

Budget Summary 2022/23	Mid-range scenario
	2022-23 £000
Base Budget:	302,042
Employee Cost Changes:	
Pay Awards	2,202
Pay Increments/change to employee base	572
Employers National Insurance Increase April 2022	1,079
Total Employee Cost Changes	3,853
Non-Pay Inflation:	
<i>Health:</i>	
Prescribing	1,070
Hospital Drugs	100
Main GG&C SLA	1,421
Other SLAs (GPs, GG&C, other HBs, service inputs)	788
Utilities and rates	234
<i>Social Work:</i>	
Non-Pay Inflation	2,454
NHS Staffing Recharges	72
Full year impact of the £10.02 per hour pay rate for care staff	2,349
Free personal & nursing care uplift	376
Total Non-Pay Inflation	8,864
Cost and Demand Pressures:	
<i>Health:</i>	
TAVI	103
Additional NMAHP (nursing, midwifery & Allied Health Professionals)	200
New high cost care packages	100
Oncology Medicines Demand	450
Microsoft Licence Fees	75
Care First replacement cost	45
SLA Balance 21/22	355
CPA mental health	63
OOH contract uplift	39
Hearing Aids	30
Pacs / RIS manager	23
Director Psychology	41
Distress Brief Interventions	140
IPF Homecare Drugs	150
Patients Travel	75
Drone Pilot	20
LIH Oncology Drugs	100
LIH CT Out of Hours Contract	30
LIH Medical Staffing	215
Vehicle Leases - Electrification of fleet	112
<i>Council:</i>	
Regrading of Social Work and Community Care Assistants	100
Older People Growth	153
Care Services for Younger Adults (< 65 years) LD, MH	350
Care Services for Younger Adults (< 65 years) PD	70
Learning Disability Budget Adjustment to Balance Commitment	470
Physical Disability Budget Adjustment to Balance Commitment	179
Mental Health Budget Adjustment to Balance Commitment	109
Extension of Carers Act services	373
Continuing care demand pressure in Children & Families	250
Social Work Emergency Standby	25
SG Investment - Home Care for Older People	2,257
SG Investment - Interim Care Home Placements	364
SG Investment - Mental Health Recovery and Renewal	66
SG Investment - Child Disability Payment Claims Support	22
SG Investment - Trauma Training	50
SG Investment - Multi-Disciplinary Teams	632
SG Investment - Investment in Adult Services (to be finalised)	417
SG Investment - Investment in Social Work Staffing	402
Total Cost and Demand Pressures	8,655
Existing Savings Cancelled - IJB Nov 2021	1,470
Total Estimated Expenditure	324,884
Funding:	
NHS	246,877
Council	73,312
Allocation of Covid Reserve Funding	750
Total Funding	320,939
Budget Surplus / (Gap)	(3,945)
Partner Bodies Split:	
Health	(1,958)
Social Work	(1,987)
Budget Surplus / (Gap)	(3,945)

Budget Outlook 2021-22 to 2023-24

MID-RANGE

	Workings	Workings		2022-23	2023-24	2024-25		2022-23	2023-24	2024-25		2022-23	2023-24	2024-25	Comments on Assumptions 2021-22 to 2024-25
				Health	Health	Health		Council	Council	Council		Total	Total	Total	
				£000s	£000s	£000s		£000s	£000s	£000s		£000s	£000s	£000s	
Funding															
From Argyll and Bute Council - Base Funding								62,763	62,763	62,763		62,763	62,763	62,763	includes additional £552k re SLW announced after budget agreed
From Argyll and Bute Council - Adjustment to Funding	0.00%											0	0	0	Flat cash assumed
Argyll and Bute Council - Repayment of 2019-20 overspend									-407	-759		0	-407	-759	Repayment Plan as proposed to Council 29 April 2021
Argyll and Bute Council - Repayment of 2018-19 overspend									-900	-493		-900	-493	0	Repayment Plan as proposed to Council 29 April 2021
