



CÙRAM IS SLÀINTE NAN EILEAN SIAR

WESTERN ISLES HEALTH AND SOCIAL CARE PARTNERSHIP

BRIEFING NOTE - Scottish Government Clawback of Specific Reserves

1. Introduction

- 1.1 The Scottish Government Policy Team have written to all NHS Boards and Chief Officers with reference to various specific reserves held in the IJBS as follows: *"Given the overall financial pressures across health and social care, and taking into account the Resource Spending Review, it is prudent and sensible to use existing reserves that have been built up over time. On this basis, we have agreed with the Cabinet Secretary for Health and Social Care that Integration Authorities should draw down existing reserve balances in the first instance, and therefore 2022-23 allocations will reflect reserves held"*
- 1.2 This will affect Covid Funds for both partners through it appears that the Health and Social Care Partnership should not be financially penalised but a specific letter has yet to come out on Covid reserves to confirm this.
- 1.3 There are 2 areas this will affect that we know of at present: the Primary Care Investment Funds (PCIF) and ADP. An email received from the policy lead for the funding for Mental Health & Wellbeing in Primary Care Services has indicated this fund may also be affected by the overall financial pressures across health and social care as follows: *"As you will be aware, The Scottish Government is currently reviewing all 2022-23 budget plans in light of the known conclusion of in-year Covid consequentials, this has placed unprecedented pressure on existing Health & Social Care budgets. Until this review is complete, and we have confirmation of the funding for this financial year, we will not be able to confirm the budgets for Mental Health and Wellbeing in Primary Care Services. As such, we would strongly advise you **not to recruit to any posts** associated with this until you have received your allocation letter from the Scottish Government"*

2. Primary Care Investment Fund (PCIF)

- 2.1 Naureen Ahmad Deputy Director of Primary Care Division wrote to all Boards 11 August 22 describing PCIF allocations for 2022 (Appendix 1).
- 2.2 The allocation will be paid in 2 tranches in a 70/30 split. NHS Western Isles uplifted total allocation is £1,118,667 less £103,000 in our base = £1,015,667. The Boards reserves for 22/23 are £476,279.

Tranche 1 @ 70% of £1,118,667 = £783,067 less £103,000 = £680,067

Of the £476,279 PCIF reserves we have, SG have reduced our Tranche 1 allocation by £318,806 reserves = **£361,261 allocation**

Tranche 2 estimate @ 30% = £335,600 less remainder of reserves £157,473 = **£178,127**

Total Allocation due **£1,015,667**

Tranche 1 £361,261

Tranche 2 £178,127

Reserves £476,279

£1,015,667

- 2.3 Scottish Government have clearly indicated that plans drawn up over the last few years to spend the reserves or drawn up at the start of the year will not be honoured unless legally committed. The Scottish Government state: **"Please note we are considering legal commitments only as orders and contracts for the delivery of goods and services in relation to MoU delivery signed prior to 11 August"**.
- 2.4 There is at present a £191k underspend for 22/23 for PCIF and the Chief Officer together with his team and GP Sub are trying to agree a way forward to full spend the PCIF by 22/23 to ensure we also do not lose this underspend.

3. Alcohol and Drugs Partnership (ADP) Funding

- 3.1 Deputy Director of Drug Policy Division and Deputy Director of Health Division wrote to all Boards 6 October 22 describing ADP allocations for 2022 (Appendix 2).
- 3.2 NHS Western Isles has a base lined recurring allocation of £588,735, this is slightly more than SG reports as all base line allocations are uplifted by approx. 2% each year. This allocation is "safe".

- 3.3 The Board will not receive any allocation for the non-base items including additional Uplift as shown in table overleaf and will be expected to fund from the Board's ADP reserves of £528,774. It is yet unclear whether any excess of reserves or any underspend from 22/23 funds will need to be used in 23/24 before the Board receives any further non base ADP allocations.
- 3.4 ADP had a 4 year expenditure plan which included receiving allocations in full and planned spending over 4 years of the £528,774 of reserves. This plan will have to be adjusted.

Oct Letter - non Base Items		Funds 22/23
MAT Standards	60,165	Reserves
Task force Responsibilities	2,616	Reserves
Uplift	112,200	Reserves
Residential Rehab	33,000	Reserves
Add National Uplift	72,600	Reserves
Whole Family Approach	23,100	Reserves
Lived and Living	3,300	Reserves
Total	306,981	Reserves
Reserves	528,774	
<u>Total required from Reserves</u>		
Non Base Items	306,981	

Debbie Bozkurt
IJB Chief Finance Officer
November 2022

END