability of the provider, ensuring these services can continue.</p> <table border="1"> <thead> <tr> <th>Recovery Plan</th> <th>Note</th> </tr> </thead> <tbody> <tr> <td>Pink Ladies 1st</td> <td>Reduction in number of workshops per annum which will have a direct effect on the numbers of vulnerable women able to access support. Implementation of waiting list.</td> </tr> <tr> <td>C A P S</td> <td rowspan="3">Independent advocacy services have received little to no uplifts for the past 5+ years. As a result, providers now primarily support individuals who require statutory intervention in relation to the Mental Health Care and Treatment Act or Adult Support and Protection Act. Non statutory support is often required to sit on a waiting list (2-4 weeks dependent on organisation and time of year). A recent needs assessment and engagement activity by the Independent Advocacy Steering Group (2023/24) highlighted the importance of independent advocacy and gaps in provision in East Lothian. This reduction will put further pressure on providers, increase</td> </tr> <tr> <td>EARS Advocacy Service</td> </tr> <tr> <td>Partners In Advocacy</td> </tr> </tbody> </table>	Recovery Plan	Note	Pink Ladies 1st	Reduction in number of workshops per annum which will have a direct effect on the numbers of vulnerable women able to access support. Implementation of waiting list.	C A P S	Independent advocacy services have received little to no uplifts for the past 5+ years. As a result, providers now primarily support individuals who require statutory intervention in relation to the Mental Health Care and Treatment Act or Adult Support and Protection Act. Non statutory support is often required to sit on a waiting list (2-4 weeks dependent on organisation and time of year). A recent needs assessment and engagement activity by the Independent Advocacy Steering Group (2023/24) highlighted the importance of independent advocacy and gaps in provision in East Lothian. This reduction will put further pressure on providers, increase	EARS Advocacy Service	Partners In Advocacy	<b>Forecast Savings for 24/25 (£k)</b>
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EARS Advocacy Service										
Partners In Advocacy										

	waiting lists and potentially result in the cessation of non-statutory and collective advocacy work entirely, this will remain under review.		
CHANGES Community Health Project	Provides significant mental health support and includes support in acute cases to prevent hospital admissions. The reduction will result in a longer waiting list for services, estimated at over 7 months.		
Deaf Action	Deaf Action have agreed to a £13k reduction from 01/04/24. Services will continue at the same level while discussions are ongoing around reshaping the service. An engagement event has been held with service users.		
Health In Mind	Contract ends 31/03/24. This contract is across all 4 Lothian HSCPs and is under negotiation currently. It may be that the saving cannot be realised if other partners are not able to support. Low level Mental health support.		
Sight Scotland	Scottish Government See/Hear Funds of £5163 will be set against this contract. The contract has been extended by 2 years and the service will be able to be delivered as per the contract with no impact on quality or outcomes		
Stepping Out	Reduction will have a direct impact on service users by reducing the number of groups and 1-1 sessions available. Waiting list to be implemented and reviewed.		
Volunteer Centre East Lothian	VCEL operate several practice and service fora as well as community events and the reduction in funding will mean that some will not take place. The changes will be agreed with HSCP. However, the staffing will not be affected, and the Locality team will continue to be in place at the same FTE.		
Royal Voluntary Service	% of Budget to support transport. This will have significant impact on the availability of transport, which has been identified as a key priority of residents through HSCP's Planning for an Older Population engagement sessions. This will result in a reduction in service and potential increase in charges for those using the service.		
Carers Act Monies	Funds were available to support development of a much-needed respite service, reducing partnerships potential to support carers breaks from caring at a time when pressure on carers is increased and national discussions continue on the 'right to a break' as proposed under the NCS. This would support a one-off saving but does not give a reduction in recurring budget.		

