



Aberdeen City Health & Social Care Partnership  
*A caring partnership*



## **ABERDEEN CITY IJB**

# **MEDIUM TERM FINANCIAL FRAMEWORK**

**2024/25 – 2030/31**



## Contents

Executive Summary .....	4
Our MTFF Linked to our Strategic Plan .....	6
Introduction.....	7
1. Key Principles .....	8
2. Context (National and Local) .....	9
Legislation Context.....	9
Scottish Government Context .....	9
National Demand Context .....	10
Local Context .....	11
3. Planning Assumptions .....	14
Reserve Position .....	14
4. Projected expenditure and new resources .....	154
Budget Assumptions .....	165
Pay Award .....	165
Transitioning Children (Learning Disabilities) .....	176
Prescribing.....	176
Demographics.....	176
Out of Area Placements .....	177
Complex Care - Financing .....	177
Real Living Wage .....	187
Funding Adjustments .....	187
5. Recommendations to close the financial gap .....	198
Year 3 Delivery Plan .....	19
6. Risk Assessment.....	221
Appendix 1: Services Provided by ACHSCP .....	243
Community Health Services (£44 million 2023/24) .....	243
Hosted Services (£31 million 2023/24) .....	265
Learning Disabilities Services (£42 million 2023/24) .....	265
Mental Health & Addictions (£26 million 2023/24) .....	276
Older People and Physical & Sensory Disabilities (£101 million 2023/24) .....	276



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Criminal Justice (£0 net – funded by ring-fenced grant) .....	286
Primary Care Prescribing (£45 million 2023/24) .....	287
Primary Care (£44 million 2023/24).....	287
Set-Aside Notional Budget (£53 million 2023/24) .....	297



## Executive Summary

The seven-year financial framework sets out the forecast income and expenditure for the Integration Joint Board (IJB). Whilst the funding levels contained in this budget have only been set for one year (2024/25) we have based future projections on historic trends and planning assumptions on advice from our key partners.

An overview of the seven-year financial framework is set out below:

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget Pressures	18,147	9,308	10,872	11,225	11,592	11,968	12,302
Additional Funding	(8,538)	(4,142)	(4,142)	(4,142)	(4,142)	(4,142)	(4,142)
<b>Estimated Funding Gap</b>	<b>9,609</b>	<b>5,166</b>	<b>6,730</b>	<b>7,083</b>	<b>7,450</b>	<b>7,826</b>	<b>8,160</b>
<b>Options to close the gap</b>							
Reshaping our approach to commissioning services	(2,586)	(3,093)	(3,405)	(3,571)	(3,743)	(3,853)	(3,969)
Whole system and connected remobilisation	(300)	-	-	-	-	-	-
Digital Transformation	(250)	-	-	-	-	-	-
Primary Care	(150)	(150)	-	-	-	-	-
Superannuation Contributions	(1,400)	-	-	-	-	-	-
Clear back-log in Financial Assessments will generate increased income	(1,500)	-	-	-	-	-	-
Saving targets allocated to Services	(3,423)	(1,923)	(3,325)	(3,512)	(3,707)	(3,973)	(4,191)
<b>Shortfall</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Based on the detailed projected income and expenditure from 2024/25 to 2030/31, the IJB will require to achieve savings in the following years: -

Financial Year	Estimated Funding Gap
	£'000
2024/25	9,609
2025/26	5,166
2026/27	6,730
2027/28	7,083
2028/29	7,450
2029/30	7,826
2030/31	8,160

The aim of this financial strategy is to set out how the IJB would take action to address this financial challenge across the key areas noted below: -



## Our MTFF Linked to our Strategic Plan

### **Aim – Caring Together**

Together with our communities, ensure that health and social care services are high quality, accessible, safe, and sustainable; that people have their rights, dignity and diversity respected; and that they have a say in how services are designed and delivered both for themselves and for the people they care for, ensuring they can access the right care, at the right time, in a way that suits them.

### **Aim – Keeping People Safe at Home**

When they need it, people can be cared for safely in their own home or in a homely setting, reducing the number of times they need to be admitted to hospital or reducing the length of stay where admission is unavoidable. This includes a continued focus on improving the circumstances of adults at risk of harm.

### **Aim – Preventing Ill Health**

Help communities to achieve positive mental and physical health outcomes by providing advice and designing suitable support (which may include utilising existing local assets), to help address the preventable causes of ill-health, ensuring this starts at as early an age as possible.

### **Aim – Achieving Fulfilling, Healthy Lives**

Support people to help overcome the health and wellbeing challenges they may face, particularly in relation to inequality, recovering from COVID-19, and the impact of an unpaid caring role, enabling them to live the life they want, at every stage.



## Introduction

The Aberdeen City Health and Social Care Partnership (ACHSCP) has now been operating for almost eight years. During this time significant progress has been made in terms of integrating the services delegated from its partners Aberdeen City Council (ACC) and NHS Grampian (NHSG).

The Aberdeen City Integration Joint Board (IJB) is the governing body of the ACHSCP and agrees an annual budget following the delegation of funding from its partners each financial year.

This Medium Term Financial Framework (MTFF) aims to pull together in one place all the known factors affecting the financial position and sustainability of the organisation over the medium term. For the purposes of this financial framework the medium term is defined as seven years.

The five main risks which may impact on the IJB's budget over the next few financial years.

