

INTEGRATION JOINT BOARD

COUNCIL CHAMBER - WOODHILL HOUSE, WESTBURN ROAD, ABERDEEN, AB16 5GB, WEDNESDAY, 19TH FEBRUARY, 2025

Integration Joint Board Members:

Dr J Tomlinson (Chair), Councillor A Stirling (Vice-Chair), Dr C Backwell, Councillor R Cassie (substitute for Councillor N Baillie), Ms J Duncan, Councillor M Grant, Councillor D Keating and Councillor G Lang, Mr S Lindsay and Ms S Webb.

Integration Joint Board Non-Voting Members:

S Kinsey (Third Sector Representative), F Alderson (Third Sector Representative), V Brown (Third Sector Representative), C Wood (Carer Representative), F Culbert (Carer Representative), R Taylor (Primary Care Advisor), P Bachoo (Secondary Care Advisor), J Barnard (Nursing Lead Advisor), I Kirk (UNISON Trade Union), K Grant (NHS Trade Union), L Jolly (Chief Social Work Officer) and P Milliken (Chief Officer) and M Beattie, (Interim S.95 Officer).

Officers: C Cameron, L Flockhart, J Howie, A MacLeod, A McGruther, A Pirrie, J Raine-Mitchell, J Shaw (Aberdeenshire Health and Social Care Partnership); L Cowie, S Donald, R Meiklejohn, N Stephenson, A McLeod (Aberdeenshire Council).

Apologies: Councillor N Baillie (Councillor R Cassie attending as his substitute).

Also in attendance:

C Smith, Grant Thornton, External Auditor

1 Sederunt and Declaration of Members' Interests

The Chair asked for Declarations of Interest and the following declarations were made:

Councillor Cassie advised he had a connection to Item 3 by virtue of his wife being employed by a care provider whose services are commissioned by the Council. Having applied the objective test he had concluded that he had no interest to declare.

Sue Kinsey advised that she had an interest in Item 4 by virtue of being a member of the AVA Board. She advised that she would leave the meeting and take no part in that item.

2a Public Sector Equality Duty

In taking decisions on the undernoted items of business, the Committee **agreed**, in terms of Section 149 of the Equality Act 2010:-

(1) To have due regard to the need to:-

- (a) eliminate discrimination, harassment and victimisation;
 - (b) advance equality and opportunity between those who share a protected characteristic and persons who do not share it; and
 - (c) foster good relations between those who share a protected characteristic and persons who do not share it, and
- (2) to consider, where an Integrated Impact Assessment has been provided, its contents and to take those into consideration when reaching a decision.

2b Exempt Information

The Committee **agreed**, in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, to exclude the public from the meeting during consideration of the items specified below so as to avoid disclosure of exempt information of the classes described in the undernoted paragraphs of Part 1 of Schedule 7A of the Act.

Item No	Paragraph No of Schedule 7A
4	6 and 7

3 2025-2026 Revenue Budget Report

There had been circulated a report dated 10 February 2025 by the Chief Officer, which outlined the financial challenges and budgetary considerations for the IJB for the financial year 2025/26. The Chair emphasised the core purpose of the budget item, which included considering an indicative budget and specific areas for cost reductions and additional income. He highlighted the urgent task of stabilising the budget due to a funding gap of £36 million and the depletion of reserves. He also advised that the IJB could not finalise the budget until both funding partners had provided a response and it was proposed that the budget would be finalised at the next Board meeting of the IJB in March 2025.

The Chief Officer introduced the report and advised that the budget setting process had been supported by Mary Beattie, the Council's S.95 Officer, who was acting as the S.95 Officer for the IJB on an interim basis and Susan Donald, the Interim Chief Finance Officer. Mary Beattie's role as the Interim S.95 Officer for the IJB would be regularly reviewed. She advised that the IJB was facing a serious financial situation with a predicted overspend of £26.543 million for 2024/25, with no reserves available to mitigate this. The Health and Social Care Partnership had seen increased demand, particularly in social care due to an ageing population and increased complexity in learning disabilities and mental health. She advised that for the next year, the projected overspend was around £40 million without corrective action.

