

REPORT

Draft Medium Term Financial Strategy: 2024/25 to 2026/27

Edinburgh Integration Joint Board

18 March 2024

Executive Summary

This report presents the draft medium-term financial strategy for 2024/25 to 2026/27. The associated financial projections incorporate the latest available information, including the budgets which will be delegated from our partners, comparing these to projected costs based on the current forecast outturn, anticipated growth and assumptions around additional resources.

The draft medium-term financial strategy intends to address the projected financial shortfall over a 3-year period. It sets out a range of initiatives, aligned wherever possible to our strategic plan which, over time, will support financial balance. A one-year savings and recovery programme (for 2024/25) is presented as a separate paper to this meeting.

Outputs from, and the potential impacts of, the medium-term financial strategy have been the subject of tripartite talks with our partners. All involved in these discussions recognise and accept a number of complex inter-related factors, namely: ongoing improvements in performance; the increased demand for services as we emerge from the Covid pandemic; the IJB's structural deficit; and a range of unavoidable financial pressures. In this context, partners recognise that financial balance will only be

	<p>possible through reductions in services, outcomes and performance.</p> <p>Given the alignment with the updated strategic plan, the draft medium-term financial strategy will be finalised in parallel.</p>
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| Recommendations | <p>It is recommended that the Board:</p> <ul style="list-style-type: none">a) Notes the 2024/25 budget offers from the City of Edinburgh Council and NHS Lothian;b) Supports the ongoing development of the medium-term financial strategy and agree that this is finalised alongside the strategic plan;c) Recognises the budget control measures required to balance the plan;d) Agrees to postpone a decision on uplifting of contracts pending further work; ande) Agrees to receive an update on progress on a regular and appropriate basis throughout the year. |
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Directions

Direction to City of Edinburgh Council, NHS Lothian or both organisations	No direction required	
	Issue a direction to City of Edinburgh Council	
	Issue a direction to NHS Lothian	
	Issue a direction to City of Edinburgh Council & NHS Lothian	✓

Report Circulation

1. This report has not been presented elsewhere but the content and issues raised in the paper have been explored and discussed through a series of Budget Working Group sessions.

Main Report

Background

2. In March 2023, the Integration Joint Board (IJB) considered the 2023/24 financial plan and agreed the first phase of the associated savings and recovery programme (SRP). Subsequently, the second phase of the SRP, along with further mitigating actions, was agreed in June 2023. This represented the first year of the board's medium-term financial strategy (MTFS) which takes a multi-year approach to financial planning.
3. To produce the draft MTFS for 2024/25 to 2026/27, the Chief Finance Officer has worked collaboratively with senior colleagues in the finance teams of NHS Lothian and the City of Edinburgh Council (the Council) to refine and update the underpinning assumptions. These have continued to evolve as the financial plans for the respective organisations were developed and the outturn for 2023/24 evolved. Work also continued to develop the SRP in accordance with the board's aim to align efficiency with strategic intent.
4. The first of a series of Budget Working Groups was held with board members in August 2023. These allowed officers to share various iterations of the MTFS and the savings and recovery programme. It also offered an opportunity for

members to be kept up to date on the emerging issues and to discuss and debate these with officers.

Draft medium term financial strategy

5. In common with all public services, the IJB is considering its budget at a time when demand for our services is increasing, costs are rising and we are striving to improve performance. With this background, balancing the budget requires the identification and agreement of significant savings, making it extremely unlikely that the current level of service provision can be sustained. Critically, it must be acknowledged that funding does not hypothecate for population growth in Edinburgh by 2030 which is projected to increase by 23% for those over 65 years old.
6. This complex landscape leads to a difficult set of choices for the IJB, how we balance our ambition to expand and improve services and continue to improve our performance and outcomes for our citizens, with the requirement to balance our budget. These goals are not necessarily congruent but do reflect the picture nationally.

2024/25 financial settlements

7. The draft MTFS (in appendix 1) sets out the projected settlements over the 3-year period of the plan. This paper gives further detail on the position for 2024/25.
8. On 19th December 2023, the Deputy First Minister presented a draft one-year Scottish Budget and Local Government Finance Settlement to the Scottish Parliament (available here). Stage 3 of the debate was held on 21st February 2024 when the budget was passed by Parliament. This in turn informs the budgets delegated to the IJB from its 2 partners, the Council and NHS Lothian.
9. For **local authorities**, the Scottish Government (SG) budget provided net additional funding of £245.1m, to be transferred from the health portfolio to support social care and integration (see table 1 below). This recognises the recurring commitments on adult social care pay in commissioned services and an inflationary uplift on free personal nursing care rates. Local authorities were required to pass this additional funding on in full to integration authorities. As can be seen from the table, Edinburgh's share of the £245.1m is £20.2m.

	Scotland £m	Edinburgh IJB £m
Living wage - uplift to £12.00	230.0	18.4
Free personal and nursing care	15.5	1.8
Total	245.1	20.2

Table 1: Additional Scottish Government funding provided for social care 2024/25

10. The **Council** set its budget on 22nd February 2024. As well as passing on the £20.2m in full, the Council has provided further funding of £8m in recognition of the pressures faced by the IJB. A further reduction of £1.1m has been assumed to reflect repayment of potential brokerage to support the 2024/25 position. Although not yet agreed, this has been included at this stage for prudence. These adjustments bring the total budget delegated by the Council to £369m, as summarised in table 2.
11. All territorial **health boards** received a baseline uplift of 4.3%, incorporating recurring funding for pay in 2023/24 and baselining £100m of sustainability and NRAC funding provided in 2023/24. Although some changes to terms and conditions have been announced, pay for NHS staff remains subject to agreement for 2024/25. Health boards and integration authorities have been instructed to plan on the basis that pay awards for health services will be fully funded.
12. NRAC is the formula used to assess each board's fair share of the overall NHS Scotland resource. As well as the baseline uplift, those boards furthest from NRAC parity received a share of £31.1m, NHS Lothian's share of which was £10.2m.
13. Finally, the budget recognised that there are specific legacy **Covid** costs that will require additional funding support in the new financial year. This includes: vaccinations; test & protect; additional PPE requirements; and some specific public health measures. Beyond this, NHS boards and integration authorities are expected to meet remaining costs from baseline funding.
14. The **NHS Lothian** Finance and Resource Committee considered their financial plan on 14th February 2024. At this point, a gap of £142m was projected for the following financial year, leaving the Director of Finance unable to provide the board with assurance on its ability to deliver a balanced financial position over

the next 5 years. Work continues to refine the plan and the final iteration will be scrutinised by the committee on 27th March 2024. Assuming they endorse the plan, it will be presented to the NHS Lothian board for approval on 24th April. Following which it will be submitted to the SG.