1. whether some of the changes in cost profile, demand and services as a result of COVID and COVID rules are recurring,
2. what impact any national care service will have on the IJB and its finances,
3. impact of the health debt caused by COVID and COVID rules on our services,
4. the continuing pressures on Prescribing budgets and
5. the ongoing impact of the increase in the cost of living and inflation rates will have on our third party providers.

This MTFF will establish the estimated level of resources required by the ACHSCP to operate its services over the next seven financial years and estimate the level of demand pressures likely to be experienced by these services. It takes cognisance of the Strategic Plan approved by the IJB on 7 June 2022. The MTFF also takes cognisance of the Aberdeen City Health & Social Care Integration Scheme as well as any other strategies agreed by the IJB since it became operational.

The MTFF will assist in delivering its strategic intent, further improve strategic financial planning and maximise the use of resources across the medium term.



## 1. Key Principles

The IJB has established some key principles which it has been working to in relation to its financial planning:

- 1) The use of its resources must be aligned and help in the delivery of the priorities contained in the strategic plan.
- 2) Spending should be contained within the original budgets set during the budget-setting process; where this is not possible recovery plans will be required to cover any overspends to protect the partners' budget positions.
- 3) The transformation programme and activities approved by the IJB will seek to balance the management of increasing demand and the need to generate financial savings whilst improving the staff experience where possible..
- 4) Given the type of services provided and the reliance placed on these by service users the IJB may agree to fund 'double running costs' whilst the proof of concept and benefits are established of the transformation projects, providing this can be accommodated within current budgets.
- 5) There is a clear preference towards the delivery of recurring savings and that budgets should be balanced on a recurring basis; the use of one-off savings only being used where part of the overall MTFF.
- 6) A strong preference for working in partnership with ACC, NHSG, the third sector and the other two Grampian IJBs to deliver the best and most efficient services possible within the financial allocations delegated.
- 7) A strong desire to engage and co-produce with communities to transform how care and support is delivered, ensuring lived experience is central in decision making

Information on the services provided by ACHSCP is shown in further detail in Appendix 1.





## 2. Context (National and Local)

### Legislation Context

The Board's role and function is set out in the underpinning legislation – the *Public Bodies (Joint Working) (Scotland) Act 2014*. The purpose of the integration policy can be summarised as being necessary to reshape our whole health and care system in Scotland to enable us collectively to sustain good quality services at a time of unprecedented change and challenge – budgets are reducing, our population is ageing, and we are contending with a reducing working age population and a reducing workforce supply – more than in any other time in recent memory. The system must change and adapt to the new pressures it faces and health and social care integration is seen as a key mechanism toward that.

IJBs were set up in order to change the patterns of behaviour, planning and delivery across health and social care and, in large part, to achieve change through an approach which challenges the status quo; deliberately setting strategy, planning and then, utilising delegated budgets, directing and commissioning the NHS and local authority partner organisations to deliver more joined-up, community-based models and in doing so, utilising resources 'locked' in traditional silos.

### Scottish Government Context

The current Scottish Government has been clear that the integration of health and social care is one of its priorities. It has stated its intention to shift the balance of care from large hospitals into community settings.

The Scottish Government has also indicated that one of its priorities is the adoption of the Scottish Living Wage across the care sector. In this regard, additional funding has been allocated to the IJBs in each of the last seven financial years to help fund this policy commitment. This financial year the level of uplift proposed for adult social care staff is to receive a minimum of £12.00 per hour and additional funding has been received to meet this obligation.

The General Practitioners (GP) Contract is negotiated between the British Medical Association (BMA) and the Scottish Government and was agreed for implementation from 1 April 2018.



One of the Scottish Government's policy commitments is the introduction of a national care service. To date a consultation exercise has been undertaken seeking views on the national care service and the results of the consultation have been published. The creation of a national care service will have implications on the IJB and Adult Social Care Services, however, at this stage the impacts are unknown. It is anticipated that further detail on the future shape of a National Care Service will become more clear during Stage 2 of the Parliamentary process which is due to begin in March 2024.

## **Context of Demand for Health and Social Care Services in Aberdeen City**

The population projections for Aberdeen City suggest that by 2028, the proportion of the over 75s will have increased by 16.1%. Within Aberdeen, the age structure varies considerably by neighbourhood. The proportion of people aged 65+ years ranges from 7.3% in City Centre and Froghall, Powis & Sunnybank to 25.5% in Danestone.

For both women and men increased life expectancy has stalled and healthy life expectancy is declining. Both life expectancy and healthy life expectancy vary across Aberdeen, with people from areas with higher deprivation having shorter lives and being more likely to live with poorer health for longer. Whilst this can be difficult to interpret, these indicators suggest that individuals born in Aberdeen during 2019-21 can expect to live around 20% of their lives in poor health.

Here and now we know that 1 in 4 adults describe themselves as having a limiting, long-term illness. Estimated life expectancy is strongly associated with deprivation. In Aberdeen City in 2017-2021, estimated life expectancy for males in SIMD quintile 1 (most deprived) was 71.7 years compared to 81.7 years for males in SIMD quintile 5 (least deprived) – a difference of 10 years. For females, the difference in estimated life expectancy was less marked, at 76.3 years for females in quintile 1 compared to 84.4 years for females in quintile 5 - a difference of 8.1 years. Comparison with data from 2013-2017 shows that the gap in estimated life expectancy between most and least deprived quintiles in Aberdeen City has increased for males (previously 9.7 years) and females (previously 7.4 years). The relationship between estimated life expectancy and deprivation means that for both males and females there are important differences in estimated life expectancy at birth depending on where you live in Aberdeen City.

