

**MINUTES of MEETING of ARGYLL AND BUTE HSCP FINANCE AND POLICY COMMITTEE
held BY MICROSOFT TEAMS
on FRIDAY, 29 SEPTEMBER 2023**

Present: Councillor Amanda Hampsey (Chair)

Kenny Mathieson
Graham Bell

Councillor Gary Mulvaney

Attending: James Gow, Head of Finance and Transformation, Argyll and Bute HSCP
Alison McGrory, Associate Director of Public Health, Argyll and Bute HSCP
Caroline Cherry, Head of Adult Services – Health and Community Care, Argyll and Bute HSCP
Jillian Torrens, Head of Adult Services, Argyll and Bute HSCP
Kristin Gillies, Head of Strategic Planning, Performance and Technology, Argyll and Bute HSCP
Charlotte Craig, Business Improvement Manager, Argyll and Bute HSCP
Fiona Broderick, Staffside, Argyll and Bute HSCP
Kevin McIntosh, Staffside, Argyll and Bute Council
Lynsey Innis, Senior Committee Assistant, Argyll and Bute Council

1. APOLOGIES FOR ABSENCE

The Chair welcomed everyone to the meeting.

Apologies for absence were intimated on behalf of:-

Sarah Compton-Bishop
Fiona Thomson

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTES

(a) **Argyll and Bute HSCP Finance and Policy Committee meeting held on 24 March 2023**

The Minute of the meeting of the Finance and Policy Committee, held on 24 March 2023, was approved as a correct record.

(b) **Report in the Absence of a Quorum for meeting held on 23 June 2023**

The Report in the Absence of a Quorum for the meeting of the Argyll and Bute Finance and Policy, held on 23 June 2023 was noted.

4. UNAUDITED ANNUAL ACCOUNTS 2022/23

Having noted that the Integration Joint Board (IJB) is required to produce an audited set of annual accounts, consideration was given to a report which presented the unaudited annual accounts for approval in respect of the year ended 31 March 2023.

Decision

The Finance and Policy Committee:-

1. Reviewed and endorsed the Unaudited Annual Accounts and Report and noted that the Audit and Risk Committee has responsibility for their approval.
2. Noted that the IJB is reporting an underspend for the year totalling £9.1m carried forward in general reserves.
3. Endorsed the earmarking of reserves being carried forward, as outlined at note 7 of the Annual Accounts.
4. Noted that the accounts are prepared on a going concern basis.

(Reference: Report by Head of Finance and Transformation, dated 23 June 2023, submitted)

5. PROVISIONAL YEAR END - 12 MONTHS TO 31 MARCH 2023

The Committee gave consideration to a report which provided a provisional summary of the 31 March 2023 year end position. The report also provided a summary of the delivery of the savings programme and year end reserves which was considered by the IJB at its meeting on 31 May 2023.

Decision

The Finance and Policy Committee:-

1. Noted that the HSCP is reporting an underspend of £9.1m for 2022/23, equivalent to 2.7% of the resources allocated.
2. Noted that it is anticipated the HSCP will be able to carry this underspend forward to fund the 2023/24 budget gap and key infrastructure and transformation projects.
3. Noted confirmation that savings of £4.1m have been delivered, 68% of savings plan.
4. Noted that total reserves held have reduced from £21.2m at the start of the year to £17m at the year end.

5. Noted that all figures provided in this report are provisional and subject to external audit.

(Reference: Report by Head of Finance and Transformation, dated 23 June 2023, submitted)

6. BUDGET MONITORING - 5 MONTHS TO 31 AUGUST 2023

Consideration was given to a report which provided a summary of the financial position of the HSCP as at the end of August 2023. The report also provided information in respect of the year to date position, the forecast outturn, the progress with the savings plan and reserves spend.

Discussion was had around the severe financial pressures facing NHS Highland, specifically in relation to the expectation that NHS Highland expect the IJB to contribute to their financial deficit.

Decision

The Finance and Policy Committee:-

1. Noted that there is a relatively small forecast revenue overspend of £900k as at the end of month 5.
2. Noted confirmation that savings of £6.3m have been delivered, 70% of target.
3. Noted that earmarked reserves of £5.3m have been committed to date.
4. Noted that additional formula funding has been allocated to Health Boards to improve financial sustainability and that NHS Highland intend to recover this funding from the IJB (£2.3m).
5. Agreed that the Business Improvement Manager in correlation with the Head of Finance and Transformation seek to hold an informal session with appropriate officers from NHS Highland with a view to bringing a presentation to a future meeting of the Committee to provide further context around this request.

(Reference: Report by Head of Finance and Transformation, dated 29 September 2023, submitted)

7. BUDGET OUTLOOK 2024-2027

Consideration was given to a report which provided an updated budget outlook and indicative medium term financial plan covering the period through to 2026/27.

Decision

The Finance and Policy Committee:-

1. Considered the indicative financial plan for 2024-25 to 2026-27.
2. Noted the high level of risk and uncertainty at this point in the planning cycle.