- 15. Based on the February version of the plan, we have received formal confirmation of the indicative budget offer to the IJB. However, given that we are aware that a number of material adjustments have been made to this version of the plan we have worked with NHS Lothian’s Deputy Director of Finance to agree an indicative position for the Integration Joint Board. This would give us a delegated budget of £520m, which will be subject to change as the plan is finalised, non-recurring allocations are included in the settlement and the final settlement from the SG received (after the pay uplift for 2024/25 is confirmed).
- 16. The combination of both budget offers would give the IJB a delegated budget of £890m at the beginning of financial year 2024/25 as demonstrated below in table 2:

	£m
Council	369
NHS Lothian	520
Total delegated budget 2024/25	890

Table 2: Indicative delegated budget 2024/25

Expenditure projections

- 17. In conjunction with the City of Edinburgh Council and NHS Lothian finance teams, the estimated costs of delegated services for the coming 3-year period have been modelled. The assumptions are set out in the draft MTFS attached as appendix 1 to this paper.
- 18. Following an internal audit recommendation, and at the request of the Chief Finance Officers, NHS Lothian has reviewed the methodology used to collate the delegated budgets for the 4 IJBs. The consequential share of costs has also therefore been subject to this routine review. It is this updated approach which has been used to calculate both the delegated budgets and associated costs.

19. The impact of these assumptions is that the cost of delivering delegated services will rise by £53m to £890m, a breakdown is shown below in table 3:

	Council £m	NHS Lothian £m	Total £m
Baseline spend	328	509	837
Projected increases in spend:			
<i>Pay inflation</i>	3	5	8
<i>Employers pension contribution</i>	(3)		(3)
<i>Price and purchasing inflation</i>	26	2	28
<i>Social care capacity growth</i>	14		14
<i>Other</i>	1	5	6
Total increases	41	12	53
Total projected spend	369	521	890

Table 3: projected delegated expenditure 2024/25

20. Comparing these budget offers from the Council and NHS Lothian with the projected costs for delegated services gives the IJB a £60m savings requirement going into 2024/25 as shown in table 4 below:

	£m
Projected delegated budget	830
Estimated costs	890
Savings requirement	60

Table 4: projected IJB savings requirement 2024/25

Scottish living wage and contract uplifts

21. As discussed above, the SG budget for 2024/25 provided £230m to meet the commitment to pay front line social care workers in contracted services a minimum of £12/hour. Edinburgh's share of this funding is £18.4m, however the costs of this policy are estimated at £23.7m, assuming a start date of 1st April 2024. The associated shortfall of £5.3m is one component of the board's estimated savings requirement for 2024/25. In other words, service reductions of £5.3m will be required to meet this commitment.
22. Similar uplifts in previous years have also not been fully funded. In total £10.4m of the board's savings requirement of £60m is caused by these cumulative funding shortfalls. Although sufficient funding was provided at a national level, the way it was distributed across local authorities meant that some IJBs received insufficient funding whilst others were allocated more than

they required. In advance of the allocation being confirmed, the Chair, Chief Officer and Chief Finance Officer raised their concerns with SG and COSLA colleagues. As part of these representations the potential implications if this important policy commitment was not fully funded at a local level were clearly articulated.

23. Whilst members will clearly wish to see this group of workers appropriately remunerated, implementing this policy will require offsetting savings to be identified and delivered.
24. On this basis, officers were asked to consider the choices faced by the board regarding implementation. Appendix 2 sets out 4 potential options, along with a brief assessment of each.
25. It is well rehearsed that the implications on services, outcomes for people and performance of delivering a savings programme of the magnitude required to balance our budget will be extremely negative. In this context, one of the MTFS underpinning principles is that the board is not in a position to implement any legislative and/or policy commitments which are not fully funded (option 1).
26. The level of funding the IJB will receive would allow an uplift to £11.75/hour (option 2) if implemented from 1st April 2024. Recognising the vital contribution this workforce makes to providing safe and effective services for the people of Edinburgh implementing this would be extremely challenging.
27. Another option (#3) is to implement this policy within the allocation given for this financial year. This would mean agreeing the £12/hour but delaying implementation until 22nd June 2024. This is the date at which the costs would equal the funding available. Although this would only deliver a one-off benefit, this approach would allow officers time to identify savings and efficiencies which could be delivered via transformation.
28. Equally though, the scale of the financial challenge facing the IJB in 2024/25 is significant. On the grounds that: we are not in a position to exacerbate this; that there is not a high degree of confidence in delivery of the offsetting savings which would be required; and that the policy has not been funded in full, it is **recommended** that the board defers making a decision (option 4). This would allow officers to pursue other funding solutions, including the potential to secure

additional funding as a result of UK Government consequentials. A verbal update on this will be provided at the meeting.

Savings and recovery programme

29. The savings and recovery programme for 2024/25 is covered in a separate paper to this meeting. This is aligned to the IJB's aim to deliver change through transformation and in a way which has minimal impact on outcomes for people and general performance. It is recognised that, despite this intention, the size and scale of the deficit means this will not be entirely possible. The value of the proposed savings and recovery plan is £45m. As such it is a complex programme of change and transformation and will require to be appropriately resourced. Given the importance of delivery the Chief Officer is finalising a review of governance and oversight arrangements. This will ensure that senior responsible officers (SROs) have the support they require and that arrangements are in place within the Partnership to oversee and scrutinise implementation and provide early warning of any potential shortfall in delivery of savings, to allow mitigating action to be taken.

Achieving breakeven and next steps

30. We are facing unprecedented challenges to the sustainability of our health and care system; an ageing population; an increase in the number of people living with long term conditions; a reduction in the working age population which compounds the challenge in workforce supply, and fundamentally resource availability cannot continue to match levels of demand. These issues are longstanding and have been recognised on a UK and Scotland wide basis.
31. In the case of Edinburgh this is evidenced by the structural deficit which the IJB inherited from partners. Since its inception the IJB has routinely faced an underlying budget gap which we are unable to bridge on a sustainable basis. The MTFs offers an opportunity to redesign services over a 3-year period in a way which maximises alignment with the strategic plan.
32. During the development and refinement of the IJB's MTFs, the Chief Officer and Chief Finance Officer have been working closely with the Council's Head of Finance and NHS Lothian's Director of Finance. These tripartite discussions have been productive and reflect a shared intent. An example of this are the discussions which have taken place regarding the set aside budget. Even after

the identification of savings schemes, a key determinant of the IJB's financial gap is the position with set aside services. On this basis, and in line with assumptions in previous years financial plans, it has been assumed that NHS Lothian makes an additional payment of £7m to address the residual gap relating to set aside services. It should be noted that there is some risk with this assumption given that NHS Lothian themselves remain some way from financial balance.

33. This would then leave a residual gap of £8m per table 5 below. This would be reduced to £3m if a cost neutral solution was identified for the contractual uplifts identified in paragraphs 21 to 28 above.