Healthy Life Expectancy (HLE) represents the number of years that an individual can expect to live in good health. In 2019-21, males in Aberdeen City had an estimated life expectancy at birth of 76.9 years and a healthy life expectancy of 60.2 years, giving an expected period of 'not healthy' health of 16.7 years. This means that a baby boy born in 2019-2021 could expect to live 78.3% of his life in healthy health. In 2019-2021, females in Aberdeen City had an estimated life expectancy at birth of 81.0 years and a healthy life expectancy of 61.4 years, giving an expected period of 'not healthy' health of 19.6 years. This means that a baby girl born in 2019-2021



could expect to live 75.7% of their life in healthy health. So while on average females have a higher life expectancy than males, they also spend a higher proportion of their lives in 'unhealthy health'.

The health of individuals within the adult population is a complicated area for assessing need. As people age and their life circumstances change, their health will change. In population health terms these changes across the life-course are an important consideration when we think about need and how that translates into the types of health and care services required. As people get older, they tend to need more health and social care support. This is due to a range of reasons including developing long term conditions, or diseases that require ongoing management, or simply a result of increasing frailty. Preventing disease progression or adopting healthier behaviours is therefore an important element of health and health care amongst adults.

The data for selected diseases – cancer registrations, coronary heart disease, and chronic obstructive pulmonary disease – are all indicative of the demands that are being placed on health care services. However, in all cases it is important to note the variation in the indicators across the City. There is unlikely to be a single cause of these health inequalities and we need to understand that such health inequalities happen as a result of wider inequalities experienced over time. As a result, these types of health inequality are challenges not only for treatment here and now, but reflect a need to place a greater emphasis on future disease preventative intervention happening at the same time. Such wider approaches to early intervention are also going to be important in considering health and care demand in a range of settings, especially for those who are in older age. The indicators around hospitalisation show that emergency admissions are reducing, including for older people with multiple needs. However, they also show that for a range of care settings outside of hospital, there are high levels of use, which may suggest that there are pressures in the system which need to be managed.

Aberdeen City has a slightly higher rate of people (known to the local authority) with learning disabilities at 5.5 per 1000, compared to 5.2 for Scotland as a whole. At the time of the 2011 Census, 26.5% of the population reported having one or more long-term health conditions (compared to 29.9% in Scotland) and 16% reported having a long term health condition that limited their activities (compared to 19.7%) in Scotland. In the Scottish Health Survey (2017-21), 26% reported having a limiting long-term illness in Aberdeen City compared to 34% in Scotland. This proportion was higher in females (30%) than males (22%).

## Local Context

As with all public sector bodies our partners from whom the majority of our funds are received are facing financial challenges as a result of this period of financial constraint, with demand for budget outstripping the resources available and savings



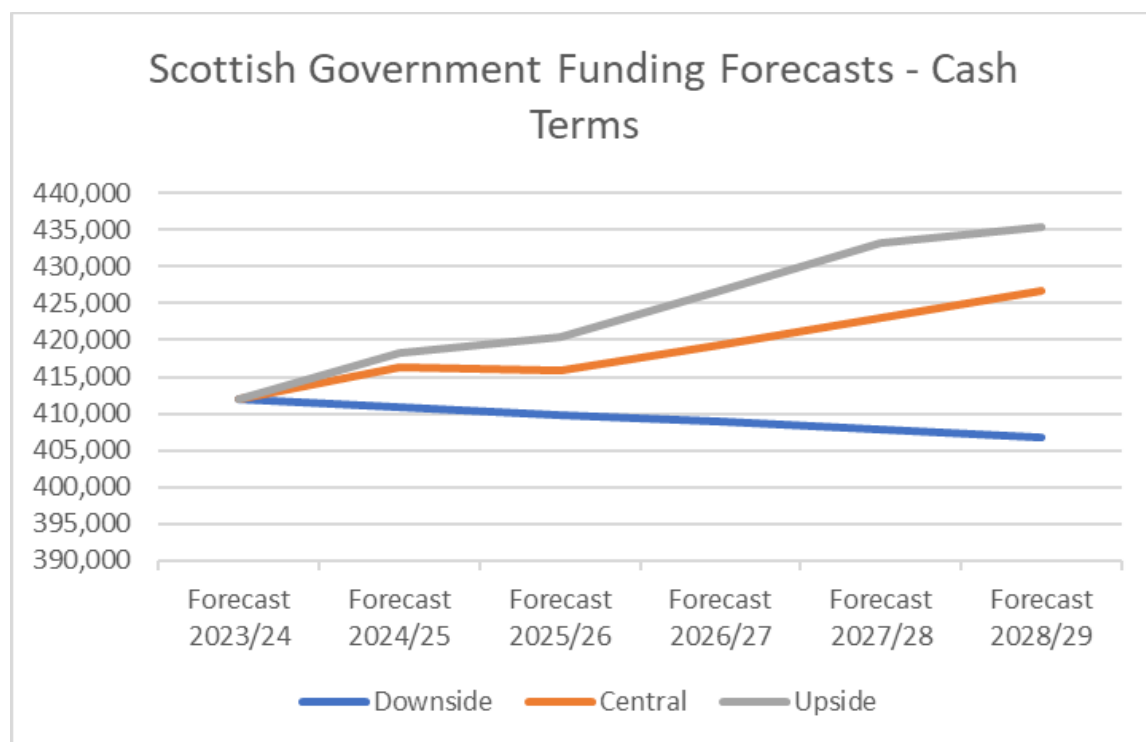
having to be identified annually to balance budgets. Both ACC and NHSG will require to make savings in future years to balance their revenue budgets.