<b>Risks and impacts</b>	<ul style="list-style-type: none"> <li>The level of reduction and impact of such, has been discussed with each provider. The objective is to ensure the stability of the provider, ensuring these services can continue.</li> <li>The savings applied, will result in a reduction in service and inevitable increase in waiting times for some of services.</li> </ul> <p>Further detail on the risk, impact and mitigations are shown in <a href="#">Strategic Planning Group March 2024</a>  An Integrated Impact Assessment has been completed for this proposal and is available here: <a href="#">IIAs for 2024 ELIJB Budget Proposals   East Lothian Council</a></p>
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<b>No.</b>	<b>8</b>	<b>Savings Proposal:</b>	<b>Primary Care Link Worker Programme</b>	<b>Lead:</b>	<b>Jamie Megaw</b>
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<b>Proposal Summary (Scope)</b>	<p>The Primary Care Link Worker Services are a key programme aimed to reduce health inequalities and provide additional support for patients who present at GP practices with complex needs, either due to the complexity of their conditions or with challenges that relate to socio-economic circumstances. The main reasons for referral to the programme are loneliness and isolation, anxiety and depression, benefit support/advice, financial advice, and employment support. The programme provides structured sessions to achieve client outcomes and active signposting to other community support.</p> <p>The current programme budget is £275K. This is funded from the HSCP (£148K) and the Primary Care Improvement Fund (£127K).</p> <p>The programme requires retendering with a new provider operational from 1<sup>st</sup> October 2024. Savings are realised by:</p> <ul style="list-style-type: none"> <li>Reducing the budget to fund the programme from the 1<sup>st</sup> of October 2024.</li> <li>This proposal is that the IJB remove up to £148K from the budget to contribute to the IJB's financial recovery plan.</li> </ul>		<b>Financial Impact</b>	
	<b>Forecast Savings for 24/25</b>	<b>£148k</b>		

## Risks and impacts

- That there is insufficient funding in the budget to provide a service accessible to all General Practice populations if the full £148K contributes to the financial recovery plan. Mitigations to reduce this risk include procuring one provider instead of the three currently (remove duplicated costs), redesigning the service model (location, accessibility, and mode of client contacts), and developing new pathways between General Practice and other available community support.
- That this widens health inequalities and increases avoidable costs to the health and care system.

Further detail on the risk, impact and mitigations are shown in [Strategic Planning Group March 2024](#)

An Integrated Impact Assessment has been completed for this proposal and is available here: [IIAs for 2024 ELIJB Budget Proposals | East Lothian Council](#)





**REPORT TO:** East Lothian Integration Joint Board  
**MEETING DATE:** 28 March 2024  
**BY:** General Manager - Planning & Performance  
**SUBJECT:** Non-Residential Charging Policy- Social Care

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7

## **1 PURPOSE**

- 1.1 To inform the ELIJB of the current position on the Non-Residential Charging policy for Social Care and the proposed changes
- 1.2 To seek agreement from ELIJB to changes to the Non- Residential Charging Policy 2024- 2025.

## **2 RECOMMENDATIONS**

2.1 The IJB is asked to:

1. Note the contents of this report.
2. Note the recommendations summarised in 2.2 of the report.
3. Note that any increase to charges requires a 1-month notice period to the payer and that charges to each individual will be limited by the income protection measures outlined in paragraph 4.3.
4. Approve the submission of the recommendations set out at 2.2 to East Lothian Council for consideration.

2.2 Summary of Recommendations to East Lothian Council:

1. Note the content of the report.
2. Note that any increase to charges requires a 1-month notice period to the payer and that charges to each individual may be limited by the income protection measures outlined in paragraph 4.3.
3. Approve the inclusion of ILF charges within the current Financial Assessment Process.