	£m
Savings requirement	(60)
Proposed savings and recovery plan	45
Savings requirement	15
Assumed additional NHS Lothian contribution	(7)
Residual balance/budget control measures required	8

Table 5: residual balance on the 2024/25 budget

34. A separate paper to this meeting sets out the approach taken to identifying the savings and recovery programme for 2024/25 and beyond. In doing this, options for delivering savings next financial year have been exhausted. Given the limited ability to effect further savings from staffing costs (both partners having a no compulsory redundancy policy and the fact that significant vacancies are already built into the financial plan), the remaining gap would have to be bridged by further restricting net growth in purchasing costs. The direct implication of these **budget control measures** is that services and supports to the people of Edinburgh would be directly constricted by the amount of funding available. A balance of £3m would mean restricting net growth by c£2,000 per week, the higher figure of £8m would see a weekly restriction of c£5,800.
35. Locality teams would be set targets and required to manage demand within set budgets. This would essentially prevent approval of new or increased packages of care (across care at home, residential care, day support, transport, direct payments and individual service funds) once the spend limit has been reached each week/month. As an example, £5,800 a week would equate to

either 5 people a week requiring residential care or 13 requiring an average size care at home package being unable to access it.

36. There are very clear risks associated with this approach for the people of Edinburgh as we would essentially be unable to afford to meet the assessed needs of citizens. On a practical level this would also be very challenging to implement as detailed and timely information on weekly spend is not readily available. However, the **clear recommendation** from officers is that these actions will be required to agree a balanced budget for 2024/25.
37. The draft budget is reflected in the initial allocation for all delegated services set out in the financial schedule which accompanies the overarching direction. This schedule is attached as appendix 3.

Implications for Edinburgh Integration Joint Board

Financial

38. Outlined in the main body of this report.

Legal/risk implications

39. Even if agreed in full, delivery of the savings and recovery programme of the scale proposed is a major undertaking. As such, it will need to be adequately resourced and appropriately governed to ensure full delivery. Partnership governance arrangements are currently being reviewed by the Chief Officer.
40. Whilst every effort has been made to ensure all likely additional costs have been incorporated into the financial outlook at this time, there remain a number of inherent uncertainties and associated risks. The financial planning process is an ongoing and iterative cycle, and it is not possible to fully identify all financial risks facing individual service areas, or the wider organisation, at this stage.
41. A number of specific risks relating to the assumptions should be considered by the board, as noted below:
 - The impact of material changes to the cost base for next year, for example the financial impact of workforce shortages and rising energy costs. This is being closely monitored by partners;

- Continued management of the financial exposure arising from the ongoing desire to improve performance, addressing unscheduled care capacity pressures and reducing delayed discharges;
- Availability of SG funding for both nationally funded programmes & initiatives and services funded annually on a non-recurring basis;
- Impact on the wider provider market in the absence of a clear position on contractual uplifts to reflect the Scottish living wage of £12/hour;
- The assumption that NHS Lothian will be in a position to make an additional payment in respect of the projected overspend on set aside services; and
- Ongoing impact of uncertainty in global markets as a result of the Russian invasion of Ukraine.

Equality and integrated impact assessment

42. There are no specific implications arising from this report. Where required, integrated impact assessments (IIAs) have been completed for the projects in the savings and recovery plan. A programme IIA has also been undertaken.

Environment and sustainability impacts

43. There are no specific implications arising from this report.

Quality of care

44. There are no specific implications arising from this report.

Consultation

45. This report has been prepared with the support of the finance teams in the City of Edinburgh Council and NHS Lothian.

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Appendices

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| Appendix 1 | Draft Medium term financial strategy |
| Appendix 2 | Options for implementation of contract uplifts and the Scottish living wage |
| Appendix 3 | Financial schedule for direction to the City of Edinburgh Council and NHS Lothian – 2024/25 |

Edinburgh Integration Joint Board

**Medium term financial strategy – 2024/25 to 2025/26 -
DRAFT**

THE EDINBURGH INTEGRATION JOINT BOARD

1. The Edinburgh Integration Joint Board (IJB) became operational on 1st April 2016. Integration authorities were established through legislation which brought together the planning and operational oversight for a range of NHS and Local Authority services with the intent of improving overall health and wellbeing through the delivery of efficient and effective health and social care services. The IJB is responsible for planning the future direction of, and overseeing the operational delivery of, integrated health and social care services for the citizens of Edinburgh. These services are delegated to us from our partners, the City of Edinburgh Council (the Council) and NHS Lothian. They are largely delivered by the Edinburgh Health and Social Care Partnership (the Partnership), although some are managed by NHS Lothian on our behalf. These are referred to as “hosted” or “set aside” services.
2. One of the key levers available to the IJB to support transformation is that NHS and Local Authority budgets are no longer separate. We can move resources between the partners and deliver new models of care and ensure the health and care system for Edinburgh is high quality, sustainable and effective.
3. Despite these opportunities, like many public bodies, we operate in an environment of increasing demands at a time of reducing resources. Balancing these conflicting factors is key to our sustainability as we seek to implement our strategic plan. There is no doubt that our strategic ambition for the people of Edinburgh is going to be impacted by our ability to continue to afford current levels of provision.

CONTEXT

Overview

4. Our medium-term financial strategy (MTFS) is being prepared at a time of significant financial challenges facing all public bodies. Understanding the wider context is therefore imperative. Official publications, from both UK and Scottish Governments (SG), set the scene of tightening resources, increasing demands, workforce shortages and the requirement to prioritise and target key priorities. Thus, the IJB is setting a budget at a time when demand for our services is increasing, costs are rising and we are striving to continue to improve performance. With our budget of c£830m we will prioritise services for the most vulnerable, drive improvements in service delivery through transformation and seek to maximise the benefits from the funding we have available. Despite this it must be recognised that balancing the budget will require the

identification and agreement of significant savings, making it extremely unlikely that the current level of service provision can be sustained. This complex landscape leads to a difficult set of choices for the IJB, how we balance our ambition to expand and improve services and continue to improve our performance and outcomes for our citizens, with the requirement to balance our budget. These goals are not necessarily congruent but do reflect the picture nationally.

5. Recent SG budgets have recognised the need for difficult decisions to prioritise funding in the face of a deeply challenging financial position.
6. Audit Scotland reports on the NHS in Scotland and Local Government in Scotland include links for 2023 highlighted the challenges facing health services and local authorities:

‘Significant changes are needed to ensure the financial sustainability of Scotland’s health service. Growing demand, operational challenges and increasing costs have added to the financial pressures the NHS was already facing. Its longer-term affordability is at risk without reform.’

‘Councils have never faced such a challenging situation.demand and workforce pressures have been deepening after the pandemic and funding is forecast to reduce in real terms. Radical change, through greater collaboration, is urgently needed if councils are to maintain services.’

Legislative and policy changes

7. The IJB will also be impacted by UK and SG legislative and policy changes and the impact of these need to be considered over the medium term.

a) National Care Service

8. Legislation, which will see the introduction of a National Care Service for Scotland (NCS), has passed stage 1 in Parliament. On 6th March 2024, MSPs voted for the general principles of the National Care Service (Scotland) Bill which will ensure greater transparency in the delivery of community health and social care, improve standards, strengthen the role of the workforce and provide better support for unpaid carers. The proposals, which also include establishing a National Care Service Charter, rights to breaks for carers and provisions to enact Anne’s Law so people in care homes have the right to be visited by their families, were backed by a Scotland-wide consultation led by the SG.