The amount of funding available to both organisations is largely driven by the level of funding received from the Scottish Government through the grant settlement process.

In relation to Aberdeen City Council, their Medium-Term Financial Framework (MTFF) sets out some informed assumptions for financial years 2024/25 – 2028/29.

It is recognised that much of the Council’s income is outside of its control, the assumptions that underpin their MTFF cannot, by definition, be exact, they are subject to refinement and change over time. Therefore, a series of scenarios should be used to describe a range of income possibilities. This current draft MTFF utilises three scenarios similarly used by the Office for Budget Responsibility. These scenarios will be refreshed regularly as part of the budget setting and strategic planning processes.

Illustrated within the Aberdeen City MTFS, approved in August 2023, is projected financial scenarios depending on the level of Scottish Government funding. The settlement that the Council has received for 2024/25 cannot be compared directly with these scenarios as the level of additional expenditure that will be incurred increases. From the analysis undertaken it can be concluded that the underlying funding for 2024/25 is broadly as expected in the Central Scenario. The chart below has been updated to take account of the 2024/25 Financial Settlement and known changes to future funding streams and presents a forecast of how this may alter over the next five years.





The IJB may be required to contribute to these financial gaps, as a key partner of ACC in cross-system working.

In Aberdeen City the majority of Adult Social Care Services are commissioned externally, either through third/independent sector providers or from Bon Accord Care, an Arm's Length External Organisation (ALEO) of ACC. Although the average property price in the City has reduced slightly, Aberdeen remains to have one of the highest average property prices in Scotland. This can impact on the commissioned services by making the costs of financing their assets more expensive than elsewhere in Scotland and by making it difficult for these organisations to recruit and sustain staffing levels due to the high cost of living in the city.

ACHSCP also has difficulty recruiting to some professions with long-term vacancies particularly in community nursing, mental health, and GPs. Within the city many practices have unfilled GP vacancies with a current 11% vacancy rate, however, this also extends across all clinical disciplines which impact on practice capacity.

The level of demand for services is expected to increase year on year and when living with COVID the demand may end up in settings where it wasn't before, particularly care in the community and home settings.





### 3. Planning Assumptions

#### Reserve Position

The IJB is subject to the audit and accounts regulations and legislation of a body under Section 106 of the Local Government (Scotland) Act 1973 and is classified as a local government body for accounting purposes by the Office for National Statistics (ONS). The IJB is able to hold reserves which should be accounted for in the financial accounts of the Board.

Reserves are generally held to do three things:

- create a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- create a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves; and
- create a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

The Chief Finance Officer has considered that a risk fund of £2.5 million should be maintained. This risk fund was established in 2021/22 to provide a cushion to protect the partners from any adverse financial movements during the financial year.

The level of reserves held at the beginning of the financial year totalled £27m. A significant element of the funds in reserves are ring fenced for specific purposes and can't be used for anything else, these relate to the Primary Care Improvement Fund, Alcohol and Drugs and Action 15.

The unallocated balance on the Integration and Charge Reserve, after the requirement to drawdown £4.5m to balance the current estimated overspend in 2023/24, is currently £5.4m. At this stage, there are no detailed proposals for funding from the Integration & Change Reserve to deliver the projects set out in Year 3 of the IJB's Delivery Plan. However, some initiatives are at an early stage and a provisional amount has been allocated against the Reserve. As project scopes develop, it may prove desirable and appropriate to financially invest in projects to maximise benefit realisation (whether financial or otherwise). Any such proposal will be reported to the IJB for approval as required.

During the budget setting process, it was felt prudent to budget for the reinstatement of the Reserves utilised to balance the forecasted overspend in 2023/24. To



facilitate this, a recurring budget provision of £500,000 has been included in the MTFP.

#### 4. Projected expenditure and new resources

This reflects the known commitments and income likely to be received in 2024/25. Each year cost pressures will arise during the financial year as service delivery moves to cope with demand. The main cost pressures which the IJB will face over the next seven financial years are as follows:-

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
<u>Budget Pressures</u>							
Pay Inflation	582	559	575	592	610	628	646
Transitioning Children - Learning Disabilities	690	711	732	754	777	800	824
Prescribing	6,403	1,000	1,000	1,000	1,000	1,000	1,000
Demographics 2% Uplift	1,641	1,690	1,741	1,793	1,847	1,902	1,959
Non-pay inflation	2,229	1,299	1,571	1,624	1,678	1,735	1,793
Out of Area Placements	1,000	(1,000)	-	-	-	-	-
Complex Care - Financing Costs	252	-	-	-	-	-	-
Reinstatement of Reserves	500	-	-	-	-	-	-
	<b>13,296</b>	<b>4,259</b>	<b>5,619</b>	<b>5,762</b>	<b>5,912</b>	<b>6,065</b>	<b>6,222</b>
<u>New Requirements</u>							
RLW per hour Adult Social Care	4,851	5,049	5,253	5,463	5,680	5,903	6,080
	<b>18,147</b>	<b>9,308</b>	<b>10,872</b>	<b>11,225</b>	<b>11,592</b>	<b>11,968</b>	<b>12,302</b>
<u>Funding Adjustments</u>							
Estimated New Council Funding	(8,538)	(4,142)	(4,142)	(4,142)	(4,142)	(4,142)	(4,142)
Uplift in NHS Funding	-	-	-	-	-	-	-
	<b>(8,538)</b>	<b>(4,142)</b>	<b>(4,142)</b>	<b>(4,142)</b>	<b>(4,142)</b>	<b>(4,142)</b>	<b>(4,142)</b>
<b>Estimated Funding Gap</b>	<b>9,609</b>	<b>5,166</b>	<b>6,730</b>	<b>7,083</b>	<b>7,450</b>	<b>7,826</b>	<b>8,160</b>



