

6. IJB 2016/217 BUDGET UPDATE

The Board considered a report (copies of which had been circulated) by the Chief Finance Officer providing an update on the IJB's 2016/17 delegated resources taking account of NHS Lothian's submission of the 2016/17 Local Delivery Plan and resulting updated level of delegated resources to the IJB.

The report explained that NHS Lothian's Local Delivery Plan, containing 2016/17 budget plans, had been submitted to the Scottish Government on 31 May 2016. The Local Delivery Plan outlined a funding gap of over £20 million. Since then, the Scottish Government had agreed to provide NHS Lothian with an additional £6 million of recurring funding to recognise NHS Lothian's unfavourable position in relation to NRAC funding.

Appendix 1 to the report was a letter from NHS Lothian Director of Finance noting an updated allocation of resources to the IJB for delegated functions. A table within the report provided details of the split of the funding and gap between the three elements of the NHS Lothian contribution.

The report went on to examine the key risks around the NHS Lothian contribution to the West Lothian IJB, the key risk being that NHS Lothian as yet did not have a balanced budget position, although the extent of the budget gap had reduced significantly over recent months. In addition, a number of specific risks would require to be closely monitored, and these were listed in the report.

In relation to Alcohol Drug Partnership Funding, the Lothian wide funding for 2016/17 of £8.887 million represented a 23% reduction compared to 2015/16. A separate report to the Board would be considered later in the meeting setting out further detail of ADP plans for the current year and future years.

As previously reported to the Board, the council's budget contribution to the IJB had been approved by Council on 23 February 2016. While the council's budget contribution represented a balanced budget position, there remained a number of risks as noted in the report.

The Chief Finance Officer then informed the Board of successful bids for Scottish Government funding that had recently been confirmed and as a result had not yet been taken account of in IJB resources. This related to £515,000 for Technology Enable Care (TEC) and £351,000 for Primary Care and Mental Health, awarded in line with the investment plans submitted within the successful bids.

Finally, the report examined the key points relating to the financial assurance process.

The Chief Finance Officer recommended that the IJB:-

1. Note the update financial assurance position on resources delegated to the IJB.

2. Agree that Directions were updated and re-issued to NHS Lothian based on the updated resources allocated to the IJB taking account of the NHS Lothian budget plans submitted to the Scottish Government.
3. Note that financial assurance and monitoring of financial performance would be ongoing during the year and reported on a regular basis to the IJB.

Decision

To approve the recommendations by the Chief Finance Officer.