A Recovery Plan had been drafted, which was contained in Appendix 1 and included proposed service reductions, reviews, efficiencies and increased charging and aimed to restore financial balance whilst ensuring the continued delivery of safe, effective and sustainable health and social care services. The proposals included reviewing and redesigning various services, such as in-house home care, learning disability day services and older people's residential care homes. Proposals for services the Health and Social Care Partnership can charge for are being made to move to a full cost recovery model and it was noted that there was a potential to increase income by an estimated £3.3 million. The report highlighted the need for collaboration with funding

partners to ensure the sustainability of services. The IJB would need to make challenging decisions and focus on delivering the required changes to reduce spending and the aim was to build the Health and Social Care Partnership back to a sustainable position, enabling care for the community.

Officers provided an overview of the predicted outturn for 2024/25, highlighting a forecasted overspend of £26.543 million, which included over £12 million related to staffing costs. The highest areas of overspend were primarily in social care, which has informed the savings and redesign proposals for 2025/26. The officers emphasized the need for rigorous budget management and controls to address these financial challenges.

Consideration was given to the detailed savings proposals as set out in Appendix 3, with target savings set against these areas, and in some a request to bring back recommendations to the IJB following reviews. The indicative savings proposals included the removal of temporary contracts, a leadership review, service redesign of in-house Home Care and the ARCH Responder Service, full implementation of the Learning Disability Strategy and review of In-house Day Services, review of the Assisted Transport Policy, review of Older Adult Activity Hubs in North Aberdeenshire, a Care Home and Very Sheltered Housing review, a review of community hospitals in Aberdeenshire to ensure their sustainability and alignment with current and future needs, and a recommendation to cease the involvement of the Health & Social Care Partnership in Autism and ADHD assessments due to financial constraints and lack of government funding.

During consideration of the budget papers, Members expressed concern about the recurring overspend and the need for sustainable financial management. They highlighted the importance of transforming services to live within the available funding.

There were significant concerns about the impact of the proposed savings on service users and staff. Members questioned the assumptions behind the savings and the potential legal and operational challenges.

In response to a suggestion that an 'essential spend only' approach should be adopted, the Chief Officer confirmed that there was already tight control around essential spend, which included control over all supplies, travel and the use of agency staff and locums. These controls were in place and the Senior Management Team was holding budget holders accountable, while supporting officers in managing budgets effectively.

There was a comment on the importance of taking prevention measures and it was highlighted that if no action was taken, the burden of preventable disease over the next 20 years would rise significantly. The need for a strong emphasis on prevention within the Recovery Plan was highlighted.

In relation to the proposed charging increases, Members had concerns about the impact on self-funding service users and the potential for a phased approach or additional support to mitigate the impact was discussed. In response to this, the Chief Officer advised that by considering the phasing of the increased charges, would result in a loss of income to the IJB of around £1.7 million, and if this additional income could not be achieved through increased charges, the IJB would need to identify alternative proposals to balance the budget.

Members also emphasised the need for meaningful engagement with staff, service users and other stakeholders in the review and implementation of proposed changes. They stressed the importance of understanding the real impact on individuals and communities.

With regard to rurality, concerns were raised about ensuring equity in service provision across different areas, particularly considering the unique challenges of rural areas. Members sought assurances that rurality would be considered in any reviews and changes.

Members were advised that the Chief Social Work Officer has a specific role to provide professional advice as well as providing strategic and professional leadership in the delivery of social work services. This includes being able to legitimately challenge when statutory functions are compromised or not being met based on effective risk management principles and social work values. The Chief Social Work Officer emphasised the importance of ensuring that the IJB's decisions and budget align with statutory responsibilities and social work values. She highlighted the need for effective resource management, advocacy for vulnerable individuals and robust risk management. She emphasised the importance of transformation and prioritising those with the greatest need. She also emphasised the need for robust mechanisms to monitor unmet need, risk and potential harm, and to ensure strong mitigation strategies. In conclusion, she confirmed that she was of the view that within the parameters of the proposed indicative balanced budget and the draft Recovery Plan, the IJB could continue to meet its statutory responsibilities and reduce pressures by the £20 million outlined.