From NHS Highland - Base Funding incl pensions increase		192,855		194,236	194,236	194,236						194,236	194,236	194,236	Adjusted for NRAC uplift of £2.9m and 1.5% uplift for 2021/22
From NHS Highland - Other Recurring Budget		37,684		37,773	37,684	37,684						37,773	37,684	37,684	Non Disc PCS £11,356m; GMS £19,053m (incl 19/20 superann uplift); Other recurring £5.405m at M9
From NHS Highland - Resource Transfer		12,489		-5,326	-5,326	-5,326		12,489	12,489	12,489		7,163	7,163	7,163	£12.489m for 2021-22 (7057 + 5247+1.5%); Resource transfer 5247
Internal resource transfer 2021-22				-547	-645	-645		645	645	645		98	0	0	As per 2021-22 budget
NHS Uplift	2.0%			7,357	11,282	15,286		250	505	765		7,607	11,787	16,051	3% best case, 2% mid range, 1.8% worst case on base funding less resource transfer (updated for resource transfer)
NHS Highland above NRAC uplift - estimated	2.0%	2850		0	0	0						0	0	0	per interim offer
Reduction in new medicines fund												0	0	0	SG suggesting build in for next year £-550k mid and worst case
New SG funding for social work								11,449	11,667	12,367		11,449	11,667	12,367	Adjusted to reflect 2022/23 confirmed new funding and assumes an annual uplift from 2023/24 of £1.0m p.a. best case, £0.7m p.a. mid range and £0 worst case.
Estimated Funding Total				233,493	237,231	241,235		86,696	87,169	88,270		320,189	324,400	329,505	
												0	0	0	
Expenditure												0	0	0	
Base Budget				226,886	226,886	226,886		74,826	74,826	74,826		301,712	301,712	301,712	Adjusted for changes to other recurring funding matched by expenditure
Base Budget Adjustments:															
Investment in financial sustainability								330	330	330		330	330	330	As agreed IJB 25 March 2020 and 31 March 2021
Employee Costs:												0	0	0	
Pay Inflation - Health	2.0%			1,422	2,844	4,266						1,422	2,844	4,266	Health pay deal estimated at 1% best, 2% mid range, 3% worst on £68.79m, in line with Council pay.
Pay Inflation - Social Work	2.0%							780	1,576	2,388		780	1,576	2,388	Reflects impact of agreed 2021/22 pay deal then growth in 2022/23 and 2023/24 at 1% best case, 2% mid range and 3% worst case.
Increments	370	87		185	370	555		87	174	261		272	544	816	Best case assumes 50% increments can be absorbed, and worst case is that none can be absorbed. Mid range for health is 50% of 2020-21 and for council is 100% of 2020-21
Increase to Employer's National Insurance Contributions from April 2022.				888	888	888		191	386	585		1,079	1,274	1,473	Reflects 1.25% increase in Employer's National Insurance Contributions from April 2020 then growth in 2022/23 and 2023/24 at 1% best case, 2% mid range and 3% worst case.
Settlements of regrading claims				300	500	700		0	0	0		300	500	700	
Non-Pay Inflation:															
<i>Health:</i>															
Prescribing	1000			1,070	2,000	3,000						1,070	2,000	3,000	Growth between £900k (best) to £1100k(worst) per annum
Hospital Drugs	5.0%			100	200	300						100	200	300	Growth between 2.5%-7.5%, mid-range 5% on base spend of £3m
Main GG&C SLA	2.5%			1,421	2,842	4,263						1,421	2,842	4,263	Uplift on £56.2m plus 2.5% p.a. mid, 3% worst, 2% best
Other SLAs (GPs, GG&C, other HBs, service inputs)	756			788	1,576	2,364						788	1,576	2,364	Uplift mid-range 2.5% p.a. worst 3%, best 2% on £30.25m p.a.
Utilities & Catering & Rates	167			234	468	702						234	468	702	Growth between 3%-5%, mid-range 4% for 2021-22 onwards. Rates zero for 21/22
<i>Social Work:</i>															
Catering Purchases								0	43	67		0	43	67	5% p.a.