9. Having passed stage one, the bill moves into stage 2 where amendments will be considered by the Health, Social Care and Sport Committee before stage 3, when the full Parliament makes a final vote on whether to pass the Bill.

b) Safe and effective staffing

10. The Health and Care Staffing (Scotland) Act 2019 was enacted in June 2022 and sets out duties for health and social care providers to provide safe, high-quality services to achieve the best outcomes for service users. The act comes into force on 1st April 2024 and has two important overarching provisions:

- i. the principle that the main purpose of staffing is to provide safe, high-quality services and the best outcomes for service users; and
- ii. a duty on NHS and social care providers to make sure that, at all times, there are suitably qualified and competent staff working in the right numbers.

11. The act sets out how these overarching principles should be applied across health and social care, including in the commissioning of services. It also specifies different duties for health boards, councils, integration authorities and the SG to report publicly on compliance with the Act.

c) Primary care

12. Demand for primary care services is predicted to continue to grow, and if the system does not adapt or change, there will be a net increase in costs driven by growth in the population, public demand and price pressures. The SG has committed to a re-design of primary care services supported by the introduction of a new GP contract known as the memorandum of understanding. Delivery is supported by the primary care improvement fund with Edinburgh receiving £16m to address the growing systemic instability being experienced nationally.

13. Overall, primary care budgets are relatively well-insulated against the severe pressures being felt in public services finances across Scotland. The dichotomy is that primary care is more exposed than other public services to the increasing demands of a public unable to access a range of the services they need and the consequent impact on health. Primary care remains the default public service for people waiting for secondary care and mental health provision.

d) Mental health

14. The SG remains committed to investment in mental health, with a £120 million investment in mental health recovery and renewal funding which is aimed at improving how people can

manage their mental health with appropriate early support and be referred to additional support when required. This funding was in recognition of the unprecedented challenges which have been faced during and following the COVID 19 pandemic and the impact it has had on mental health and wellbeing. The level of demand/need has increased over the pandemic, and it is reasonable to assume that the peak is yet to be realised, with pending austerity measures likely to exacerbate the socio-economic determinants of poor mental health.

e) Scottish living wage

15. In recent years the SG has recommended minimum pay settlement for adult social care workers in commissioned services. This has been supported by additional funding. Although not the case for 2024/25, in future years it has been assumed that, if the SG continues with this policy commitment, funding will be put in place to meet the associated costs.

f) Getting it Right for Everyone (GIRFE)

16. Getting it right for everyone (GIRFE) is a multi-agency approach to health and social care support and services from young adulthood to end of life care. Essentially, GIRFE is about providing a more personalised way to access help and support when it is needed. It will place the person at the centre of all the decision making that affects them, with a joined-up consistent approach regardless of the support needed at any stage of life.
17. We have established a GIRFE pathfinder team who are working closely with SG colleagues to develop and design a multi-agency framework to support GIRFE adoption which is currently scheduled for 2025.

g) Net zero

18. 'Net Zero' means the amount of greenhouse gas emissions we put into the atmosphere and the amount we're able to take out will add up to zero. Our first step is to reduce emissions by changing our actions and processes.

Our strategic plan

19. The new strategic plan which will cover the period up to 2027 is currently in development and is due to be consulted on in Spring 2024. Following this, it will be presented to the board in summer. Underpinning the strategy are 4 priorities which are being proposed:

Prevention and early intervention

Maximising independence

Protecting our most vulnerable

Valuing our workforce and managing resources effectively

20. As absolute alignment is necessary between the strategic plan and the MTFS. As a result, this MTFS will remain in draft with the final version presented to the IJB for approval once the strategic plan has been approved.
21. Will be further updated following publication of the strategic plan.

MEDIUM TERM FINANCIAL STRATEGY

22. We recognise the need to evolve our thinking and adopt a longer term, strategic approach to financial planning. This involves a move away from considering incremental change on a year-by-year basis. Instead, the focus will shift to considering how we best use the totality of our finances to deliver the priorities set out in the strategic plan. Ultimately the MTFS will form a set of longer-term transformation change programmes and projects, expected to deliver improved care and financial benefits as part of a multi-year programme. It will provide the vehicle to move the IJB towards sustainability, but the planning and implementation of such large-scale, strategic change takes time and many of the financial benefits will only be realised over a number of years.
23. The financial outlook facing the IJB is longstanding, and Edinburgh is not in a unique position, with integration authorities across Scotland facing similar challenges. Over the last few years we have had an ongoing dialogue about how to balance the current care, workforce and financial deficits whilst ensuring the sustainability of the Edinburgh health and social care system.
24. There are 4 components to the IJB's delegated budget, one of which sits with Council run services and the other three with health:
 - a) **Social care** – ‘Council’ services operationally managed and delivered by the Partnership
 - b) **Core health** – ‘health’ services operationally managed and delivered by the Partnership
 - c) **Hosted** – the element of services provided on a pan-Lothian basis and delegated to the IJB. The majority of these services are operationally managed out with the Partnership.
 - d) **Set aside** - the IJB's share of acute hospital services which although delegated, are operationally managed by NHS Lothian.
25. Figure 1 below shows the relative proportion of the budget associated with each of these components:

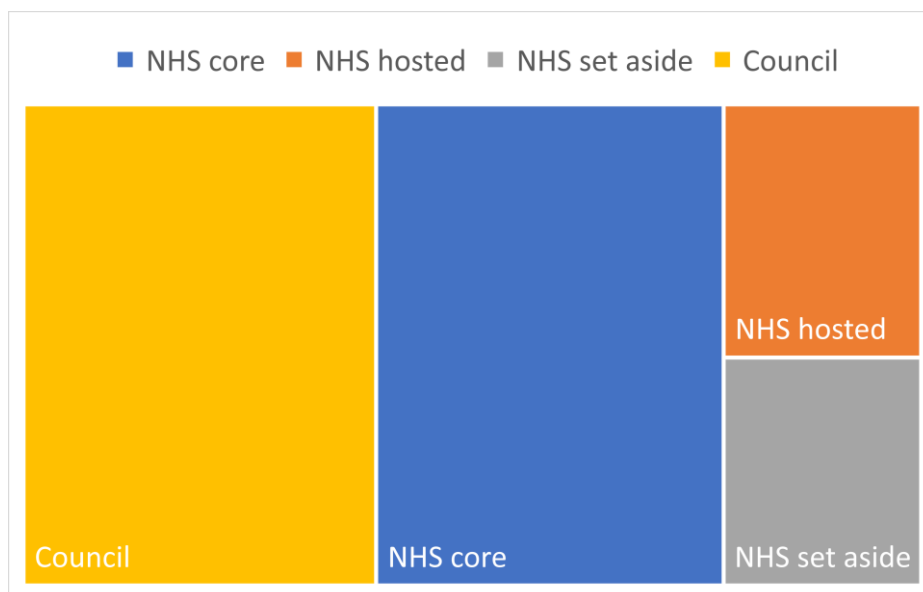


Figure 1: components of Integration Joint Board budget

26. Across all the services the IJB commission we spend an estimated £830m each year. The key services this supports are shown in the appendix.