## Budget Assumptions

	<b>2024/25</b>	<b>2025/26 onwards</b>
Pay & National Insurance	NHS 0%  ACC, 3%	NHS 0%  ACC, 3%
Transitioning Children - Learning Disabilities	Average number of transitioning children by average cost of package	Average number of transitioning children by average cost of package
Prescribing	Estimate from Grampian Prescribing group	Previous increases in prescribing
Demographics 2% uplift	2% on older people's budget	2% on older people's budget
Out of Area Placements	Budget increase for one year to enable a full review of all packages	Expected savings from the full review, therefore budget reduced to 2023/24 levels
Complex Care – Financing Costs	Agreed at the IJB committee on 6 <sup>th</sup> February 2023 to fund the borrowing costs for the Complex Care establishment	No specific increase in the budget
Non-pay Inflation	Inflationary increases on budget lines other than Payroll costs	Inflationary increases on budget lines other than Payroll costs
Real Living Wage for Staff working in Adult Social Care	Uplift for Real Living Wage contained within the uplift funding for Social Care	Based on previous years estimated uplift
Funding Adjustments	NHSG – 0% uplift ACC – Previous years budgets plus additional allocations	Flat cash - based on previous estimated grant levels

## Pay Award

- NHS staff
  - Agenda for Change pay increases for 2023/24 were fully funded and the base budget increased accordingly.
  - For 2024/25 we are accounting for a 0%.





- The assumption is that any increase to the final pay settlement for 2024/25 onwards, will again be funded separately by the Scottish Government
- ACC staff

As in previous years, an indicative percentage increase has been included. For 2024/25 onwards, we have estimated 3%.

- The pay award for ACC staff has not been agreed and there is a risk it will be at a higher level than estimated.

### **Transitioning Children (Learning Disabilities)**

- Children transition into the adult learning disabilities section once they reach a certain age. At this point they are reassessed by the care managers from the adult learning disabilities team and a new care package is created reflecting eligibility criteria.
- Pressure has been experienced on this budget in this financial year and the number of children transitioning has been estimated at £690,000 in 2024/25.
- Please note, this is only an estimate based on an average care package; the care package for some transitioning children will be far higher than the average depending on the complexity of the disability.

### **Prescribing**

- The cost of the drugs prescribed is increasing year on year, and information from NHS Grampian's Pharmacy Group has indicated that additional budget provision is required in 2024/25.
- The IJB has limited control over this budget, as it is unable to control the prices of drugs which are set nationally and influenced by factors such as supply and demand, currency movements and patents. It is also unable to control demand as it is a clinical decision to prescribe a medicine.
- Aberdeen City already performs well nationally in terms of prescribing and has one of the lowest costs per head of population.
- Included in the year three delivery plan, a specific project has been included to develop and implement appropriate initiatives to mitigate increases in prescription costs.

### **Demographics**

- Before someone is provided a care package they are assessed by care managers against the eligibility criteria.
- In Aberdeen City, care is only provided to those who are assessed as having a high or very high need.



- The majority of the Adult Social Care clients are over 65 and given the number of over-65s is forecast to increase year on year, a provision has been added to cover the additional costs anticipated as a result of this.

### **Non-pay inflation**

- For all other third-party budget lines, an inflationary increase has been accounted for.
- This will assist in funding all providers on an ongoing basis.

### **Out of Area Placements**

- The IJB has several high cost Out of Area packages.
- There is significant pressure on this budget.
- To allow for a full review of all packages within 2024/25, the budget has been increased to match the current levels of expenditure.
- This temporary increase has been removed in 2025/26 and the budget will return to the 2023/24 levels.

### **Complex Care – Financing Costs**

- The IJB agreed at its Committee on 6th February 2024 to fund the financing costs, relating to the borrowing requirements, to allow the building of a specific Complex Care establishment within the City.

### **Real Living Wage**

This includes the additional cost of inflating social care providers contracts to enable a minimum of £12.00 per hour to be paid to adult social care workers.

### **Funding Adjustments**

- NHSG Funding
  - The NHSG Budget Steering Group has agreed to hold the funding to the all IJBs at current levels.
- ACC Funding
  - ACC funding is calculated as the base budget for the previous year, plus any specific allocation received from the Scottish Government
  - For 2024/25, we have received additional allocations for the increase in the Real Living Wage, inflationary uplift on Free Personal and Nursing Care and a share of additional funding for the 2023/24 pay increases



There is a risk in future years that it might not be possible for ACC to pass over additional funding to the IJB, given the requirement to balance future council budgets (see the graph in the local context section for further information).

