

Finance and Resources Committee

10am, Thursday, 29 October 2015

Health and Social Care Integration – Update

Item number	7.10
Report number	8 in 2015
Executive/routine	
Wards	All

Executive summary

This report presents an update on the integration of Council social care functions with NHS Lothian health functions under the Public Bodies (Joint Working) (Scotland) Act 2014.

Links

Coalition pledges	P12 and P43
Council outcomes	CO10, CO11, CO12, CO13,CO14, CO15
Single Outcome Agreement	SO2

Health and Social Care Integration – Update

Recommendations

- 1.1 Members are recommended to:
 - 1.1.1 note Appendix 1, which provides additional information on the relationship between the Council and the EIJB
 - 1.1.2 refer this report to Governance, Risk and Best Value (GRBV) Committee, as requested at its meeting on 23 September 2015
 - 1.1.3 note progress with high level management actions to address the recommendations in the assurance reports
 - 1.1.4 note the dependencies with Council transformation projects.

Background

- 2.1 The Finance and Resources Committee requested regular update reports to track progress with the work associated with Health and Social Care Integration. This is the eighth report in 2015.

Main report

Edinburgh Integration Joint Board (EIJB)

- 3.1 Formal delegation of functions and resources to the EIJB is scheduled for 1 April 2016, following approval of the Strategic Plan by the EIJB.
- 3.2 GRBV Committee considered the Internal Audit report at its meeting on 23 September. A number of additional questions were raised regarding the inter-relationship between the Council and the EIJB from April 2016.
- 3.3 Appendix 1 provides a summary of the key points with respect to the inter-relationship between the two bodies and is intended to provide reassurance for both the Council and the EIJB. The main principles are summarised below.
 - This is a delegation of functions and budgets, rather than a transfer, which means the Council retains all the duties for the functions. It therefore has a legitimate interest in ensuring the EIJB is operating well.
 - The Integration Scheme is clear that Council voting members, whilst on the EIJB, must prioritise the interest of the EIJB but be mindful of the interests of the Council, and that when acting as councillor, must prioritise the interests of the Council, but be mindful of the interest of the EIJB. This is a

challenging role, but is critical for the strength and proper functions of the new arrangements.

- The Chief Officer of the EIJB will be a member of the senior leadership teams of both the Council and NHS Lothian and will be accountable to the Chief Executive of each organisation.
- The Council will set its part of the EIJB budget and in doing so there must be a common understanding of the pressures/demands for service as well as an assurance that the EIJB is operating efficiently.
- The Council will retain its role to ensure standards and quality of the functions being delivered, via the Chief Social Work Officer.
- The Council will be allocated resources by the EIJB for specific functions and will need to monitor spend in accordance with those directions. Additional demands and pressures arising will need to be managed by the Chief Officer and the Chief Finance Officer, communicated to the EIJB and, when necessary back to NHS Lothian and the Council.

Assurance

- 3.4 The Scottish Government requires all parties to undertake appropriate assurance prior to the delegation of functions to the EIJB.
- 3.5 The Council's Corporate Programme Office undertook a 'health check' of the integration programme. The Council's Internal Audit function audited the arrangements for integration.
- 3.6 The major management actions required to address recommendations from both reviews are summarised below.
- Prompt appointment of EIJB Chief Officer and Chief Finance Officer by the Council and NHS Lothian.
 - Clarity on any ongoing stakeholder arrangements between the NHS Lothian and Council once functions are delegated.
 - Clarity on how business support services will be provided by NHS Lothian and the Council to the EIJB for operational oversight of the delivery of service change. This includes strategic planning and programme management/implementation of the delivery of service re-design/integration.
 - Further detail on the arrangements for establishing EIJB budget and managing overspend by the Council and NHS Lothian.
- 3.7 Progress on these matters is outlined in the rest of this report.

Chief Officer and Chief Finance Officer

- 3.8 The recruitment process for the Chief Officer is complete. An appointment has been made and the post holder will be in place by November.
- 3.9 An interim Chief Finance Officer was appointed in August to ensure adequate financial assurance for the EIJB. The permanent post is within a proposed integrated management structure, which is still under discussion.

