

Directorate for Health Finance and Governance  
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Chief Executives, Local Authorities  
Chief Executives, NHS Boards  
Chief Officers, Integration Authorities

Copy to: Directors of Finance, Local Authorities  
Directors of Finance, NHS Boards  
Chief Finance Officers, Integration Authorities

***Issued via email***

28 February 2020

Dear Colleagues

**Budget 2020-21**

The Scottish Government's Budget for 2020-21, which was announced in Parliament on 6 February by the Minister for Public Finance and Digital Economy, confirmed that the Health Portfolio will transfer a further £100 million to Local Authorities for investment in social care and integration, and for continued support for school counselling services. This will take the total funding transferred from the health portfolio to £811 million in 2020-21.

The distribution of the additional £100 million for Local Authorities is set out in the **Annex**, and includes a contribution to continued delivery of the Living Wage (£25 million), uprating of free personal and nursing care payments (£2.2 million), implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£11.6 million), along with further support for school counselling services whether or not delegated under the Public Bodies (Joint Working) (Scotland) Act 2014 (£4 million).

The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2019-20 recurring budgets for social care services that are delegated. Similarly, the £4 million for school counselling services must be additional. This means that, when taken together, Local Authority social care budgets for allocation to Integration Authorities and funding for school counselling services must be £100 million greater than 2019-20 recurring budgets.

Similar to last year, flexibility will be available to Local Authorities to offset their adult social care allocations to Integration Authorities by up to 2% and a maximum of £50 million in 2020-21 based on local needs.

The Scottish Government and COSLA have agreed joint work to support ongoing local plans to manage the deficit position with a small number of Integration Joint Boards (IJBs) and their partner Health Boards and Local Authorities. The aim of this support is to ensure that structural deficits in funding do not impact on the operational budgets of IJBs, giving them the time and space to redesign and reform services to deliver within agreed budget parameters.

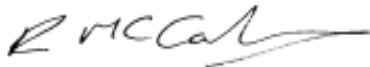
Finally, the Scottish Government and COSLA have agreed joint political oversight to drive improved performance in health and social care through a combination of enhanced joint accountability and a streamlined improvement and development offer for IJBs. This will be achieved by working with Local

Government and NHS Boards to agree a shared national and local approach to accountability for delivery. This will take account of standards, data and measures and we have agreed to work together to develop a small number of deliverable outcomes to help ensure Integration Authorities use their total resources to focus on delivery of key areas for improvement, including reducing delays in care. This work will be progressed quickly using normal mechanisms and we will keep you informed of progress.

Yours sincerely

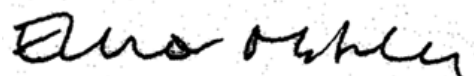
**RICHARD MCCALLUM**

Interim Director of Health Finance and Governance



**ELINOR MITCHELL**

Director of Community Health and Social Care



## Annex

Allocation of £100m from Health and Social Care Budget	
	Total (£m)
Aberdeen City	3.51
Aberdeenshire	3.99
Angus	2.29
Argyll and Bute	1.74
Clackmannanshire	0.87
Dumfries and Galloway	3.14
Dundee City	2.77
East Ayrshire	2.26
East Dunbartonshire	1.93
East Lothian	1.80
East Renfrewshire	1.63
Edinburgh, City of	8.28
Eilean Siar	0.62
Falkirk	2.75
Fife	6.62
Glasgow City	10.98
Highland	4.24
Inverclyde	1.63
Midlothian	1.45
Moray	1.80
North Ayrshire	2.70
North Lanarkshire	5.69
Orkney	0.43
Perth and Kinross	2.96
Renfrewshire	3.20
Scottish Borders	2.24
Shetland	0.36
South Ayrshire	2.41
South Lanarkshire	5.75
Stirling	1.57
West Dunbartonshire	1.63
West Lothian	2.77
<b>SCOTLAND</b>	<b>96.00</b>
<b>School Counselling (to Education)</b>	<b>4.00</b>
<b>Total</b>	<b>100.00</b>