## 5. Recommendations to close the financial gap

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Strategic Aims</b>							
<b>Aim - Caring Together</b>							
Reshaping our approach to commissioning services	(2,586)	(3,093)	(3,405)	(3,571)	(3,743)	(3,853)	(3,969)
Primary Care	(150)	(150)	-	-	-	-	-
	<b>(2,736)</b>	<b>(3,243)</b>	<b>(3,405)</b>	<b>(3,571)</b>	<b>(3,743)</b>	<b>(3,853)</b>	<b>(3,969)</b>
<b>Enabling Priorities</b>							
<b>Enabler - Workforce</b>							
Superannuation Contributions	(1,400)	-	-	-	-	-	-
<b>Enabler - Finance</b>							
Clear back-log in Financial Assessments will generate increased income	(1,500)	-	-	-	-	-	-
Digital Transformation	(250)	-	-	-	-	-	-
Saving targets allocated to Services	(3,423)	(1,923)	(3,325)	(3,512)	(3,707)	(3,973)	(4,191)
	<b>(5,173)</b>	<b>(1,923)</b>	<b>(3,325)</b>	<b>(3,512)</b>	<b>(3,707)</b>	<b>(3,973)</b>	<b>(4,191)</b>
<b>Enabler - Infrastructure</b>							
Whole system and connected remobilisation	(300)	-	-	-	-	-	-
<b>Total</b>	<b>(9,609)</b>	<b>(5,166)</b>	<b>(6,730)</b>	<b>(7,083)</b>	<b>(7,450)</b>	<b>(7,826)</b>	<b>(8,160)</b>



## Year 3 Delivery Plan

In recognising the impact of the financial position, we have in 2024/25 focused Year 3 Delivery Plan to deliver on redesign, savings, and conditions for future progress. Further information is contained in Appendix 4 of the budget report, on deliverables and measures. There is, of course, a range of Business as Usual (BAU) projects and activities that also contribute to our financial sustainability.

### **Aim – Caring Together:**

Aberdeen City commissions the vast majority of its social care from care providers. Commissioning is the largest part of our budget and accounts for over £135 million of our available budget. Work is ongoing in relation to out of area placements to determine whether there are services locally that can be used and, if not, whether we can work with Providers to develop them.

We plan to continue the review all social care expenditure and packages to determine whether temporary changes made in response to COVID, should or could be made permanent, and how to fund these changes on a recurring basis. The review will report through our Strategic Commissioning and Procurement Board which has been established to monitor and direct our commissioning activity. The focus of this Board will not only be to deliver services of a better or equivalent quality than currently commissioned, but also to do so at less cost. Maximising the use of community assets and increased use of alternatives to traditional commissioned services will also be considered. The Board will make recommendations on commissioning spend to the IJB throughout the financial year.

A review of General Practice in Grampian has been carried out by the three health and social care partnerships with a view to developing with General Practice, a new vision for the sector. This has involved significant engagement and consultation with a variety of partners. The vision, and associated objectives, are on the agenda for the Integration Joint Board on 26 March 2024 for consideration. Should the vision be approved, work to implement the vision will begin during 24/25.

### **Aim - Safe at Home:**

During the winter period there has been an increase in demand for medical and unscheduled care, particularly in patients using our Frailty Pathway. We intend to undertake a review of this demand projecting forward to 2030 in order that we can understand any actions we need to implement to meet it. This may require some future decisions around increasing resource allocation to additional services and



support in the community and potentially additional investment in digital solutions. Another area of focus is to ensure we get people home from hospital when they no longer need to be there. This is particularly relevant for those who require complex care who can often be placed in care locations out with Aberdeen. Switching to caring for these people in their own homes can be significantly expensive and the transition is something that will require careful planning in terms of budget allocation.

We plan to undertake a strategic review of rehabilitation services across both internal and hosted services within the partnership with a view to improving both patient and staff experience in this area.

### **Aim – Improving Quality of Life:**

We will continue to progress the Grampian wide Mental Health and Learning Disabilities transformation programme in collaboration with partners with a view to evidencing increased community delivery across secondary and primary care in Aberdeen City. We will remobilise services in line with the Grampian Remobilisation

We have developed a revised Carers Strategy taking cognisance of the impact Covid has had on unpaid carers. This was approved at the IJB meeting in January 2023 and the first Annual Report was considered by IJB in January 2024. The Alcohol and Drugs Partnership continues to progress actions on its Delivery Framework.

### **Aim – Preventing ill health:**

We will deliver a programme of holistic community health interventions to target health inequalities in localities by making connections and focusing on early intervention and prevention. This 'social prescribing' work will be led by our Public Health Coordinators, our Health Improvement Officers and our Wellbeing Team working with our Locality Empowerment Groups and our DiversCity officers and be linked to the existing Stay Well Stay Connected programme. The funding available through Health Improvement, Food in Focus and the Alcohol and Drugs Partnership will be coordinated and targeted to priority areas that meet the partnership's strategic intentions.

The majority of the savings will come from seeking alternatives to medicines (social prescribing), ensuring our prescribing processes and management of patients using medicines is as efficient as it can be and also stopping the prescription of drugs where there is evidence of little clinical value. A cross-Grampian prescribing group provides recommendations to the Partnership on all prescribing matters. In addition, a key driver will be the use of technology to develop more efficient systems across community care which will impact on the key drivers.