Joint Leadership Group

- 3.10 Current programme arrangements include a Joint Leadership Group with the remit for preparing the draft Integration Scheme, assisting in establishing the EIJB and directing functions and budgets. Once these matters are complete, the Leadership Group will stand down in its current form.
- 3.11 Given that both the Council and NHS Lothian retain the statutory duties and risks associated with the delegated functions, it would be appropriate, at least in the first year of the EIJB, to establish a senior stakeholder group made up of the Council, NHS Lothian and EIJB leadership. This would not be a decision making body, but it would have a legitimate interest in assisting the EIJB to operate as intended in its first year. It would also assist all parties in setting the detailed budget for 2017/18, in line with the usual financial planning arrangements and demands.
- 3.12 It is proposed that the new Chief Officer be tasked with developing the remit for a senior stakeholder group.

Strategic Plan

- 3.13 The consultation on the EIJB's Strategic Plan started at the beginning of August and will run to the end of October. The Council is a formal consultee and the document is available at <https://consultationhub.edinburgh.gov.uk/>
- 3.14 Council and NHS Lothian staff are supporting a range of workshops and consultation events with stakeholders and partners across the city to ensure wider consultation and debate. This builds on the collaborative approach adopted in the planning process to draft the Plan.
- 3.15 The EIJB will consider the detail of the Strategic Plan in a development session in December and must approve the final Plan in advance of the 'go live' date of 1

April 2016.

EIJB Budget

- 3.16 The Council has set out how it will develop the 2016/17 budget for the EIJB and this will be subject to EIJB due diligence.
- 3.17 NHS Lothian has set out how it will delegate budgets in relation to two of the three elements of the budget, i.e. former Community Health Partnership budgets and 'hosted services' (those services provided for more than one EIJB). Work continues on the third and final element of NHS Lothian budgets, i.e. the set-aside elements relating to functions in acute hospitals.
- 3.18 The final budget cannot be set or the Strategic Plan Financial Statement completed until both parties have followed their usual budget setting process and timelines. The Council normally sets its budget in mid-February and NHS Lothian by mid March.

Impact on the Council

Review of Existing Governance Arrangements

- 3.19 The principle agreed in the Integration Scheme is that existing governance structures will be reviewed. This must be done in a way which minimises bureaucracy and duplication, yet provides assurance to the Council on finance and service quality. Work is ongoing on this matter.
- 3.20 The Council will need to retain a role in relation to ensuring that EIJB directions are being met and that resources in relation to those directions are adequate and well managed. A report will be submitted to the Corporate Policy and Strategy Committee on a proposed approach.
- 3.21 The Council will retain its role in setting the overall budget for the adult social care functions within the EIJB and for approving specific contracts in line with EIJB directions.

Council Transformational Change: Dependencies

Citizens and Localities

- 3.22 A statutory requirement of the Public Bodies legislation is to integrate health and social care functions from the point of view of recipients and to do so at a local level. This is to be achieved via the role of the Chief Officer who is required to manage the delegated services in an integrated structure, to oversee service-redesign and local planning and to undertake operational management.

- 3.23 Interim Locality Mangers for the integrated structure have been appointed from senior Council and NHS Lothian staff. These managers will take forward the development of the locality model for 'in-scope' health services and adult social care functions and will work closely with other Council services to ensure consistency and read-across where necessary.

Business Support Services (BSS)

- 3.24 Within the Council, a number of workshops have taken place with staff who provide business support/professional/technical and administrative services. The outputs from these sessions will feed into the design of the new models of provision. This work will take account of planned savings for 2016/17.
- 3.25 Following on from these deliberations, the BSS Project will need to articulate a joint approach with NHS Lothian for each of the professional/technical and administrative services.

Measures of success

- 4.1 The Scottish Government has issued National Outcomes for the delivery of integrated Health and Social Care as part of the final regulations. These are as expected [National Health and Wellbeing Outcomes Framework](#).
- 4.2 The Strategic (Commissioning) Plan work stream is tasked with planning for the delivery of these outcomes for the services in scope. The Programme Sub Group on Performance and Quality is tasked with establishing local outcomes for measuring the success of the new Health and Social Care Partnership in relation to the national outcomes. A joint baseline has been developed and work is underway on a joint framework for the future.
- 4.3 The content of the Annual Performance Report is set out in regulations and includes performance with respect to the integration planning principles and in respect of localities.
- 4.4 The Edinburgh Integration Scheme outlines the process for determining the performance arrangements and for allocating responsibility for performance.
- 4.5 The EIJB has agreed to set up a Performance Sub-Group to ensure an integrated overview of the performance of functions and service re-design.