3. Noted the forecast budget gap totalling £10.2m or 2.8%, and that this will form the basis for service planning.
4. Noted that the budget outlook will next be updated following the December 2023 publication of the Draft Scottish Budget.
5. Noted that the budget consultation will commence in October 2023.

(Reference: Report by Head of Finance and Transformation, dated 29 September 2023, submitted)

8. FINANCIAL RISKS 2023-24

The Committee gave consideration to a report which provided an update on the perceived financial risks facing the HSCP, which could have an impact upon financial performance during the remainder of 2023/24.

Decision

The Finance and Policy Committee:-

1. Considered the 2023/24 financial risks identified as at 31 August 2023 and noted the mitigations.
2. Noted that NHS Highland are seeking financial assistance from the HSCP, this represents an additional financial risk.

(Reference: Report by Head of Finance and Transformation, dated 29 September 2023, submitted)

9. NHS FORMULA FUNDING

Consideration was given to a report and short presentation which summarised the methodology used to allocate NHS resource to Health Boards and the Argyll and Bute HSCP.

Decision

The Finance and Policy Committee:-

1. Noted that reconsidering the NHS funding model was a value for money target and that this work had been completed.
2. Noted the conclusions of the review and the implications of demographic and population changes in Argyll and Bute.

(Reference: Report by Head of Finance and Transformation, dated 29 September 2023, submitted)

10. INTEGRATION JOINT BOARDS - FINANCIAL ANALYSIS 2021/22 UPDATED

Consideration was given to a report which summarised the recent Audit Scotland report on the financial position of Integration Joint Board's (IJBs) based on the

2021/22 accounts and audits. The report highlighted the operational challenges facing the sector, outlined the financial position of IJBs at the 2021/22 year end and the outlook going forward. It also provided additional data on the financial performance of all IJBs in that year.

Decision

The Finance and Policy Committee:-

1. Noted that Audit Scotland had recently published a financial analysis of Integration Joint Board's based on accounts for the year ended 31 March 2022.
2. Noted that the report also provided additional data on IJB financial performance in 2021/22.

(Reference: Report by Head of Finance and Transformation, dated 29 September 2023, submitted)

11. TRANSFORMATION UPDATE

Consideration was given to a report which outlined the key areas of focus for transformation work planned for 2023/24 and set out the detail of changes to the Leadership of the Transformation Board from the Head of Finance and Transformation to the Head of Strategic Planning, Performance and Technology.

Decision

The Finance and Policy Committee:-

1. Noted the status of the transformation programme.
2. Noted the changes in Leadership of the transformation portfolio.
3. Agreed the detail contained within the report.

(Reference: Report by Head of Strategic Planning, Performance and Technology, dated 29 September 2023, submitted)

12. SAVINGS PROGRESS UPDATE - CORPORATE & DIGITAL TRANSFORMATION

The Committee gave consideration to a report which provided a summary of the Corporate Services savings 2022/23 year end position, and the 2023/24 position as at 1 June 2023. The report also provided the detailed Digital Transformation programme assurance reports.

Decision

The Finance and Policy Committee:-

1. Noted the year end position 2022/23 of the corporate savings programme.

2. Noted the plans and progress in respect of the 2023/24 corporate savings programme.
3. Noted the Digital Transformation Assurance reports.

(Reference: Report by Head of Strategic Planning, Performance and Technology, dated 23 June 2023, submitted)

13. REVIEW OF PROPOSAL TO INTRODUCE A REDUCTION IN THE MAXIMUM LEVEL FOR CARE AT HOME PACKAGES EQUIVALENT TO THE COST OF A CARE HOME PLACEMENT.

Having noted the impact of Covid-19 on a savings proposal which had been agreed to reduce expenditure in the care at home budget and the number of very high cost care packages being provided, the Committee gave consideration to a report which provided an update on the situation along with updated advice from legal services.

Decision

The Finance and Policy Committee:-

1. Approved a change to the agreed policy following further review and legal advice.
2. Approved removal of the original savings proposed through a ceiling of care package costs.

(Reference: Report by Head of Adult Services – Health and Community Care, dated 29 September 2023, submitted)

14. STATEMENT OF HEALTH & SAFETY RESPONSIBILITIES AND MANAGEMENT ARRANGEMENTS

The Committee gave consideration to a report which presented the revised HSCP Statement of Health and Safety Policy. The revisions were to take into account changes in the management structure of the HSCP and the change of Chief Officer.

Decision

The Finance and Policy Committee ratified the revised HSCP Statement of Health and Safety Policy.

(Reference: Report by Risk/Health and Safety Manager, dated 29 September 2023, submitted)

15. COWAL COMMUNITY HOSPITAL - PROJECT UPDATE

Consideration was given to a report which provided an update on progress and anticipated timelines relating to the Cowal Community Hospital Project.

Decision

The Finance and Policy Committee:-

1. Noted the contents of the report.
2. Noted the current timelines for the three workstreams.

(Reference: Report by Head of Finance and Transformation, dated 29 September 2023, submitted)

16. DATE OF NEXT MEETING

The Finance and Policy Committee noted that their next meeting was scheduled to take place on Friday, 24 November 2023.