4. Approve the recommendation to increase the taper 1<sup>st</sup> taper from 60% to 65 % from April 2024 with a further 5% increase in the following three years to 75% from 1<sup>st</sup> April 2027
5. Approve the phased removal of the 2<sup>nd</sup> Taper within the current Financial Assessment Process.
6. Approve the removal of the £50 board and lodgings disregard applied to people who live with family and or friends who have no formal rental charge or tenancy responsibilities.
7. Approve the recommendation to remove subsidy for frozen meals and complete removal of the hiring costs of Freezers and microwaves.
8. Approve the recommendation to reduce the subsidy for Community Alarms from 33% to 0% over a 3-year period from 1 April 2024.
9. Approve yearly updates of Financial Assessments to ensure charges are increased in line with benefits uplifts and increasing income.
10. Approve a 10% increase in charge for Care at Home and transport and 6% increase for resource centre and transport to and from resource centres.
11. Approve the undertaking of an Equalities Impact Assessment (EQIA) of the revised Charging policy by East Lothian Council
12. Agree to ratify the revised policy, following completion of EQIA to permit implementation from 1 April 2024
13. Agree to shared governance of the annual process to review and revise the policy, to ensure timely publication and consistent application in all instances, for implementation from April 2024 onwards.

### **3 BACKGROUND**

- 3.1 East Lothian Health and Social Care Partnership (HSCP) are committed to protecting our most financially challenged service users, and, supporting the aspirations of people with social care needs to live at home independently, safely and for as long as possible. However, similar to all other Public Sector bodies, we work within limited resources and face continuing financial pressure through increased costs, financial constraints and demands on services.
- 3.2 Councils are empowered by statute to make decisions about charging for non-residential community care services. This includes services provided under the Social Work (Scotland) Act 1968, the Mental Health (Scotland) Act 1984, and the Community Care and Health (Scotland) Act 2002. Additionally, a consequential modification to the Public Bodies (Joint



Working) (Scotland) Act 2014 (the legislation which established Integration Authorities) makes it clear that social care charging is not delegated to IJBs and remains a Council function. As such, any changes to charging policies which relate to Adult Social Care services in East Lothian require to be approved and implemented by East Lothian Council.

- 3.3 East Lothian along with the majority of Councils in Scotland, charge for some of the services provided to our service users. These charges are an important source of income and are a means to help us to deliver services and our policy aims. Income from service charges is reinvested in order to maintain and develop services.
- 3.4 In March 2021, the Scottish Government pledged to end charging for non-residential social care services. In their Programme for Government 2023 to 2024 the Scottish Government clarified that they will “explore with Local Government and agree an approach to ending all non-residential social care support charges within the lifetime of this Parliament”. Precisely how, when, or indeed if, this will be delivered remains unclear. In the meantime, local authorities have been left with no choice but to charge for non-residential social care services.
- 3.5 Due to the level of protection afforded to our most financially challenged service users, through the use of a means tested charge, the total amount we receive from charging for non-residential services represents only a small percentage c2.53% of the costs of delivering those services. In addition, (based on an analysis of the 2023/24 financial assessment data) 54% of service users who have a chargeable service do not pay anything towards the cost of the services they receive (excluding alarms and meals), and the remaining 46% were assessed as being able to afford to contribute towards the cost of their care.
- 3.6 Convention of Scottish Local Authorities (CoSLA) national guidance provides Councils with clarity on the regulations, legislation, and application of benefits to be applied when determining an individual’s charge. The CoSLA guidance does not however ‘require’ Councils to charge, and equally it does not prevent Councils from implementing more generous treatment of individual’s circumstances than suggested in the guidance. The guidance provides a framework for Councils to adopt whilst allowing for local accountability and discretion, and at the same time encourages Councils to adopt best practice in the development of their policies.
- 3.7 Included within the CoSLA guidance are three main provisions to reduce the impact of social care charges: extending free personal care to all under 65’s, waiving of charges for people who are terminally ill and providing support services for carers. These provisions have been fully implemented within East Lothian.
- 3.8 Free Personal and Nursing Care was first introduced by the Community Care and Health (Scotland) Act 2002 and applied only to those aged 65 or over, assessed as needing personal and or nursing care, this was further extended from 1 April 2019 to those under 65 regardless of their condition. This means that, for those people in Non-residential care,

Councils cannot charge for any assessed personal or nursing care needs. Those assessed as needing non-personal care services, or a mix of personal and non-personal care, may still be required to pay a charge subject to their Financial Assessment. The Financial Assessment determines the level of charge based on the individual's financial resources.