Financial impact

- 5.1 It is estimated that the Edinburgh Integration Joint Board will include a combined budget the first year of around £560 million; c£200 million of Council funds, c£300 million of community health NHS Lothian funds, and an early estimate of acute hospital related 'set aside' funds of c£60 million.

- 5.2 The resources for the functions in scope will be delegated to the Integration Joint Board for governance, planning and resourcing purposes. The delegated resources will be subject to financial assurance in order for the Integration Joint Board to understand any underlying financial risks. The figures may also vary subject to any impact of the Business Support Services proposals.
- 5.3 The Strategic Plan will identify how the resources are to be spent (at a high level) in order to deliver on the national outcomes and how the balance of care will be shifted from institutional to community-based settings. Planned variances will be retained by the Integration Joint Board, which will have the power to carry reserves.

Risk, policy, compliance and governance impact

- 6.1 A detailed risk log is maintained for the Integration Programme and is reported through the status reporting process to the Health and Social Care Partnership and through the Corporate Programme Office Major Projects reporting procedure.
- 6.2 Major risks to both the Council and NHS Lothian as a result of the programme of change are also identified on Corporate Management Team, Health and Social Care and NHS Lothian risk registers.
- 6.3 The approach to risk management for the Integration Joint Board and respective parties is set out in the Edinburgh Integration Scheme and the EIJB received a report on 17 July on proposals to develop its Risk Management Strategy.

Equalities impact

- 7.1 The integration of health and social care services aims to overcome some of the current 'disconnects' within and between health and social care services for adults, to improve pathways of care and to improve outcomes.
- 7.2 The intention is to improve access to the most appropriate health treatments and care. This is in line with the human right to health.
- 7.3 A combined impact assessment procedure between NHS Lothian and the Council has been developed. This will be used for all impact assessments, as required across the joint service, once the Integration Joint Board is fully established.
- 7.4 An impact assessment of all four Lothian Draft Schemes was completed on 10 February 2015 by representatives from NHS Lothian and the four Lothian councils.

Sustainability impact

- 8.1 The proposals in this report will help achieve a sustainable Edinburgh because:
- joint health and social care resources will be used more effectively to meet and manage the demand for health and care services
 - integrated services will promote personal wellbeing of older people and other adults in need of support; and
 - they will promote social inclusion of and care for a range of vulnerable individuals.

Consultation and engagement

- 9.1 Consultation and engagement form a key work stream in the programme. A number of events have taken place with managers and staff during the shadow arrangements.
- 9.2 The Integration Scheme to establish the EIJB was consulted upon widely. A full report on the consultation on the Integration Scheme was provided to Council on 30 April 2015.
- 9.3 A number of members of the EIJB, in line with statute, bring broader perspectives such as service users, carers and the third sector.
- 9.4 A comprehensive engagement programme is also underway to engage with a wide range of staff and stakeholders across the community in relation to the production of the Strategic Plan. The formal consultation on the draft plan will run from August to October. The Council will be a formal consultee.

Background reading/external references

[Finance and Resources Committee – 24 September 2015, Health and Social Care Integration Update.](#)

[Finance and Resources Committee – 27 August 2015, Health and Social Care Integration Update.](#)

[Finance and Resources Committee – 4 June 2015, Health and Social Care Integration Update](#)

[Finance and Resources Committee – 13 May 2015, Health and Social Care Integration Update.](#)

[City of Edinburgh Council – 30 April 2015, Health and Social Care Integration Scheme - Consultation Responses](#)

[Health, Social Care and Housing Committee – 21 April 2015, Health and Social Care Integration Update.](#)

[Finance and Resources Committee – 19 March 2015, Health and Social Care Integration Update.](#)

[City of Edinburgh Council – 12 March 2015, Health and Social Care Integration Scheme: Final for Submission.](#)

Finance and Resources Committee – 3 February 2015, Health and Social Care: Draft Integration Scheme Consultation.

Health, Social Care and Housing Committee – 27 January 2015, Draft Integration Scheme Consultation.

