

# Joint Seminar

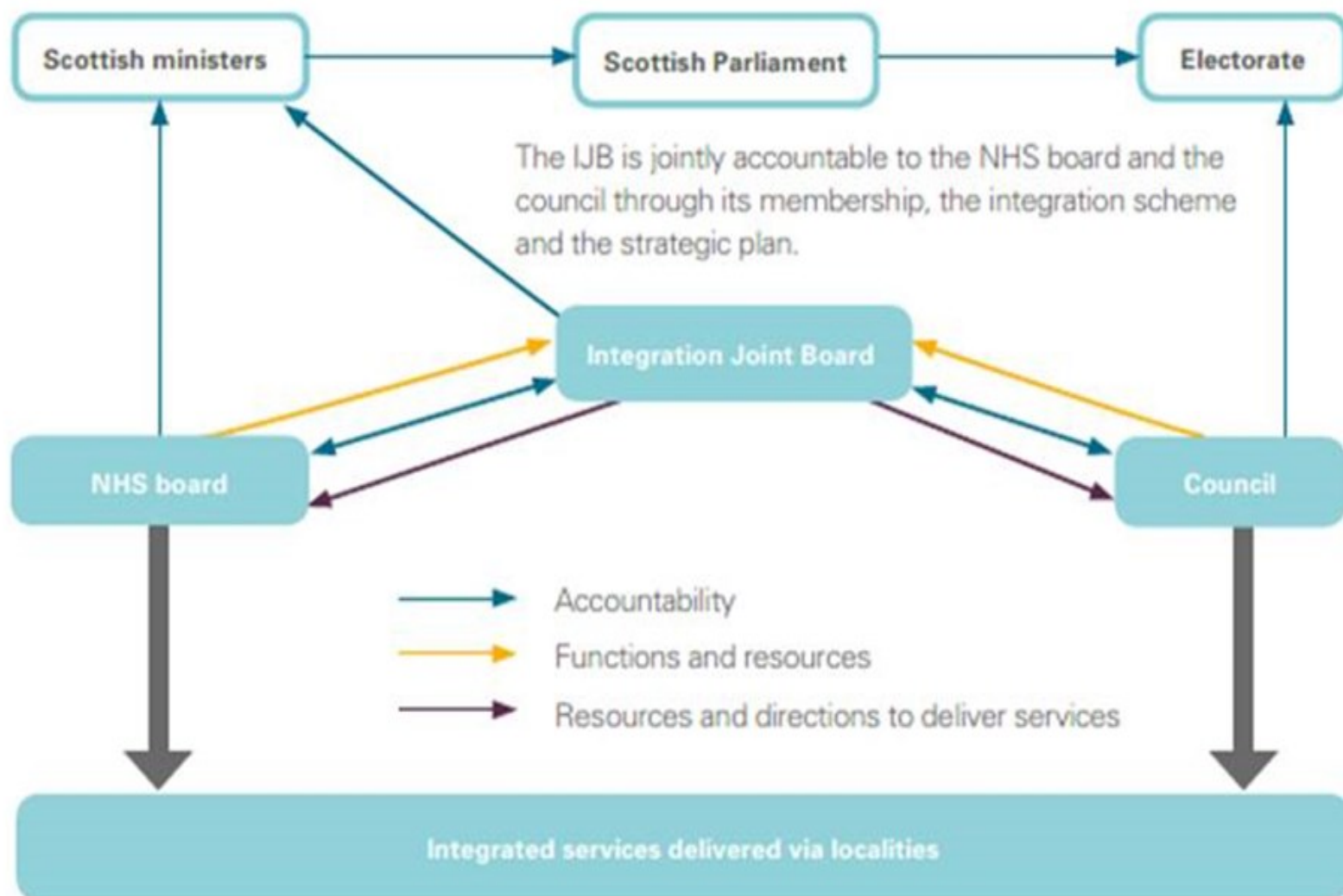
10 October 2017



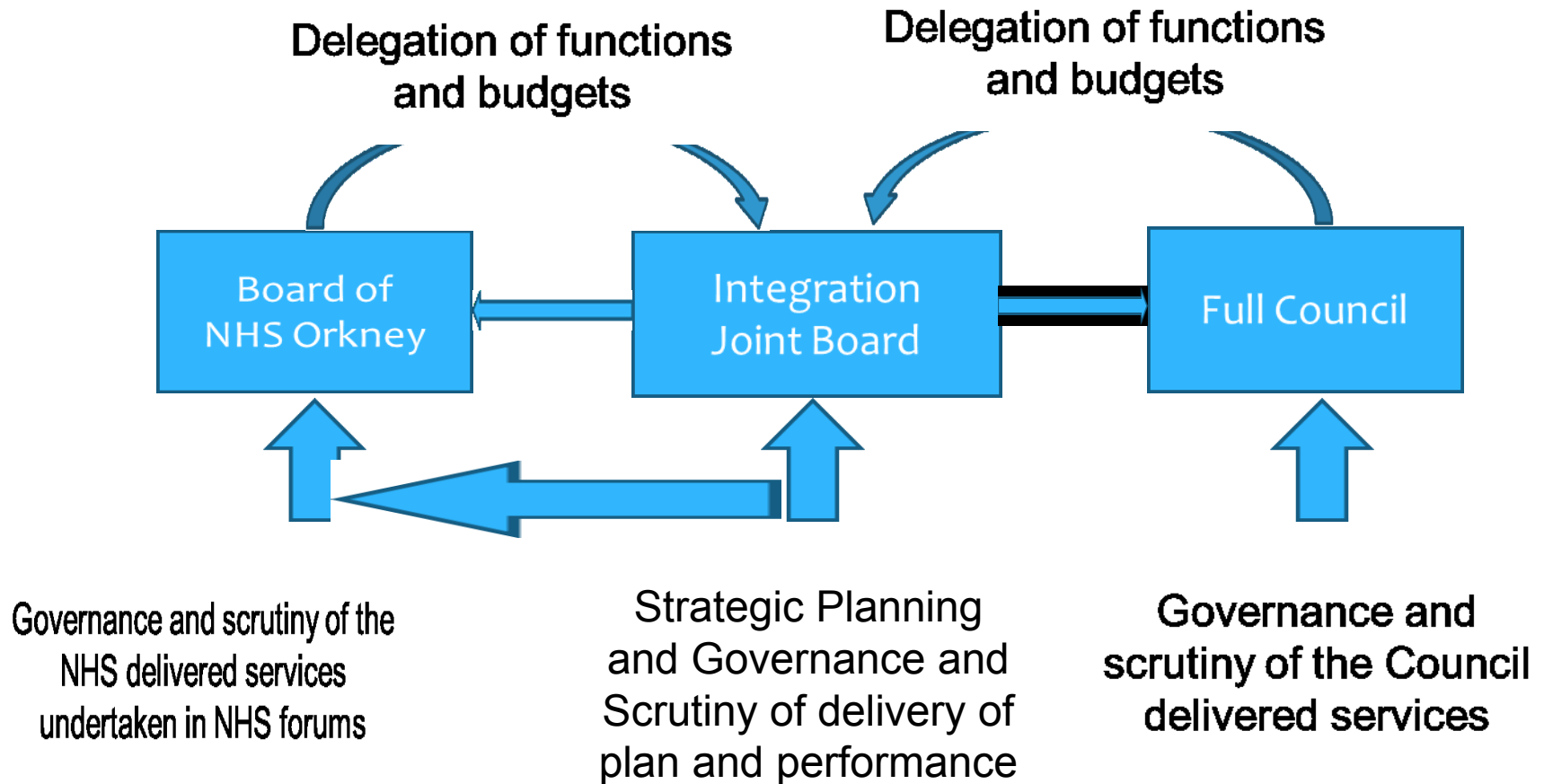
# Agenda

- **Setting the context - The planning landscape**
- **How the funding works – achieving a shared understanding**
- **The challenges**
- **The way forward**
- **Questions and Answers**