Budget deficit

27. From its inception, the IJB has never been in a stable and sustainable financial position. The initial financial plan presented to the board in June 2016 (which can be found [here](#)) reported an estimated in-year savings requirement of £34m. Whilst an offsetting savings and recovery plan was agreed, delivery was only possible by offsetting funding provided by the Scottish Government to support innovation and change. In addition to this, partners were required to provide a further £3.6m of funding to support a break-even position. This deficit then carried into the following financial year.
28. The position was similar in 2021/18 with an initial savings target of £20m. By the end of the year partners made additional contributions totalling £12.3m to support the IJB to break even.
29. Although the dynamics in each of the subsequent years was subtly different, the underlying position remained the same. Namely, lack of sufficient funding to meet unavoidable increases in cost, challenges in delivering agreed savings, unfunded commitments, the drive to improve performance and drive down waiting lists and partners who were not in a position to agree funding settlements which reflected the clearly demonstrated need.
30. Financial balance has only been possible by the underpinning of one-off benefits and additional contributions from partners. The underlying budget gap has worsened year on year and the

budget gap going into 2024/25 is estimated at £60m, rising to £109m by 2026/27. Given that savings are delivered year on year to offset pressures, determining the drivers of this position is not straightforward. However, these can be characterised as follows:

	£m
Social care capacity growth	37
Living wage & contract uplifts	10
Pay awards	6
Prescribing	11
Set aside services	8
GMS	2
Drugs	2
Vacancies	(16)
Total	60

Table 1: determinants of the Integration Joint Board budget gap 2024/25

31. This table demonstrates the range of unavoidable pressures which the board faces as it seeks to respond to increasing demand and unfunded policy initiatives.

Financial projections

32. Our MTFS pulls together all of the known factors affecting the financial position and sustainability of the IJB over the next 3 years. It takes cognisance of the challenges and opportunities the IJB faces over the medium term and considers the potential impact on our finances. As such it forms an essential piece of the strategic planning process and should be read in conjunction with the strategic plan. As this is currently in development, this MTFS should be considered as a draft and will be amended and updated to ensure alignment with the strategic plan. Recognising the quantum of the financial challenge the board faces, our new strategic plan will focus on protecting and supporting the most vulnerable people in Edinburgh and the statutory duties of our partners in the Council and NHS Lothian.
33. The following sections set out our assumptions on projected income and expenditure over the upcoming 3-year period.

Funding estimates

34. The IJB receives its funding from our two partners – the City of Edinburgh Council and NHS Lothian. This funding will be impacted by their respective financial planning and budget setting processes, and the funding settlements that they receive from the SG.

35. The MTFS makes assumptions about future funding contributions from partners based on information which is currently available. Using this information, it is forecast that funding is likely to increase by £78m between 2024/25 and 2026/27.

a) Scottish Government

36. The Scottish Government (SG) publishes its draft budget around December each year, with parliamentary approval being secured the following February. In recent years the SG has set a one-year budget so projecting beyond this level will require assumptions to be made.

37. On 19th December 2023, the Deputy First Minister presented a draft one-year Scottish Budget and Local Government Finance Settlement to the Scottish Parliament (available [here](#)). Stage 3 of the budget debate was held on 21st February 2024 when the budget was passed by Parliament. This in turn informs the budgets delegated to the IJB from its 2 partners, the Council and NHS Lothian.

b) City of Edinburgh Council

38. On 22nd February 2024, the Council agreed its revenue budget framework and medium-term financial plan 2024/29. Excluding social care services, a deficit of £21.0m was projected for 2025/26, rising to £143m by 2028/29. Elected members agreed a number of measures, the combined impact of which provided for a balanced budget to be set for 2024/25, albeit with significant incremental remaining gaps in subsequent years, reinforcing the importance of developing a longer-term programme of change. Despite the challenging budget position over the coming years, the focus of the financial plan and associated change programme will be on the three priorities as set out in the Council's business plan: ending poverty in Edinburgh, becoming a net-zero city and creating good places to live and work.

c) NHS Lothian

39. Unlike the Council, NHS Lothian has not yet concluded its budget setting process for 2024/25. The report to the Finance and Resources Committee on 14th February highlighted a requirement to deliver £142m (c7%) of financial recovery savings and/or reduced costs in 2024/25 in order to close the financial gap. A combination of baseline carry-forward pressures and additional expenditure, growth, uplifts and commitments is driving this pressure. NHS Lothian will continue to refine its financial plan with the final version being presented to their board in April 2024.

d) Integration Joint Board delegated budget

40. The funding assumed in this MTFS is based on the budget offer from the Council for 2024/25 and the indicative one from NHS Lothian. These have then been uplifted for future years based on the assumptions detailed in appendix 2.
41. The combination of both budget offers would give the IJB a delegated budget of £830m at the beginning of financial year 2024/25, rising to £876m by 2026/27, as demonstrated below in table 2:

	2024/25 £m	2025/26 £m	2026/27 £m
City of Edinburgh Council	326	344	361
NHS Lothian	504	510	515
Total delegated budget	830	853	876

Table 2: Indicative delegated budget

Expenditure estimates

42. Like integration authorities and other public sector bodies across Scotland, we face rising costs as a result of increasing demand (both in terms of numbers and complexity), inflation, policy commitments and changes in legislation. These cost pressures are likely to be exacerbated by the future consequences on service demand as we continue to experience the impact that the pandemic has had on health, poverty and deprivation. Evaluating the key factors likely to impact over the medium term it is estimated that the IJB will face cost and demand pressures of £148m. The key areas are:

a) Pay, terms and conditions

43. In recent years, inflation and the associated cost of living crisis has driven pay settlements in both health and local authority sectors. The assumed level of increase reflected in the MTFS is based on the pay assumptions for both partner bodies. These are anticipated to be lower than in previous years. As employee costs represent around 40% of the IJB's gross budget, if these high inflationary increases continue over the medium term this represents a significant risk to the IJB.
44. On 7th March 2024, the SG confirmed a series of measures, designed to modernise the NHS Scotland Agenda for Change (AfC) system. These changes come into effect on 1st April 2024 and include: a consistent approach to protected learning time; a review of band 5 nursing roles; and a reduction of 30 minutes in the working week. Boards are awaiting guidance on the

implementation practicalities, this will support clarity on the financial implications. Health boards and integration authorities are working on the basis that full funding will be provided.