Towards the conclusion of the discussion, a Member proposed two additional recommendations, of which the Integration Joint Board were in agreement, and these are reflected in decisions 11 and 12 immediately below.

Following further consideration, the Integration Joint Board (IJB) **agreed**:

- (1) to acknowledge that the delivery of the IJB priorities and the scope and standard of the services that underpin the delivery of those priorities is both facilitated and constrained by the indicative budget that is approved;
- (2) to note the forecast over budget position for 2024/25 of £26.543 million;
- (3) to note that there are no reserves to reduce the forecast overspend and that the Integration Scheme provides the arrangements for addressing the overspend which is that the parties may jointly make additional one off payments to the IJB in order to meet the overspend. The split of one off payments between Parties in this circumstance will be based on each Party's proportionate share of the baseline payment to the IJB;
- (4) to instruct the Chief Officer to formally write to Aberdeenshire Council and NHS Grampian to request an additional one off payment to the IJB to meet the 2024/25 overspend;
- (5) that they had considered and discussed the draft Recovery Plan set out in Appendix 1;

- (6) to note the indicative savings proposals set out in Appendix 3 and instruct the Chief Officer to carry out the reviews that would be required to deliver the indicative savings set out in Appendix 3;
- (7) to approve the charging proposals set out in paragraphs 7.6.1 to 7.6.10 and recommend the proposed charges to Aberdeenshire Council for consideration at its budget setting meeting of 27 February 2025, and to call for a further report to the next meeting of the IJB providing further details on the assurances in terms of existing service providers and service users, that care will continue to be provided to those in need, even with the proposed budget changes;
- (8) to agree the indicative budget that is set out in Appendix 4, as the case for the integrated budget for the year ahead, as laid out in the Integration Scheme, and, for clarity on the Autism and ADHD assessment pathway, to agree that the IJB should Direct NHS Grampian to cease provision of adult Autism and ADHD assessment in Aberdeenshire; to bring back a detailed proposal for the development of an in-house service (Option 2 in report) to the March meeting, and the proposal should include the financial implications and potential funding sources for a reduced service, and should identify alternative savings, to ensure a balanced budget. In addition, the IJB should make a representation to the Scottish Government to highlight the lack of funding to sustain these services;
- (9) instruct the Chief Officer to formally write to NHS Grampian and Aberdeenshire Council to underwrite the anticipated funding gap of £17.155 million for 2025/26 based on the split set out in paragraph 7.10 of this report;
- (10) instruct the Chief Officer to continue to develop options for reducing the anticipated funding gap for 2025/26 to mitigate the financial risk to partners;
- (11) to recognise that the financial position of the IJB reflects that confidence needs to be restored in delivering against the strategic priorities within the funding available, as part of the resettling of the relationship with both NHS Grampian and Aberdeenshire Council; and
- (12) the IJB recognises that there is an urgent need for transformation.

4 Third Sector Interface Direct Award 2025/26

There had been circulated a report dated 12 February 2025 by the Chief Officer, asking the IJB to review and approve a direct award to Aberdeenshire Voluntary Action (AVA) for the year 2025/26, with a focus on budget adjustments and strategic alignment.

Having heard from the Interim Strategy and Transformation Manager, who introduced the report and responded to questions raised, the Integration Joint Board **agreed** to:

- (1) approve the Procurement Approval Form (PAF) and note the Integrated Impact Assessment (IIA) for the Third Sector Interface Direct Award, as detailed in Appendices 1 and 2;

- (2) Direct Aberdeenshire Council to issue a Direct Award to Aberdeenshire Voluntary Action as per the terms outlined in the PAF, based on a 20% reduction in contract value; and
- (3) note that the requirements and outcomes to be achieved through the Direct Award would be monitored via contract monitoring reporting processes on a quarterly basis.