- 3.9 In respect of individuals with a terminal illness, the CoSLA guidance recommends – though does not stipulate - that charges for social care are waived. The prognosis of terminal illness is determined using the updated Scottish Government definition as follows: “*An individual is to be regarded as having a terminal illness for the purpose of determining entitlement to disability assistance if, having had regard to the (Chief Medical Officer's (CMO) guidance), it is the clinical judgement of a registered medical practitioner that the individual has a progressive disease that can reasonably be expected to cause the individual's death.*” East Lothian Council and East Lothian HSCP fully support the CoSLA recommendation and individuals with a terminal illness are not charged for social care.
- 3.10 East Lothian HSCP is dedicated to supporting carers in multiple ways. We allocate funding to ensure carers can access essential services without being charged. Additionally, we provide financial assistance through personal budget calculations to ease the burden on carers by funding replacement care and respite services. We also collaborate with and fund the local carers centre, a valuable resource for information, respite care, and other opportunities. Our comprehensive approach aims to empower carers, enhance their well-being, and enable them to continue providing essential care to their families without any additional costs. It should be noted with the implementation of this policy came a reduction in income particularly around the provision of respite.
- 3.11 Members should be aware that the outbreak of the Covid-19 pandemic in early 2020 resulted in a halt of reviewing of annual financial assessments. In addition, the proposal of the Scottish Government at the time to remove non-residential charging, resulted in a hold on progressing any changes to the policy.
- 3.12 However, as the Scottish Government who have said that there are significant financial challenges now and, in the future, fund the majority of the services via the IJB partners, the Board is currently reviewing their financial position, including income, as part of a Financial Recovery Programme. This process will likely lead to changes to how we work, which in turn may impact on the local health and social care services. An update on the Financial Recovery Programme will be presented to the East Lothian Integration Joint Board in March 2024 as part of the budget setting process for 2024/25 financial year.

#### **4 CURRENT CHARGING MODEL**

- 4.1 East Lothian Councils Non-Residential Charging Policy, which has been developed within the parameters of the current legislation and guidance, and is consistent with CoSLA's guidance, sets out the legislative background to charges for non-residential social care services. It also

describes the services for which service user's contributions apply, together with the level of protection afforded to our most financially challenged service users, through the application of financial assessments; the impact of minimum income thresholds and charging tapers.

4.2 The current Non-Residential Charging Policy is based on a combination of charging models:

1. **Free of charge:** we provide some services free of charge free personal care for those assessed as requiring personal care.
2. **Low flat rate charges:** we have a number of low flat rate charges such as: community meals and community alarms. •
3. **Charges which are financially assessed:** such as Care at Home (for those limited range of tasks which are not classed as free personal care), supported living charges and housing support, attendance at building-based day centres for people with learning disabilities

4.3 The policy also explains the income protection measures in place which include:

1. **Financial Assessment:** The Financial Assessment process for Non-Residential charges is complex. Financial Assessments are a national process used to calculate how much a service user can afford to pay towards the costs of their care, the amount a service user pays cannot be more than the cost of delivering that service(s). The Financial Assessment process captures how much income and capital a service user has, and also provides an opportunity to ensure service users are receiving the full range of benefits they are entitled to.
2. **Minimum income thresholds:** this is the minimum amount of income below which a service user should not be asked to pay towards the costs of the service(s) they receive. CoSLA provides annual advice on the level of weekly income below which a person should not be asked to pay charges. These are known as Minimum Income Thresholds and are updated each financial year in line with the Department of Work and Pensions (DWP) benefit up-rates. If the assessable weekly income is less than the minimum income threshold figure, there will be no charge for services other than the flat rate charges (East Lothian Council calculates contributions for adult social care based on what is known as "assessable income." This term encompasses an individual's gross income, allowable expenses, and disregards like disability-related costs or housing expenditures. The use of assessable income is a means to maintain a balance between affordability and financial fairness.
3. **Buffer:** In order to provide additional support for those on a low income, a 'buffer' is added so that not all of a service user's remaining income is taken into account when calculating their