b) Employers pension contributions

45. The Lothian pension fund triennial valuation provided the opportunity for member Councils to reduce employer contributions in the medium term. Subsequently, the Pensions Committee agreed to a proposed contribution rate of 17.6% for the three-year period to 31 March 2027. This in turn will see costs reduce by £3.4m p.a. for Council staff working in the Partnership which has been built into the financial projections. For the avoidance of doubt, there is no impact arising from this change on either employee contributions or benefits paid.
46. Further to this direct impact, the Council has agreed to use £8m of the wider benefit to increase the budget delegated to the IJB.

c) Demand for purchased services

47. This outlook has considered the local and national context and how this is impacting on demand for services. Longer term modelling, taking into account demographic projections and increases in demand being experienced in services, identifies the need for a 6% increase in budgets in 2024/25 to meet the needs of the citizens of Edinburgh. This is based on year-on-year growth in demand from January 2023 to January 2024, adjusted for any known one-off costs and benefits. Different types of service provision were modelled separately and the ultimate increase has been weighted to reflect this.
48. A lower (4%) increase has been assumed for future years, reflecting the assumed impact of changes in practice, recent reductions in waiting lists and increased controls. Further development of this modelling approach has been built into the work plan and the output will influence future iterations of the MTFs.
49. If financial settlements continue to lag behind inflationary and demand pressures, then the ability to meet this demand will be severely constrained.

d) Contractual inflation

50. In recent years the SG has set a national methodology for uplifting contracts. This approach was designed to ensure that all front-line social care workers in the third and independent sectors are paid at least the Scottish living wage. For Edinburgh, this important policy has not always been fully funded, and contributes a cumulative estimated £10.4m to the budget deficit. Whilst sufficient funding has been made available nationally by the SG, the formula used to distribute it disadvantages Edinburgh.

51. This MTFS assumes that this underfunding continues over the period of the plan. The figures have been calculated on the basis that integration authorities will be asked annually to submit estimated costs and the level of funding available nationally will fluctuate based on these returns. However, the way it is allocated will not change. If this funding methodology is adopted in future years, modelling indicates that, every £1 increase in the Scottish living wage would give rise to a further pressure of c£4.5m p.a. Over the period of the plan, it is estimated that this will contribute £18m to the savings requirement.

e) Free personal and nursing care

52. Costs associated with free personal and nursing care are assumed to increase in line with the funding received. This is consistent with previous assumptions, which have proved to be reliable.

f) Hospital drugs

53. The NHS Lothian financial plan assumes a cost growth on hospital drugs of 10% p.a. This is split between underlying drug growth and the impact of new medicines approved through Scottish Medicines Consortium.

g) GP prescribing

54. The cost of the drugs prescribed by GPs is increasing year-on-year, a trend which is anticipated to continue. These increased costs are driven by a combination of national and international issues (pricing volatility, supply and currency movements) and demand, itself a factor of demographic change. Edinburgh performs extremely well nationally in terms of prescribing costs and has one of the lowest costs per head of population. Each year NHS Lothian's medicines management team produces a look forward which projects costs for the following year.

h) Non pay costs

55. Excluding the elements above, the expected growth in NHS Lothian's non-pay costs has been set at 2% p.a. in the plan. This excludes energy costs, which are based on actual estimated growth (as well as not being delegated).

i) Brokerage

56. The financial position for 2023/24 is not yet settled and, at the time of writing, the IJB is projecting a residual deficit of £3.3m. Discussions are ongoing with partners and the MTFS assumes that, in line with the integration scheme, partners make an interim payment to the

board. Repayment of this interim funding has been assumed at the level of £1.1m in each of the years of the 3-year plan.

j) Legislation/regulation/government and local policy commitments

57. The IJB is subject to legislation, regulation, government, and local policy changes which can have cost implications and have been explored earlier in this document. This MTFS assumes that any new statutory or policy burdens during the lifetime of this outlook will be fully funded by the SG, although this is not guaranteed. Further, it assumes that where funding is not provided to meet the full cost implications of any change then we will not be in a position to implement in line with expectation.

k) Summary

58. The impact of the assumptions set out above has been modelled and indicates that the net cost of delivering delegated services will rise by £95m to £985m over the 3-year period as shown in table 3 below:

	2024/25 £m	2025/26 £m	2026/27 £m
City of Edinburgh Council	369	406	442
NHS Lothian	520	531	543
Total delegated budget	890	937	985

Table 3: estimated costs of services delivered by partners

Sensitivity

59. As a financial model which, by definition, is based on a number of assumptions, the MTFS has a range of associated risks. As an organisation the IJB needs to be aware of these risks but should not become risk adverse when developing its future plans. Sensitivity analysis is used to test the major assumptions made by the model and understand what the implications are if assumptions should change. This effectively tests “what if” scenarios and enables the IJB to determine the potential fluctuation which could exist within the modelling and will assist future planning. It should be recognised that the current economic climate is extremely volatile and this does increase the risks associated with the forecasting within this model. Table 4 below shows the financial impact of %age changes in key cost drivers. For example, a 1% change in the growth assumption would increase (or decrease) the cost of purchased services by £3m. Similarly, a 0.5% difference in pay awards would change the associated cost by £1.73m. The assumptions underpinning the MTFS reflect the most likely scenario.

	£m or %	£m or %
Growth	1.00%	3.00
Price	1.00%	3.00
Pay	0.50%	1.73
Prescribing & drugs	0.50%	1.52
Vacancies	5.00%	0.80
Savings delivery	10.00%	4.51

Table 4: sensitivities in planning assumptions

RESERVES

60. The IJB is able to hold reserves and is required to have a reserves policy. Following its agreement in July 2019, the policy is reviewed on an annual basis by the Performance and Delivery Committee. Although there is no guidance on the minimum level of reserves that should be held, the level should be based on the professional judgement of the Chief Finance Officer. In assessing the appropriate level of reserves, the IJB should ensure that the reserves are not only adequate but are also necessary. In determining the level of general reserves to be held, the Chief Finance Officer must consider the strategic, operational and financial risks facing the IJB over the medium term, the IJB's overall approach to risk management, and all other relevant local circumstances. The level of earmarked reserves will be established by the IJB as part of the annual budget process. The level of the general (or contingency) reserve will be confirmed by the IJB Chief Financial Officer as part of the year-end accounting processes and will take into consideration the financial environment at that time and be reviewed on an annual basis.
61. Earmarked reserves are largely the result of funding received from the SG, either via the Council or NHS Lothian to pay for specific policy initiatives. As such, these are unpredictable and not available to support baseline costs. They have not been incorporated in the MTFs for these reasons.
62. We are not projected to hold any general reserves at the start of the 3-year period covered by the MTFs. Further, the only way to establish a general reserve would be to identify and deliver savings beyond the value required to support financial break even. As outlined below, the savings and recovery programme is already significantly challenging, therefore it is not proposed to create a general reserve over the lifetime of the MTFs. This position is not out of line with many other integration authorities who have exhausted their general reserves to support the financial position.