## 6. Risk Assessment

The setting of any budget is the acceptance of the assumptions and risk underpinning the figures. The IJB has its own strategic risk register and the individual services hold operational risk registers. The leadership team has established that the major risks impacting on the MTFF are as follows:

- During the previous budget processes a significant level of turnover savings was added to the budget to reflect the current staffing levels; should these staffing levels improve then this could impact on the delivery of this saving. This is monitored during each budget monitoring and all posts are taken through a vacancy control process.
- The proposed pay increase for 2024/25 in this financial framework is based on the information provided by the Scottish Government for planning purposes. This has not been agreed and there is a risk that the percentage agreed could be higher than anticipated.
- The prescribing budget is a high-risk budget for the IJB. Whilst the decisions to prescribe are made locally, the costs of the drugs and the agreement to introduce new drugs are made nationally. To align with our risk appetite statement, an additional budget provision has been included in the MTFF to mitigate the impact of the forecasted increase.
- The increasing level of complexity of need for some of our clients means that major care packages might materialise during the year which we have not budgeted for. The same applies to patients who need out-of-area care and where a clinical decision has been made that this is in their best interests.
- The external care market is fragile, with NCHC providers looking for high inflationary increases to provide stability. These increases are negotiated nationally and may be higher than forecast. Should the national negotiation break down then it is likely that local agreements will need to be negotiated and given the high cost of living in Aberdeen this is likely to be more than what would be agreed nationally.
- The Carers Act and the free personal care to under-65s legislation has increased the demand for these services. Additional funding has been received for these purposes, however demand continues to exceed the resource available and we continue to manage this within the overall budget available





- The Scottish Government has committed to the principle of a national care service, although the scope and function are not yet known. It is likely that the creation of a national care service will have an impact on the Integration Joint Board and ACHSCP, however, at this stage the impact cannot be quantified. Further detail on the future shape and form of a National Care Service is expected to be received from the Scottish Government from March 2024 onwards.
- The rate of inflation and the effect this has on the ongoing cost of living, creates unprecedented pressures for our third-party providers. As no additional funding has been received to mitigate the current level of inflation, this may have an impact on future budgets.

All these risks will be monitored and reviewed through the finance monitoring statements on a regular basis.



## Appendix 1: Services Provided by ACHSCP

Information on the services provided by ACHSCP is shown below:

### Community Health Services (£44 million 2023/24)

Includes budgets for the community health services for each locality, including district nursing, health visiting, allied health professionals, public health, and the Public Dental Services (PDS).

- **Community Nursing Services**

The Community Nursing Service for Aberdeen City comprises district nursing, health visiting, school nursing, specialist nursing services and frailty pathway. The service has approximately 700 staff (545 wte) delivering services to the population of Aberdeen City. District nurses provide both scheduled and unscheduled nursing interventions predominantly to the elderly population, those with a palliative diagnosis and end-of-life care. These services are delivered both in-hours and out of hours. Health Visitors provide universal services to the under-fives practice population in line with the Children and Young People's Act (2014). They also have a remit to deliver the child protection agenda, keeping some of the most vulnerable children safe from harm. School nurses deliver services to children and young people, including the vaccination programme under direction from the Scottish Government. Specialist nursing services deliver nursing interventions which require expert knowledge, and they support the work of the general nursing service.

- **Allied Health Professionals**

Allied health professionals (AHPs) are a distinct group of practitioners who assess, diagnose, treat, and rehabilitate people of all ages, across health, education, and social care, supporting many of our most vulnerable citizens across Aberdeen. They are experts in rehabilitation and enablement, supporting people to recover from illness or injury, manage pain and long-term conditions with a focus on maintaining and improving independence (including helping people to remain in work/return to work) and developing strategies for people to manage longer-term disabilities.

AHP services comprise of 7 distinct professions (circa 200 staff) working across Aberdeen City HSCP: dietetics, occupational therapy,





physiotherapy, podiatry, speech and language therapy, prosthetics and orthotics services. The services see approximately 30,000 new patients a year and they assess, diagnose, advise, treat, and provide rehabilitation. AHP services are delivered in a range of outpatient clinics, community/domiciliary and education settings across the city and also provide in-patient care to people within Specialist Rehabilitation and Frailty Services including Woodend, Horizons, Rosewell and Clashieknowe.

- **Public Health and Wellbeing**

The main function of members of the public health team is to promote population and community health and wellbeing (as opposed to personal care), addressing the wider determinants of health and health inequalities. They do this by working with, and through, policies and strategies, across agencies and boundaries, providing leadership to drive improvement in health outcomes and the reduction of health inequalities. Their predominant focus is on primary prevention and the wider determinants of health at population level and the range of team members use approaches and skills that include programme development, implementation, and evaluation, assessing the impact of policies on people's health, project management, community engagement, and communication with a wide range of stakeholders. Whilst public health team members engage with a wide range of stakeholders, many of the programmes and outcomes they seek to influence, and support relate to early years, children, and young people. Key national and local priorities for the public's health are alcohol, tobacco, mental wellbeing, diet, physical activity, and healthy weight. Team members work in and across localities as well as with local people in communities and multi-agency environments.

- **The Public Dental Services (PDS)**

The PDS provides NHS dental care for priority groups of patients across ten surgery sites in Aberdeen for people who have additional and/or complex needs which affect ability to seek high street dental services. In addition to core service delivery, the Aberdeen PDS provides the Minor Oral Surgery service for Grampian, providing sessional clinical input to the General Anaesthetic Clinic and has oversight of the Outreach provision for Dundee University undergraduates.