payment towards the cost of their service(s). This therefore allows service users to retain more of their disposable income and has a similar impact as reducing the taper. In 2016 the buffer increased from 16.5% to 25%, with the associated cost (in relation to loss of income) to local authorities of doing so funded by the Scottish Government. The buffer has since remained at this level. At present the Scottish Government have given no indication of any plans to review or amend the current buffer rate.

4. **Tapers:** this is a locally agreed percentage applied to service user's income which has a direct impact on how much an individual will pay towards their care needs. Setting the percentage taper will be influenced by a number of factors, not least, the requirement to raise income to maintain good quality support.

4.4 Appendix 1 to this report provides examples of how a service user's charge is calculated using East Lothian current Charging Policy.

4.5 Summary of people being charged for services.

- 273 people receive a chargeable service.
- 126 people pay towards their care (94 with LD or MH and 12 Older people)
- 81 people have been assessed as being unable to pay.
- 14 people have ILF so are not charged.
- 53 people still need to be assessed.

## 5 PROPOSED CHANGES

### 5.1 Financially Assess people who receive Independent Living Fund (ILF) funding.

5.1.1 The ILF Scotland 2015 Fund is designed to support individuals who have complex disabilities to live independently. The 2015 Fund is currently closed to new applicants; however, 14 service users have services which have been historically funded and arranged by both ELHSCP and the Independent Living Fund (ILF).

5.1.2 ILF apply a flat charge to their service users of £43 per week (2023-2024). Currently we do not financially assess or charge people who receive ILF funding. However, the current ILF rate is significantly lower than the current weekly charges applied by ELC which range from £15.69 to £116 per week. 76% of people who contribute towards their services via a charge from ELC are paying more than those who receive a charge from ILF.

5.1.3 To ensure equity of charges it is proposed that the 14 people who receive ILF funding currently, should go through ELC's financial

assessment process. The ILF charge will be taken into account with the financial assessment but should the financial assessment evidence ability to pay above their current ILF Charge then ELC would seek to bill for the difference between the newly ELC assessed charge and the £43 ILF charge.

5.1.4 Should the ILF reopen the same charging process would apply to new applicants, ensuring equity across service users receiving social care services.

**5.2 Increase the taper 1 from 60% to 65 % from April 2024 with a further 5% increase in the following three years to 75% from 1st April 2027**

5.2.1 The gradual removal lessens the impact of the increase of taper 1 to 75% and the complete removal of taper 2. Therefore, it is recommended that increasing the first taper is implemented in 2024 and increase in 5% increments to reach 75%.

5.2.2 The gradual increasing in taper will be a more affordable way to implement the increase and will be in line with current benefit uplifts on which the financial assessment is, in the most part, based.

**5.3 Removal of the 2nd Taper within the Financial Assessment Process over three years until removal in 2026/27**

5.3.1 Part of the financial process includes two tapers (see appendix 1) which reduces the amount of available income for charging.

5.3.2 East Lothian has two tapers,

The first £50 of chargeable income above the threshold (Taper 1)	60%
Any additional chargeable income above the threshold (Taper 2)	75%

5.3.3 The second taper is out with tapers in other Local Authority areas (see appendix 2 ) This means that we are not accessing available income at a level to sustain services.

5.3.4 The complete removal of the 2<sup>nd</sup> taper will increase the amount of available income to pay for services. It will also mean some people who were not eligible for a charge may become eligible.