Corporate Policy and Strategy Committee – 20 January 2015, Health and Social Care Integration Scheme: Draft for Public Consultation.

Finance and Resources Committee – 15 January 2015, Health and Social Care Integration; General Update.

City of Edinburgh Council – 11 December 2014, Health and Social Care Integration Scheme; Update on Draft Integration Scheme.

Finance and Resources Committee – 27 November 2014, Health and Social Care Integration Update.

Finance and Resources Committee – 30 October 2014, Health and Social Care Integration Update.

Finance and Resources Committee – 30 September 2014, Health and Social Care Integration Update.

Finance and Resources Committee – 28 August 2014, Health and Social Care Integration Update.

Corporate Policy and Strategy Committee – 5 August 2014, Health and Social Care Integration – Options Analysis of Integration Models.

See reports above for earlier reporting.

Michelle Miller

Chief Social Work Officer

Contact: Susanne Harrison, Integration Programme Manager

E-mail: Susanne.harrison@edinburgh.gov.uk | Tel: 0131 469 3982

Links

Coalition pledges	Ensuring Edinburgh and its residents are well cared for.
Council outcomes	Health and Wellbeing are improved in Edinburgh and there is a high quality of care and protection for those who need it.

**Single Outcome
Agreement
Appendices**

Edinburgh's citizens experience improved health and wellbeing,
with reduced inequalities in health
Appendix 1: Edinburgh Integration Joint Board and the Council:
Key Relationships

Appendix 1: Edinburgh Integration Joint Board and the Council: Key Relationships

At its meeting on 23 September, the Council's Governance, Risk and Best Value Committee raised a number of questions regarding the operation of the Edinburgh Integration Joint Board and its relationship to the Council, following the delegation of functions and resources.

The bullet points below are intended to clarify the position and provide assurance to GRBV Committee.

- The Public Bodies Act requires a delegation of functions and budgets rather than a transfer, which means the Council retains all the duties and risks associated with the functions, but delegates the power and responsibility to the EIJB to take forward jointly with NHS Lothian as a common decision-making body. The Council therefore has a legitimate interest in ensuring the EIJB is operating well and is adequately resourced to do so.
- The Council will set the budget for the EIJB and in doing so there must be a common understanding of the pressures/demands for service as well as an assurance that the EIJB is operating efficiently.
- The EIJB will have five serving councillors as voting members who are likely also to be engaged in the governance of the Council in some form. The Integration Scheme makes clear that these voting members:
 - in their role on the EIJB, will have a crucial role in communicating and having due regard to the interests of.... City of Edinburgh Council, but on the understanding that, in carrying out their role as a member of the EIJB, their primary duties and responsibilities are those which attach to them in that capacity; and
 - while discharging their role as a councillor, will have a crucial role in communicating and having due regard to the interests of the EIJB, but on the understanding that, in carrying out their role as a councillor, their primary duties and responsibilities are those which attach to them in that capacity.
- The Integration Scheme allows for the principle that each party's governance arrangements must allow that party to manage risk in relation to service delivery.
- The Chief Officer of the EIJB will be a member of the senior leadership teams of both the Council and NHS Lothian and will be accountable to the Chief Executive of each organisation. The Chief Officer role is an important means by which closer integration of services will be achieved.

- The Council will retain its role to ensure standards and quality of the functions being delivered, via the Chief Social Work Officer. The Chief Social Work Officer is a non-voting member of the EIJB and will advise it with regard to standards and quality of services.
- The EIJB will allocate to the Council resources for specific functions and will need to monitor spend in accordance with those directions. The Chief Finance Officer will have oversight of this spend in order to keep the EIJB informed on a regular basis (minimum quarterly).
- Additional demands and pressures arising during the year will need to be managed by the Chief Officer and the Chief Finance Officer, communicated to the EIJB, and when necessary back to NHS Lothian and the Council.
- While there are risks associated with the EIJB, there are also risks associated with the status quo, not least the rapid increase in demand for social care services due to the ageing population and the fact that people are living for longer and need health and social care support to do so. The intent behind the legislation is to ensure that a whole system approach is taken to managing this demand and providing good outcomes for people. This brings an inherent challenge to the existing structures and operation of NHS Lothian and the Council to which both organisations must adapt together.