## Body corporate or Integration Joint Board model



# The structure – Since April 2016



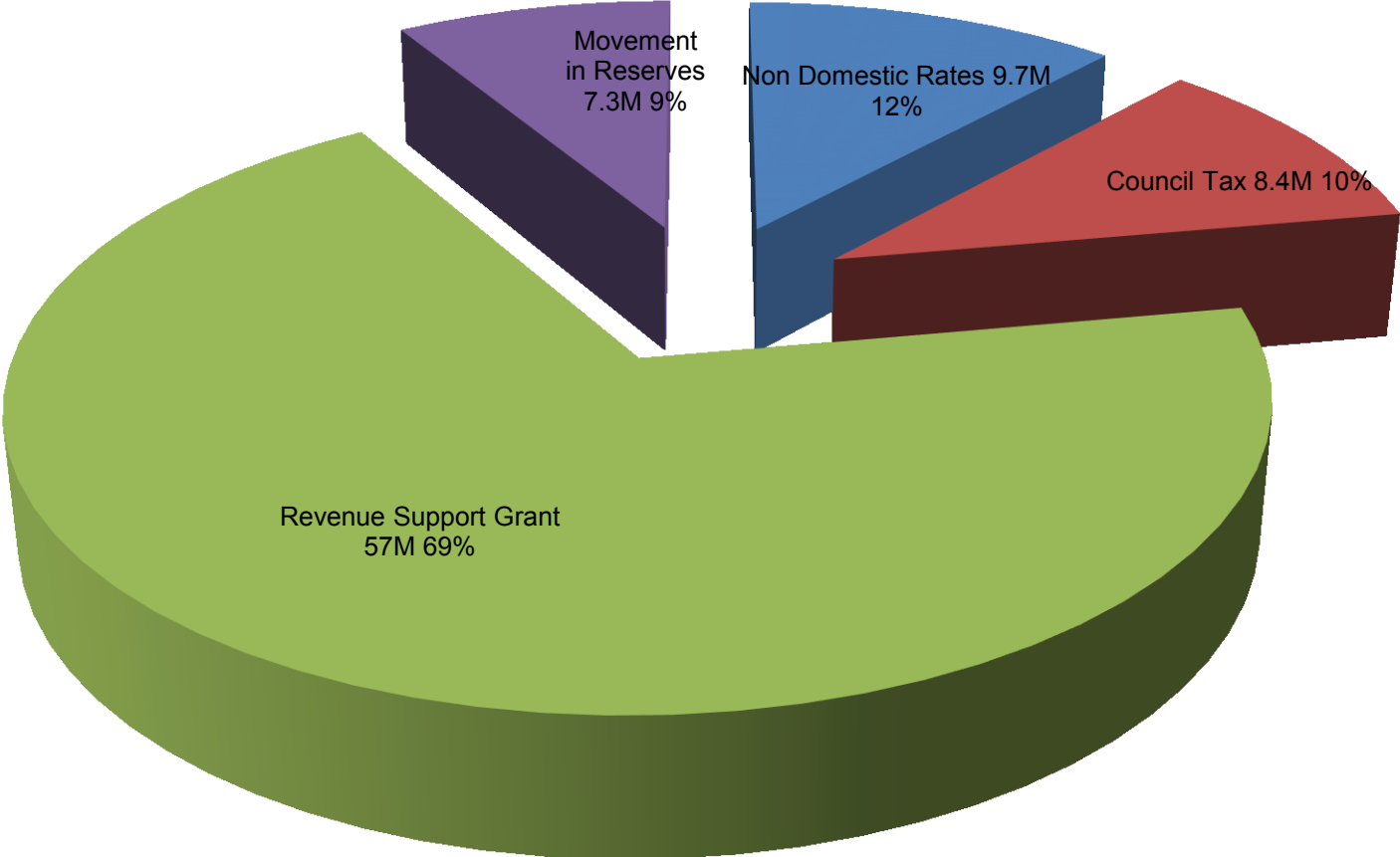
# The Planning Landscape

- The Community Planning Landscape – Orkney Wide 2017 – 2020 with rolling review
- NHS Orkney - Local / Regional / National Planning – various timeframes and durations
- Orkney Islands Council - Local Planning 2013 – 2018 with mid term review
- OHAC (the IJB) - Local Planning focussed on delegated functions – 2016 – 2019 with rolling review