SAVINGS AND RECOVERY

63. Taking the income and expenditure assumptions set out in the MTFS, the IJB is facing an estimated budget deficit of £109m by 2026/27 (see table 5 below). Current levels of expenditure are unsustainable and failure to address this risks jeopardising the future provision of key services and supports. In line with other integration authorities across Scotland, the prevailing circumstances and associated financial constraints reinforce the need to redesign services and reshape the services we commission. In developing the savings and recovery programme, which is part of this MTFS, we have prioritised delivering efficiencies through positive, strategic change and transformation, or through grip and control and efficiency measures. However, given the size and scale of the financial gap faced by the IJB, some proposals will have clear impacts on services, performance, citizens and staff. Through the integrated impact assessment (IIA) process these potential impacts are recognised and mitigated to the extent to which this is possible.

	2024/25 £m	2025/26 £m	2026/27 £m
Projected income	830	853	876
Projected expenditure	890	937	985
Total savings requirement	60	84	109

Table 5: Integration Joint Board 3-year budget gap

64. Like other public sector bodies we have to prioritise and make difficult choices. Through the MTFS we seek to protect core statutory responsibilities, ensure that the most vulnerable are protected and return the IJB to financial stability and sustainability. Thus, our savings and recovery programme aims to:

- Achieve a balanced budget;
- Improve efficiencies in service delivery;
- More effectively target resources; and
- Protect the most vulnerable and ensure delivery of our partners' statutory duties.

65. The savings and recovery programme for 2024/25 has been set out in detail in a report to the IJB. We have grouped the proposals into 3 categories as set out in figure 2 below:

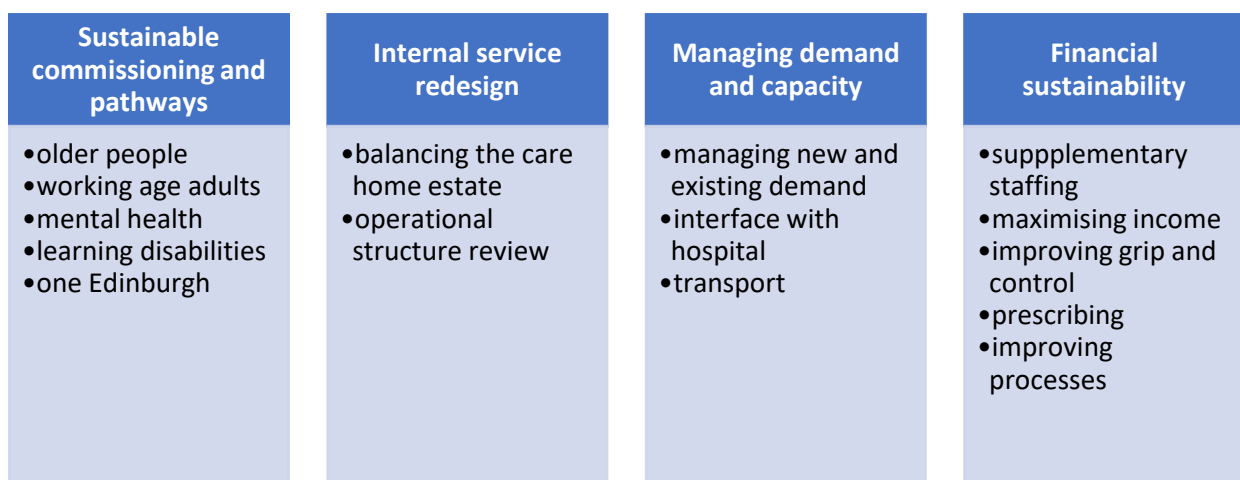


Figure 2: structure of savings and recovery programme

66. Savings and recovery programmes for 2025/26 and 2026/27 will be further developed and refined and presented to the IJB for approval as part of the budget setting process for those years. However, based on the 2024/25 programme, the impact on future years has been estimated (see table 6 below):

	2024/25 £m	2025/26 £m	2026/27 £m
Projected savings requirement	(60)	(84)	109
Estimated savings identified	45	67	74
Remaining gap	15	17	35
Additional payment from NHS Lothian	7	7	2
Balance to be identified/budget control measures	8	10	33
Residual gap	0	0	0

Table 5: Integration Joint Board 3-year budget gap

RISKS

67. We have an IJB risk register which ensures significant risks are identified and effective actions implemented to reduce these risks to acceptable levels, whilst securing service delivery within available resources. This is supplemented by a series of operational risk registers held at Partnership, locality and service levels and governed through the Partnership risk committee.
68. The setting of any budget incorporates acceptance of the assumptions and risk underpinning the figures. The major risks impacting on the MTFS are as follows:
- (i) For the last few years, the budget reflects a significant level of vacancies across both health and social care services. As such, the MTFS reflects current staffing levels. Should these improve, then costs would increase and offsetting savings would be required. This

is monitored during each monthly budget monitoring period and all posts are subject to a vacancy control process.

- (ii) The proposed pay awards are based on the information provided by the SG for planning purposes. These have not been agreed and there is a risk that the percentage agreed could be higher than anticipated. Further, there is a risk that pay increases are not funded in line with the assumptions in the MTFS.
- (iii) Prescribing remains a high-risk budget for the IJB. Whilst the decisions to prescribe are made locally, the costs of the drugs and the agreement to introduce new drugs are made nationally.
- (iv) There is a risk of increased demand for services, as a result of health debt caused due to COVID. Modelling has been carried out to estimate the impact of this on our costs but, given the number of variables, it is possible that this is under or over-stated.
- (v) The rate of inflation and the effect this has on the ongoing cost of living, creates unprecedented pressures for our third-party providers. As no additional funding has been received to mitigate the current level of inflation, this may have an impact on future budgets. All these risks will be monitored and reviewed through the finance monitoring statements on a regular basis.
- (vi) Although the MTS assumes that any changes in legislation and new policy commitments will be funded in full, experience indicates that this is not necessarily always the case.

CONCLUSION

69. We are facing unprecedented challenges to the sustainability of our health and care system; an ageing population; an increase in the number of people living with long term conditions; a reduction in the working age population which compounds the challenge in workforce supply, and fundamentally resource availability cannot continue to match levels of demand. These issues are longstanding and have been recognised on a UK and Scotland wide basis.

70. In the prevailing financial climate, it is clear that major change is necessary to support financial sustainability across all public services. This position is particularly acute in the case of Edinburgh Integration Joint Board, evidenced in part by the structural deficit which the IJB inherited from partners. Since its inception the IJB has routinely faced an underlying budget gap which we are unable to bridge on a sustainable basis. The MTFS offers an opportunity to redesign services over a 3-year period in a way which maximises alignment with the strategic

plan. Despite the stated intent to identify and deliver savings which are congruent with our strategic intent, it is clear that size of the budget deficit will require some decisions which reduce services and impact negatively on the lives of the people we provide services for. In taking these decisions the IJB will strive to protect the most vulnerable and the statutory duties of our partners in the City of Edinburgh Council and NHS Lothian.