5.3.5 However, complete removal of the 2<sup>nd</sup> taper in a single year would have a significant impact on the charge to clients, with an average 22% increase in charge per week arising. It is therefore considered necessary and appropriate to phase the removal of the 2<sup>nd</sup> taper from 24/25 by applying an increase of 5% in 24/25, which results in an

average 7.4% increase per person. This increase includes the impact of the increase of taper 1 in the same year by 5%.

5.3.6 Taper 2 would then increase by 10% in year 2 to 90% and then complete removal in year 3; 2026-27.

	23/24	Year 1 (24/25)	Year 2 (25/26)	Year 3 26/27
Taper 1	60%	65%	70%	75%
Taper 2	75%	80%	90%	100%
Average %increase in charge per person		7.4%	10.4%	9.4%

#### 5.4 Approve the removal of the £50 board and lodgings disregard.

- 5.4.1 If the service user is not directly liable for housing, council tax and water and sewerage costs (because, for example, they live with their parents or other people who are responsible for those bills), a set allowance of £50 per week for the services users “board and lodgings” is applied.
- 5.4.2 The removal of this charge may allow some people who are living at home to be charged for their care services, in the same way those who live in their own homes, would incur a charge.
- 5.4.3 The £50 payment is not monitored, and should the individual be making payments for ‘board and lodgings’ then this could be considered within the Charging Appeals process.

#### 5.5 Remove subsidy for frozen meals and the hiring of freezers and microwaves.

- 5.5.1 East Lothian HSCP provide this discretionary service to support people to live at home more independently, providing nutritious yet highly economical meals. In addition, meals are also provided for those who attend older people day centres. East Lothian HSCP currently subsidise the meals provided in day centres, sheltered housing facilities and to service users within their own homes. For those service users who are not assessed as requiring this service or who make their own arrangements there is no corresponding food allowance.
- 5.5.2 There is also an arrangement from the provider of meals to provide hire of fridge freezers and /or microwaves. The cost of which has been covered by ELHSCP. The equipment is the property of the provider. This service is not used now as people are supported through welfare

funds to purchase their own equipment outright or increasingly have the equipment already in place.

5.5.3 For those people who still have a freezer or microwave on hire, we would look to end this arrangement with the company and support outright purchase for the individual through Welfare funds.

5.5.4 The cost of the meal will be on full cost recovery and remain in line with the procured cost of the service. This would see an increase in 2024-2025 of 10% to £4.20 per meal.

#### **5.6 Reduce the subsidy for Community Alarms from 30% to 0% over 2 years from 1 April 2024.**

5.6.1 East Lothian HSCP currently provides an enhanced service providing a Responder team 365 day a year, 24 hours per day to support residents and their families by providing a first response, to triage and assist residents with falls, personal care or any emergency assistance required.

5.6.2 The Community Alarm team install all alarms and telecare sensors which allows for installations to take place seven days a week, supporting hospital discharges as alarms can be fitted on the day of discharge. Technicians and responders provide a robust end-to-end service, including equipment installation and maintenance.

5.6.3 There are currently 2141 alarms in service. Of which approximately 80% pay towards their alarm cost. Costs can be waived through an appeals process and waiver is based on risk if the alarm was removed due to refusal to pay and /or financial hardship. In addition, where an alarm is in place due to a Compulsory Treatment order, a charge can't be made.

5.6.4 The current (23/24) charge for alarms is £4.05 per week. This currently covers the previous historic cost of the alarm service and is comparable to the National average £4.01.