Non Pay inflation - National Care Home Contract, increase to £10.50, carers allowances, audit fees/utilities etc								2,454	1,452	2,228		2,454	1,452	2,228	3.5% best case; 4.5% mid range; 5.5% worst case (includes LD, MH, PD and OP)
NHS Staffing Recharges								72	146	224		72	146	224	4% net for pay rises and increments
Purchase and Maintenance of Equipment								0	71	108		0	71	108	CPI - 3% best case; 3.5% mid range; 4% worst case
Specific CPI Increases								0	90	138		0	90	138	CPI - 3% best case; 3.5% mid range; 4% worst case
Full year impact of the increase in care staff rates to a minimum of £10.02 per hour implemented from December 2021.								2,349	2,349	2,349		2,349	2,349	2,349	Estimated full year impact of the increase in the basic hourly rate for care staff to £10.02 per hour from December 2021.
2022/23 Scottish Living Wage Uplift (£10.50) excluding FPNC								0	3,038	4,665		0	3,038	4,665	4.2% best case; 4.70% mid range; 5.20% worst case. Adjusted for £10.50 indicative rate from the SG and for the 1.25% increase in ENI contributions.
Free personal & nursing care uplift								376	396	396		376	396	396	Matched to the funding being provided to fund the uplift for 2022/23.
Carers Allowances								0	115	175		0	115	175	CPI - 3% best case; 3.5% mid range; 4% worst case
Utilities								0	33	50		0	33	50	CPI - 3% best case; 3.5% mid range; 4% worst case
Audit fee								0	10	12		0	10	12	rotation of audit - increase of 15% expected in year 1.
Cost and Demand Pressures															
<i>Health:</i>															
TAVI				103	104	105						103	104	105	Best and mid range £50k p.a., worst £100k
Additional NMAHP staffing	200			200	204	208						200	204	208	Best £150k, mid £200k worst £250+ 2% p.a. includes allowance for AHP and sundry chnages
New high cost care packages	100			100	102	104						100	102	104	£0k for best £100k for mid; £200k for worst
New dementia pathway to NHS GG&C					51	52						0	51	52	New long term patient pathway across all scenarios
Other NSD developments	50				100	200						0	100	200	all ranges + £50k p.a.

	Workings	Workings	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	Comments on Assumptions 2021-22 to 2024-25
			Health	Health	Health	Council	Council	Council	Total	Total	Total	
			£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Oncology Drugs Demand	450		450	900	1,350				450	900	1,350	Assumed an annual increase of between £350k and £550k with mid-range £450k.
Microsoft Licence Fees	0		75	75	75				75	75	75	Removed as current budgets appear sufficient £200k in worst case only
Cystic Fibrosis Drugs	150			100	200				0	100	200	Growth for increase in patient numbers £100k p.a best; £150k p.a. mid; £200k p.a. worst
Care First replacement cost	80		45	80	80				45	80	80	Share of cost of Carefirst replacement - best case £45k; mid £80k; worst £120k first year only
Depreciation	25		0	50	75				0	50	75	Depreciation increasing cost pressure each year -across all scenarios
LIH 9th Medic			0	0	0				0	0	0	
SLA Balance 21/22			355	355	355				355	355	355	
CPA mental health			63	63	63				63	63	63	
OOH contract uplift			39	39	39				39	39	39	
Hearing Aids			30	30	30				30	30	30	
Pacs / RIS manager			23	23	23				23	23	23	
Director Psychology			41	41	41				41	41	41	
Distress Brief Interventions			140						140			
IPF Homecare Drugs			150	150	150				150	150	150	
Patients Travel			75	75	75				75	75	75	
Drone Pilot			20						20			
LIH Oncology Drugs			100						100			
LIH CT Out of Hours Contract			30						30			
LIH Medical Staffing			215						215			
Vehicle Leases			112						112			
Fleet Consultancy			0						0			
<i>Council:</i>												
Impact of the regrading of Social Work and Community Care Assistant posts from SLGE8 to SLGE9.						100	202	306	100	202	306	Reflects impact of the post regradings including increments and cost growth in 2022/23 and 2023/24 at 1% best case, 2% mid range and 3% worst case.