## **Hosted Services (£31 million 2023/24)**

A range of services provided on a Grampian-wide basis and managed by one lead IJB, Aberdeen City IJB being the lead for:

- Specialist Older Adult and Rehabilitation Services – comprising the Grampian Specialist Rehabilitation Service and the Specialist Older Adults Service across Aberdeen and Aberdeenshire. These services provide a range community rehabilitation, specialist medical consultant liaison (including community consultant geriatrician alignment) and specialist services – dealing with wheelchairs, prosthetics, and orthotics across Grampian. There is also a significant medical in-reach service supporting the acute geriatric service within Aberdeen Royal Infirmary.
- Sexual Health Services – based at the Health Village but providing services across seven locations in Grampian.
- Acute Mental Health and Learning Disabilities – Although this is operationally managed by City IJB, the budget remains and reported via NHS Grampian

The Moray and Aberdeenshire IJBs are the leads for the following services: Marie Curie Nursing Service, the Continence Service, Diabetes Managed Clinical Network, Chronic Oedema Service, Heart Failure Service, HMP Grampian Health Services, Police Forensic Examiners, Primary Care Contracts Team and GMED out-of-hours medical services.

## **Learning Disabilities Services (£42 million 2023/24)**

The service is committed to integrated working and providing a range of diverse and intensive person-centred services, to promote and support independent living, underpinned by individual and family/carer involvement.

In-house services (127 staff) provide housing support, care at home (on six sites) and a modern specialised day service at the Len Ironside Centre. Commission Services with the Third Sector provide a wide range of supported living, residential, care at home, enhanced support and respite and day services; with over 20 service providers.

The Care Management Team (20 staff) provide comprehensive assessment, care package commissioning and ongoing support for over 650 adults with learning disabilities and associated complex conditions and needs. This includes



our Transitions Service that works closely with Children's Services in the planning and transfer of young people into adult services.

The Multi-Disciplinary Health and social care Community Teams (43 staff) provide assessment, care package commissioning and ongoing support for over 950 adults with learning disabilities and associated complex conditions and needs.

## **Mental Health & Addictions (£26 million 2023/24)**

This includes the provision of services by NHS community mental health service and adult social care services. Within adult social care there are three mental health teams and one old age psychiatry team which incorporates the rehabilitation team. All teams are based at Royal Cornhill Hospital. There is one Integrated Alcohol Team based at Royal Cornhill Hospital. There is two Integrated Drug Teams based at Royal Cornhill Hospital and Timmer market. These teams provide social work, care management and a Mental Health Officer service to people with mental health difficulties and their families, in a hospital-based environment and within the community. In addition to this there are integrated teams for drug and alcohol providing a clinical and care management service for individuals who experience substance misuse. Across these services in adult social care there are around 1,700 service users at any one time.

## **Older People and Physical & Sensory Disabilities (£101 million 2023/24)**

This is a care management service for individuals who are aged 65 years and over and for those with physical and sensory disabilities who are assessed as requiring care and support. Such services include provision of day care, care at home, residential care, sheltered and very sheltered housing, occupational therapy and provision of aids and adaptations. The service is made up of five care management teams providing services to 3,100 service users. The sensory disability services are commissioned from North East Sensory Services who have a social work team providing a statutory service to 135 people with a further 3,000 being provided support services.



### **Criminal Justice (£0 net – funded by ring-fenced grant)**

Criminal Justice Social Work provides statutory supervision and court reports from the age of 18. The aim of the service is to reduce the risk of reoffending and harm by those who are supervised in the community and assisting with rehabilitation and monitoring to those released from prison. The service is made up of four community teams, a throughcare team, a pre-disposal/court team, an unpaid work team, and a Women's Service. They also undertake group work programmes for those convicted of domestic abuse offences or sexual offences. At any one time around 1,500 clients are open to justice services.

### **Primary Care Prescribing (£45 million 2023/24)**

The cost of drugs prescribed by Aberdeen City GPs to patients covers medicines, dressings, appliances, and stock order items prescribed in the community by GPs and other prescribers. Expenditure is impacted by a complex range of factors including how long drugs are patented, the availability of a drug, individual expensive drugs, and an increase in community-based care, amongst others.

Practice pharmacists work in tandem with GP practices to ensure prescribing is efficient and effective. Prescribers are also supported with the Grampian Joint Formulary Scriptswitch software and regular guidance/input from the lead pharmacists.

### **Primary Care (£44 million 2023/24)**

Payments made to GPs for provision of services. The costs are largely dictated by the GPs' national terms & conditions of service from the GP contract. Aberdeen has 27 GP practices, providing general medical services to a population of 265,000 registered patients (Jan 2024). Whilst different contractual models operate across the city, all GP practices provide core general medical services together with a range of enhanced services. The above expenditure is drawn from the General Medical Services contract funding stream and represents the payments made to GP practices for the services provided to their registered list of patients.



## **Set-Aside Notional Budget (£53 million 2023/24)**

Budgets for large hospitals are managed by the Acute and Mental Health sectors of NHS Grampian. The IJBs have a notional budget representing the consumption of these services by residents.

The services covered include:

- accident and emergency services at ARI and Dr Gray's - inpatient & outpatient;
- inpatient hospital services relating to general medicine, geriatric medicine, rehabilitation medicine, respiratory medicine, learning disabilities, old age psychiatry, general psychiatry;
- palliative care services provided at Roxburghe House, Aberdeen, and The Oaks, Elgin.