5.6.5 The cost of the community alarm is rising significantly to approximately £12.00 per month per alarm. This is due to the requirement to move the alarms from analogue to digital technology in the UK's telephone infrastructure. Cost increases are a result of:

1. **Equipment Upgrades:** As part of this transition, various devices and services that rely on analogue telephone connectivity require to be upgraded to work with the new digital systems. This includes community alarm services. Upgrading this equipment is necessary to ensure it remains functional and can connect to the new digital infrastructure.
2. **SIM Cards:** The new digital-ready equipment will need to come equipped with SIM cards, enabling devices to connect to mobile networks and the internet, which is crucial for IP-based connectivity. This additional requirement adds to the cost of the equipment.

3. Shorter Shelf Life: Digital-ready alarm devices and their peripherals typically have a shorter shelf life compared to older analogue equipment. This means that they may need to be replaced more frequently.

- 5.6.6 For the 2023/24 financial year the current charge level is forecast to result in a 30% subsidy (£156,627)<sup>1</sup> of the costs of the community alarm service which is not financially sustainable.
- 5.6.7 In order to ensure the financial sustainability of this vital service and taking into account the increased costs associated with delivering the service, it would be prudent for East Lothian Council to revisit the subsidy with a review to a reduction.
- 5.6.8 It should be noted that previously the EL IJB has earmarked some £750,000 use of reserves to support the costs of transitioning from analogue to digital. During 2023/24 some £185,000 is estimated to be required for these costs, meaning some £565,000 of previously earmarked funding may be available to support future ongoing transition costs. This however is dependent upon the IJB's decisions regarding previously planned use of reserves, and the potential application of all (or a significant part of) the IJB's general reserves to absorb funding pressures in 2023/24 and 2024/25. In the event that the planned use of reserves for these transition costs is withdrawn then the full cost of the service, including the costs of transition, can be anticipated to require an increase in charges for the community alarm service. The following proposals are made in the event that the use of reserves is not available to support the transition costs arising.
- 5.6.9 The table below outlines a 3-year plan to reduce the anticipated subsidy from 30% to 0% (based on 23/24 forecast costs, including the estimated costs of analogue to digital transition). Members should however note that these are indicative and would be subject to annual pay award and other inflationary increases. There is also the possibility that some service users would decline to take or continue using this discretionary service in light of increasing charges. The potential increase in charges for 25/26 and 26/27 to achieve a break-even position (as indicated below) can be anticipated to require review in 24/25 as the costs and demand for the service may change.

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<sup>1</sup> Estimated net costs for year before fees for alarms = £517,627. Estimated fees outturn for 23/24 = £361,000. Therefore estimated subsidy = £156,627 which is 30% of £517,627.



Year	% increase per alarm	£ Increase per alarm	Charge per week	Total Income (estimated)	Additional Income	Service Costs: Estimated outturn 23/24 costs before Income from Charges	% Subsidy based on 23/24 costs
23/24	-		£4.05	£361,000	£0	£517,627	30%
24/25	11%	£0.45	£4.50	£401,111	£40,111	£517,627	23%
25/26 <sup>a</sup>	11%	£0.50	£5.00	£445,679	£44,568	£517,627	14%
26/27 <sup>a</sup>	16%	£0.80	£5.80	£516,988	£71,309	£517,627	0%

a – Potential changes in estimated costs and service demand for 25/26 and 26/27 may require further review of proposed charges to achieve a break-even position by the end of 26/27.

## 5.7 Implement 10% increase in charge for Care at Home and transport and 6% increase for resource centre and transport to and from resource centres.