# Fiscal Outlook

- UK Autumn Budget 22 November 2017
- Scottish Govt. Budget 14 December 2017
- SG priorities - Extra £500M for Health over 3 yrs.
- Local Government budget cut of £1bn (9.4%) by 2020-21
- Prospects for 2018/19 and 2019/20 are bleak 😞
- Local Government to remain unprotected 😞
- Council Tax increase seems likely 😞
- Devolved Taxation – income tax, VAT, LBTT 😞
- NDR income potential for some buoyancy 😊
- Political Landscape – less austerity 😊
- Complexity and uncertainty = 1 year budget 😞

# How the Council is Funded

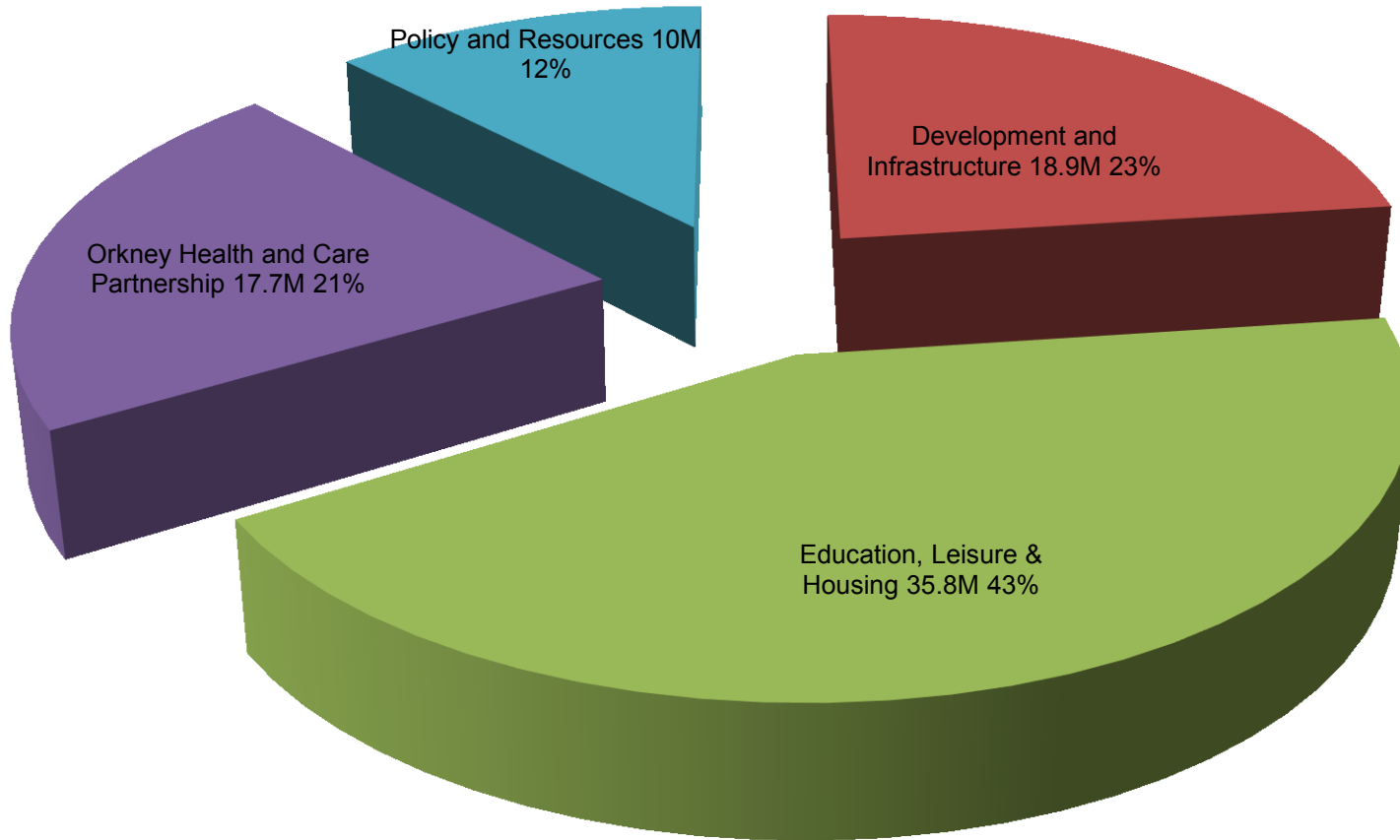


# How the Council is Funded

Sources of Funding:-	£m	
• Council Tax	8.407	
• Non-Domestic Rates	9.688	} £67.144m