71. Officers will have to be responsive to these challenges, moving at pace and communicating widely to reset expectations.

EDINBURGH INTEGRATION JOINT BOARD DELEGATED BUDGETS 2024/25

	£m
City of Edinburgh Council delegated budget	
Employee Costs	105.5
Premises Costs	1.4
Transport Costs	2.8
Supplies, Services and Transfer Payments	11.2
Purchasing - Residential and FPNC	91.5
Purchasing - Care at Home and Day Care	128.0
Purchasing - Direct Payments and ISFs	51.4
Purchasing - Grants and Block Contracts	34.8
Purchasing - Other	9.0
Grants, Funding and Cost Recovery	(85.5)
Customer and Clients Receipts	(24.0)
Employee Costs	105.5
Net Council delegated budget	326.1

NHS Lothian delegated budget	
Core - Community Hospitals	13.4
Core - District Nursing	14.6
Core - General Medicine	6.4
Core - GMS	91.0
Core - Learning Disabilities	2.0
Core - Mental Health	12.7
Core - Prescribing	78.7
Core - SMD	4.6
Core - Community Equipment	2.0
Core - Resource Transfer	57.1
Core - Other	38.6
Hosted - GMS	6.8
Hosted - Hospices & Palliative Care	2.7
Hosted - LUCS	7.0
Hosted - Mental Health	32.4
Hosted - Oral Health	4.3
Hosted - Rehabilitation Medicine	5.2
Hosted - Sexual Health	4.2
Hosted - Other	33.4
Set Aside - Acute Management	3.8
Set Aside - Cardiology	0.1
Set Aside - Diabetes & Endocrinology	2.4
Set Aside - ED & Minor Injuries	11.5
Set Aside - General Medicine	29.8
Set Aside - Geriatric Medicine	17.0
Set Aside - Respiratory Medicine	8.5
Set Aside - Therapy Services	10.7
Set Aside - Other	2.7
Net NHS Lothian delegated budget	503.6

Total net delegated budget	829.8
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OPTIONS FOR IMPLEMENTATION OF CONTRACT UPLIFTS AND THE SCOTTISH LIVING WAGE

Option	Discussion	Strengths	Weaknesses
<p>1. Uplift to £12/hour from 1st April, in line with methodology set out by Scottish Government</p>	<p>Would require savings of £5.3m to be identified and delivered in 2024/25. This would happen via budget control measures, effectively restricting growth in purchasing costs</p>	<ul style="list-style-type: none"> • Rewards lowest paid workers and recognises the vital contribution they make • Maintains wages in Edinburgh in line with neighbouring authorities 	<ul style="list-style-type: none"> • Not in line with MTFS principle of not implementing unfunded policy commitments • Offsetting savings are high risk to deliver • Savings required would bring harm to people • Would be issuing a direction to the Council without funding being identified
<p>2. Uplift to £11.75/hour from 1st April</p>	<p>This is the rate which would be affordable for 2024/25, ie the costs would equal the funding available</p>	<ul style="list-style-type: none"> • Affordable, so no impact on service users 	<ul style="list-style-type: none"> • Failure to appropriately rewarding lowest paid workers • Subject to challenge from providers, SG and COSLA • Likely to increase provider instability
<p>3. Uplift to £12/hour from 22nd June 2024, using the SG methodology</p>	<p>22nd June is the date at which the in-year costs would equal the funding available. This would be a solution for 1 year only, savings of £5.3m would be required to be identified and delivered in 2025/26.</p>	<ul style="list-style-type: none"> • Gives officers time to develop further savings initiatives which may be less detrimental for service users • Workers will receive the £12/hour, albeit with a 3-month delay 	<ul style="list-style-type: none"> • Delay in appropriately rewarding lowest paid workers • Only a 1-year solution, will require savings of £5.3m next financial year

Option	Discussion	Strengths	Weaknesses
		<ul style="list-style-type: none"> <li data-bbox="1151 272 1617 341">• Affordable for 2024/25, so no impact on service users 	<ul style="list-style-type: none"> <li data-bbox="1666 272 2096 341">• Subject to challenge from providers, SG and COSLA <li data-bbox="1666 363 2056 432">• Could increase provider instability
4. Defer a decision	<p data-bbox="636 475 1124 834">Approach would allow further work to be conducted, additional discussions with partners, Scottish Government and COSLA. Although not yet confirmed, there is potential for further funding to be received via UK Government consequentials so deferring a decision would allow this to be clarified.</p>	<ul style="list-style-type: none"> <li data-bbox="1151 624 1594 692">• Allows time to make a more informed decision 	<ul style="list-style-type: none"> <li data-bbox="1666 528 2087 596">• Continuing uncertainty for providers and workers <li data-bbox="1666 619 2096 687">• Subject to challenge from providers, SG and COSLA <li data-bbox="1666 710 2136 778">• Potential to increase provider instability

**DIRECTION TO THE CITY OF EDINBURGH COUNCIL AND NHS LoTHIAN – FINANCIAL
SCHEDULE 2024/25**

	£m
City of Edinburgh Council delegated budget	
Employee Costs	105.5
Premises Costs	1.4
Transport Costs	2.8
Supplies, Services and Transfer Payments	11.2
Purchasing - Residential and FPNC	91.5
Purchasing - Care at Home and Day Care	128.0
Purchasing - Direct Payments and ISFs	51.4
Purchasing - Grants and Block Contracts	34.8
Purchasing - Other	9.0
Grants, Funding and Cost Recovery	(85.5)
Customer and Clients Receipts	(24.0)
Employee Costs	105.5
Net Council delegated budget	326.1

NHS Lothian delegated budget	
Core - Community Hospitals	13.4
Core - District Nursing	14.6
Core - General Medicine	6.4
Core - GMS	91.0
Core - Learning Disabilities	2.0
Core - Mental Health	12.7
Core - Prescribing	78.7
Core - SMD	4.6
Core - Community Equipment	2.0
Core - Resource Transfer	57.1
Core - Other	38.6
Hosted - GMS	6.8
Hosted - Hospices & Palliative Care	2.7
Hosted - LUCS	7.0
Hosted - Mental Health	32.4
Hosted - Oral Health	4.3
Hosted - Rehabilitation Medicine	5.2
Hosted - Sexual Health	4.2
Hosted - Other	33.4
Set Aside - Acute Management	3.8
Set Aside - Cardiology	0.1
Set Aside - Diabetes & Endocrinology	2.4
Set Aside - ED & Minor Injuries	11.5
Set Aside - General Medicine	29.8
Set Aside - Geriatric Medicine	17.0
Set Aside - Respiratory Medicine	8.5
Set Aside - Therapy Services	10.7
Set Aside - Other	2.7
Net NHS Lothian delegated budget	503.6

Total net delegated budget	829.8
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