- 5.7.1 As part of East Lothian Council and the HSCP's commitment to deliver on the Scottish Living Wage, Care at Home rates paid to our external providers are updated annually in line with the agreed Scottish Living Wage increase and, where relevant, inflationary increases. It is therefore recommended that the charges for Care at Home be increased in line with the Scottish Living Wage, in addition, where relevant, any inflationary increases should also be reflected in the charge. This alignment would better reflect the costs of providing the service and would be in line with the basis of the proposed contributions model. For 2024-2025 this would be 10%.
- 5.7.2 With regards to other financially assessed charges the increase should remain in line with the uplift in benefits each year which for 2024 -2025 would result in a 6% uplift in charges.
- 5.7.3 These increases would still be subject to the Financial Assessment limits for the individual and the income protection measures noted earlier in this paper. Based a typical monthly care at home billing schedule it is estimated that, of those currently contributing towards the costs of their care, some 88% are already at their maximum financial contribution, representing some 95% of the typical monthly income from care at home billing. Consequently, the initial impact on the partnership's income could be limited (below £5,000 per annum) because of the existing assessed contribution client ceiling.
- 5.7.4 Estimation of the impact of the changes after review of existing Financial Assessments (see section 5.8 below) is challenging due to the variability of factors affecting individual circumstances and changes since the previous assessments. Ignoring other factors affecting contribution limits however, the increase in current income for the

partnership could, in total, be approximately £54,000 for all those currently contributing. Additionally, some individuals not currently contributing to their care may, in future, be assessed as being able to contribute and therefore these charge changes could impact on them.

## **5.8 Implement annual review of Non-residential Financial Assessments to ensure charges are increased in line with increases in income.**

- 5.8.1 With the exception of the meals related charges and Community Alarms the impact for any given individual of the proposed changes in charges noted above will be dependent on the financial assessment of that individual's circumstances. This determines the maximum contribution, where relevant, that the individual would be expected to make to the costs of their care.
- 5.8.2 Consequently, for an individual the impact of any change in relevant charge rates, changes in the taper, and the removal of the board and lodgings disregard will be dependent on the individual's personal and financial circumstances. For existing service users their maximum contribution is not affected until or unless a revised Financial Assessment is undertaken.
- 5.8.3 A review of each Financial Assessment should therefore ideally occur each year to ensure that any uplift in relation to income as a result of increases in benefits is taken account of in the charge for services, and that the impact on the individual recognises their current financial circumstances and assessed capacity to contribute.

## **6 ENGAGEMENT**

- 6.1 East Lothian HSCP has a working group that considers Non-residential Charging. The group is attended by Advocacy representation, elected member and officers from the social work operational team and finance team.

## **7 POLICY IMPLICATION**

- 7.1 Non-residential Charging Policy will be updated on the outcome of this report.

## **8 INTEGRATED IMPACT ASSESSMENT**

- 8.1 The subject of this report has been subject to an Integrated Impact Assessment process and the results have been published online.

## 9 DIRECTIONS

9.1 N/A

## 10 RESOURCE IMPLICATIONS

8.1 Financial – N/A

8.2 Personnel – N/A

8.3 Other – N/A

## 11 BACKGROUND PAPERS

9.1

<b>AUTHOR'S NAME</b>	Laura Kerr
<b>DESIGNATION</b>	General Manager Planning and Performance
<b>CONTACT INFO</b>	<a href="mailto:lkerr@eastlothian.gov.uk">lkerr@eastlothian.gov.uk</a>
<b>DATE</b>	21 <sup>st</sup> March 2024

## **Appendix 1**

### **Financial Assessment**

Total Income = £324.85 per week  
Disregard = £111.70 per week  
Net Income = £213.15  
Charging Threshold = £137.00  
Available Income = £76.15  
Taper 1; 60% of first £50.00 =£30.00  
Taper 2; 75% of remainder = £19.61  
Assessed contribution = **£49.61 per week**

### **Increase in Tapers year 1;**

Total Income = £324.85 per week  
Disregard = £111.70 per week  
Net Income = £213.15  
Charging Threshold = £137.00  
Available Income = £76.15  
Taper 1; 65% of first £50.00 =£32.50  
Taper 2; 80% of remainder = £20.92  
Assessed contribution = **£53.42 per week (increase of £3.81 per week)**

## **Appendix 2**

### **Tapers:**

Local Authority	Taper 1	Taper 2
East Lothian	60%	75%
Mid Lothian	70%	
West Lothian	65 %	
Scottish Borders	75%	