• General Revenue Grant	56.983	
• Strategic Reserve Fund	7.363	
	<hr/> <b>82.411</b> <hr/>	



# Budget allocation to services (net expenditure) for 2017/18



# Medium Term Resource Strategy

- Key strategic planning document, includes:
  - Financial Strategy
    - Revenue, Capital, General Fund and Non-General Fund
  - Human Resource/Workforce Planning Strategy
  - Asset Management Strategy
  - Digital Strategy
- Extended by further 2 years to 2021/22
- Funding gap of £12m
  - reduced Scottish Government Funding - £6m
  - ongoing service pressures - £6 million

# How the NHS is Funded

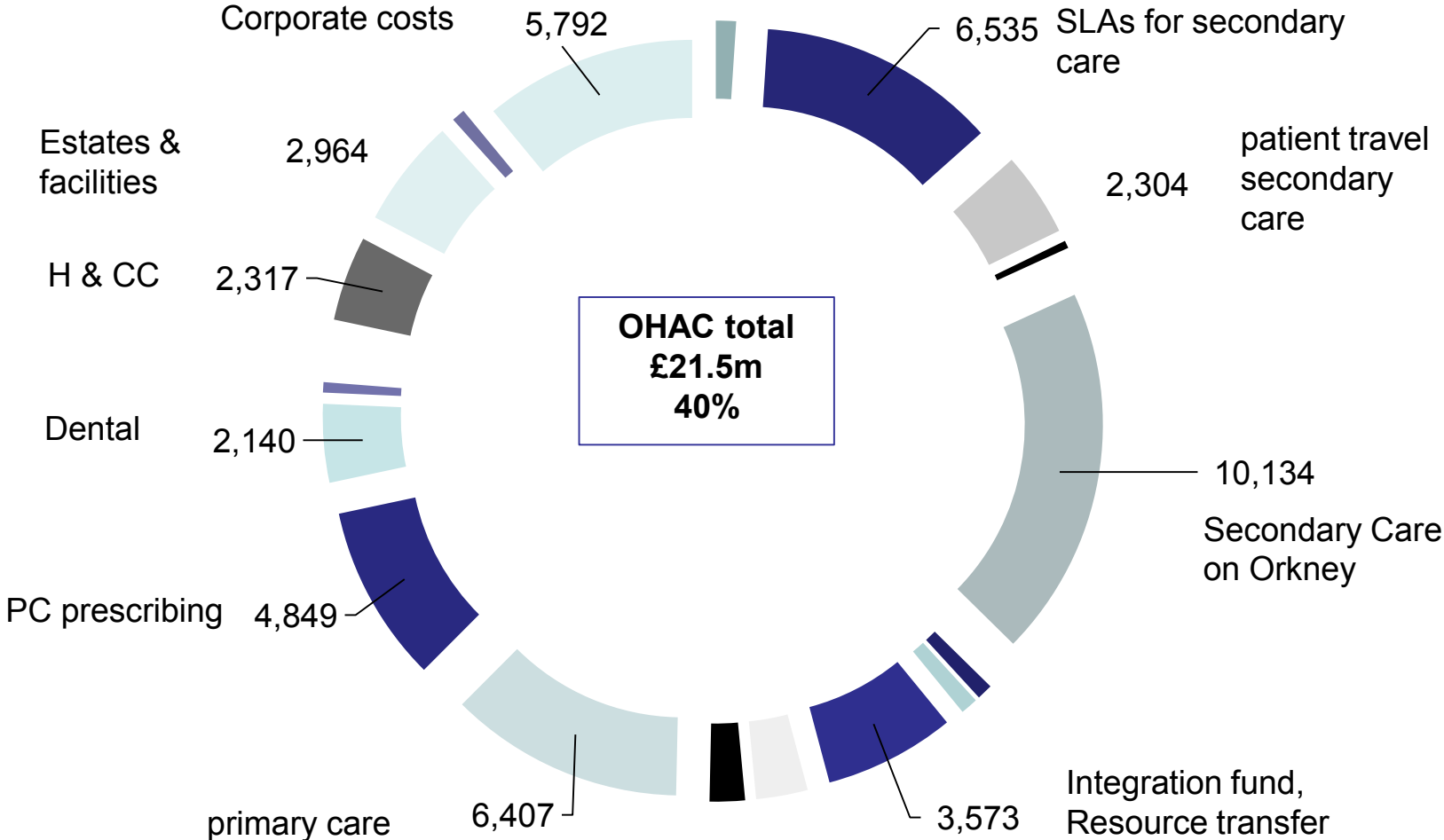
## Scottish Government recurring funds to NHSO