Older People Growth						153	799	1,208	153	799	1,208	The best case reflects no growth , the mid-range reflects 1.5% growth and the worst case reflects 3% growth.
Care Services for Younger Adults Growth (< 65 years) LD, MH						350	707	1,072	350	707	1,072	The best case reflects 1% growth, the mid-range reflects 2% growth and the worst case reflects 3% growth.
Care Services for Younger Adults Growth (< 65 years) PD						70	141	214	70	141	214	The best case scenario reflects an increase of 2.5% p.a. growth , the mid range increase of 5% p.a. growth and the worst case 7.5% p.a. growth
Learning Disability Budget Adjustment to Balance Commitment						470	940	1,410	470	940	1,410	Budget alignment to resolve long standing budget deficit spread evenly over 4 years from 2022/23 to 2025/26
Physical Disability Budget Adjustment to Balance Commitment						179	359	538	179	359	538	Budget alignment to resolve long standing budget deficit spread evenly over 4 years from 2022/23 to 2025/26
Mental Health Budget Adjustment to Balance Commitment						109	217	326	109	217	326	Budget alignment to resolve long standing budget deficit spread evenly over 4 years from 2022/23 to 2025/26
Extension of Carers Act services in response to additional funding in budget						373	378	378	373	378	378	Matches new funding from SG
Continuing care demand pressure in Children & Families and Children with disability						250	500	750	250	500	750	best nil; mid £250k p.a.; worst £500k p.a.
Social Work Emergency Standby						25	51	78	25	51	78	Allow 4 per night in best, 5 per night in mid and 8 per night in worst
Scottish Government funded investment in home services for older people.						2,257	2,268	2,268	2,257	2,268	2,268	Matches new funding from SG
Scottish Government funded investment interim care home placements to improve delayed discharge performance.						364	0	0	364	0	0	Matches new funding from SG - provided for 2022/23 only.
Scottish Government funded in Mental Health Recovery and Renewal activity.						66	0	0	66	0	0	Matches new funding from SG - assumed non-recurring beyond 2022/23.
Scottish Government funded investment to support families complete claims and gather evidence for the new Child Disability Payment.						22	22	22	22	22	22	Matches new funding from SG
Scottish Government funded investment in trauma training.						50	0	0	50	0	0	Matches new funding from SG - assumed non-recurring beyond 2022/23.
Scottish Government funded investment in multi-disciplinary teams.						632	527	425	632	527	425	Matches new funding from SG
Scottish Government funded investment in adult social care (estimate as funding allocation still to be confirmed).						417	1,215	1,215	417	1,215	1,215	Matches new funding from SG - Estimate pending final confirmation of value, based on 1.8% of National Amount in line with typical GAE share for SW.
Investment In Social Work Workforce						402			402			
Allowance for unknown Cost and Demand Pressures	500			1,000	1,500		1,000	1,500	0	2,000	3,000	Best case £250k p.a. ; Mid range £0.5m pa.; Worst case £0.75m p.a. None in first year for best & mid; worst £250k - replaced with more specific pressures
Contingency									0	0	0	
Reduction in savings agreed 31 Mar 21			541	541	541	929	929	929	1,470	1,470	1,470	per IJB paper
Estimated Expenditure			236,201	242,657	249,190	88,683	95,290	101,441	324,884	337,947	350,631	
Funding Surplus/(Gap)			-2,708	-5,426	-7,955	-1,987	-8,121	-13,171	-4,695	-13,547	-21,126	
Year on Year Funding Surplus / (Gap)			-2,708	-2,718	-2,529	-1,987	-6,134	-5,050	-4,695	-8,852	-7,579	