Baseline	44,794	84.8%
Primary Medical Services	4,771	9.0%
Dental services	1,791	3.4%
Social care funding	1,074	2.0%
Mental health	165	0.3%
Alcohol & Drug Partnership	427	0.8%
Top slices	(172)	(0.3%)
	52,850	100.0%

# Additional to NHSO

- Super bundles – can come in in-year
  - £1.2m, top sliced by 7.5% (£99k)
  - Covers wide range of services including Health Visiting, dental, mental health
  - Not always able to identify expected increases
- ADP – to the IJB
  - Already absorbed cut by 23% (£130k)
- New medicines
  - Cut by 27% (£80k)
- Health & Social Care
  - Uncertainty of money into NHS for IJBs

# Where NHSO's £53m is spent



# NHS current context

- Services pressures – demand, new treatments, high cost care
- HR issues - locum and temporary staffing
- Service developments in response to changing health and wellbeing – need investment
- Efficiency targets - 3% recurring
- Balance of recurring and non recurring savings

# The IJB's funding

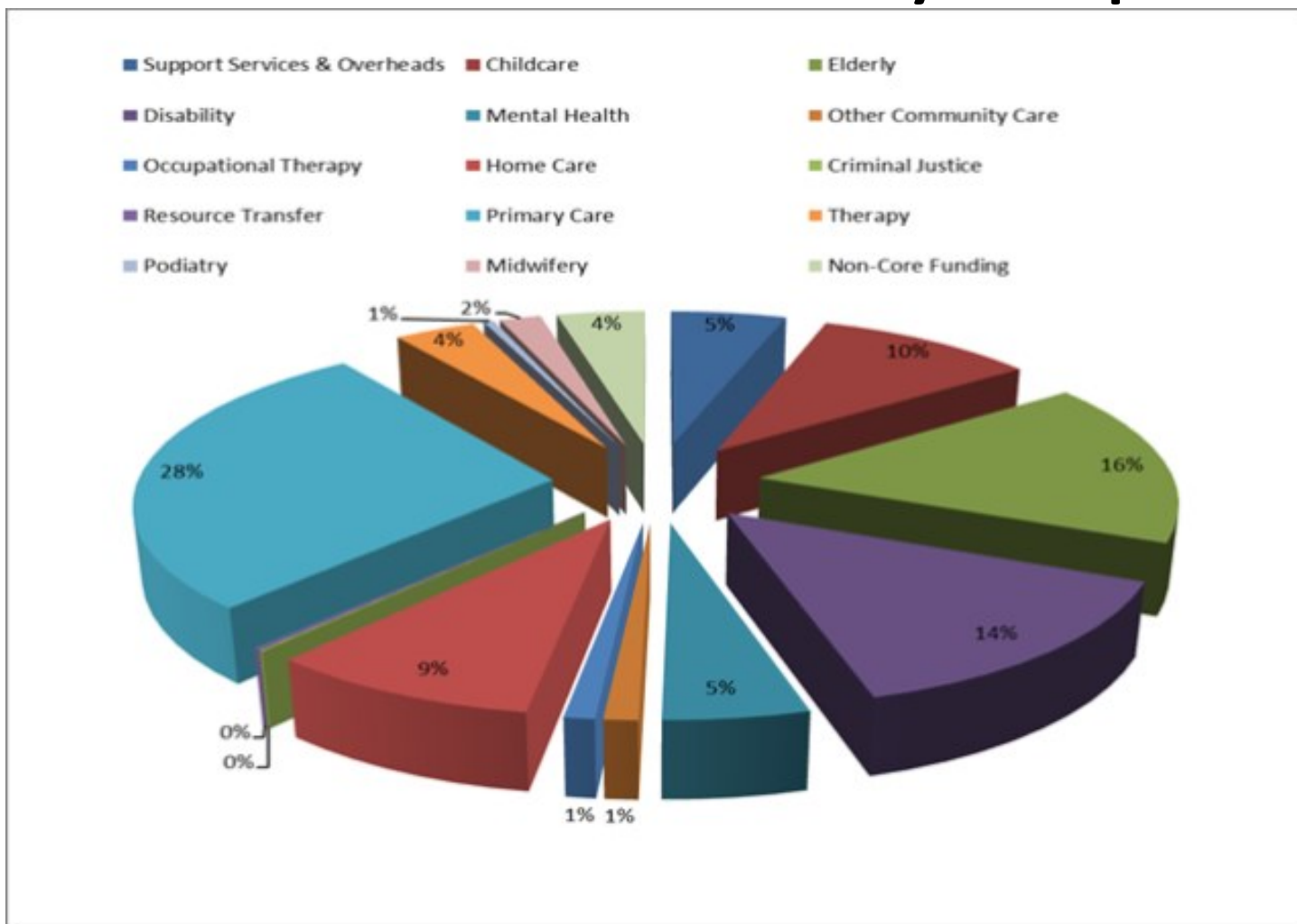
In 2016 – 2017

- Overspend on NHSO budget of 180k or 1.1%
- Broke even on Council budget
- Total overall over budget by 0.5% on budget of 35million

In 2017 - 2018

- NHSO input of 21,463.7 (minus 180k carried forward)
- Orkney Islands Council input of 17,660.0
- Total budget of 39,123.7 (minus 180k carried forward)
- Recovery plan required to address carry forward plus non recurring savings from 2016 - 2017

# Where the IJB's money is spent





# Summary of the Challenges

- There will be less funding all round
- Things can't stay the same
- The planning landscape is cluttered and complicated
- We can't keep approaching it the same way
- While there are three legal bodies to take into account, no one party can improve it in isolation
- The challenge ahead is Orkney's challenge, not NHSO, IJB or OICs
- It's a Wicked Issue!

# The opportunities

- Good local partnerships – relationships are essential in complex systems
- Small systems - we can be more nimble
- History of pioneering different ways of working
- Real connection to the community reality
- Willingness

# The way forward – changing our approach to strategic planning

- Accept the reality – we have to look at this differently
- Planning together – all pulling in the same direction, change our approach
- Setting the longer term vision – understand the whole system, the impacts, the opportunities
- Setting the pathway to get there
- Thinking about it for Orkney as a whole