

Finance and Resources Committee

10am, Thursday, 14 January 2016

Health and Social Care Integration – Update

Item number	7.17
Report number	10
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.

It also provides a summary of the key points from Audit Scotland national audit of integration arrangements.

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 progress with the integration of NHS Lothian health and Council adult social care functions; and
 - 1.1.2 Note the summary of Audit Scotland audit of national health and social care integration arrangements and the recommendations for councils and NHS boards to work together on with the IJB

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. The last report was on 26 November 2015. This is the first report in 2016.
- 3.1 Governance, Risk and Best Value Committee received an update on the critical and high risks identified in the Council Internal Audit report on 17 December and progress with the management actions.

Main report

Edinburgh Integration Joint Board (EIJB)

- 3.1 The Edinburgh Integration Joint Board continues to meet monthly, alternatively in formal business mode and informal development mode in readiness for delegation of functions on 1 April 2016.
- 3.2 The EIJB signed its financial assurance plan at its formal business meeting in September. The key elements are:
 - Development of a financial framework for the EIJB Strategic Plan;
 - Agreement of the budgets delegated from the Council and NHS Lothian;
 - A strategy for working with the other three Lothian IJBs to agree where risk will be jointly managed;

- An agreed set of 'directions' (the statutory mechanisms for the EIJB to direct service delivery across NSH Lothian and the Council);
 - Financial governance arrangements, including Audit Committee and internal Audit for the EIJB;
 - Development of a reporting mechanism to provide the EIJB and integrated management team with appropriate and timely financial information.
- 3.3 At its meeting on 20 November, it approved the establishment of its Audit and Risk Committee.
- 3.4 As a result the EIJB now has four sub committees or groups reporting to it for the management of its business. These are:
- Strategic Planning Group (Statutory)
 - Audit and Risk Committee (recommended in guidance)
 - Performance Sub Group
 - Professional Advisory Committee

Strategic Plan Consultation

- 3.5 The consultation on the draft Strategic Plan ended on 30 October. Work is ongoing to analyse views and prepare the second draft of the Plan.
- 3.6 The Council submitted a response during the consultation. This was prepared by experts in Health and Social Care, and, to avoid any conflict of interest, the response was reviewed by senior officers in the Directorates of Place and Corporate Operations.
- 3.7 The EIJB will consider the revised Strategic Plan, emerging financial plan and initial statutory 'directions' to the Council and NHS Lothian at its development session in December.
- 3.8 Both the Council and NHS Lothian will be formally consulted on the second draft Strategic Plan. Views will be invited on this draft version from the Council's Policy and Strategy Committee in February 2016.
- 3.9 Neither the Council nor NHS can veto the Strategic Plan, however the EIJB is statutorily obliged to take account of any views expressed.
- 3.10 The Strategic Plan cannot be finalised until there is clarity on the budget to be delegated to the EIJB. The EIJB budget setting is constrained by the budget setting processes of both the Council and NHS Lothian. It has been agreed that

the Council will finalise its 2016/17 budget in January 2016. NHS Lothian is likely to agree the budgets for its four IJBs in March 2016.

- 3.11 As a result it is unlikely that the Strategic Plan and associated financial statement will be approved by the EIJB until its meeting in March 2016. There is no room for NHS Lothian or the Council to slip this timetable if the statutory deadline is to be met.

Integrated Management

- 3.12 Finance and Resources Committee approved an integrated senior manager structure at its meeting on 4 June 2015. In light of the appointment of the new Chief Officer and recent agreement between the Council and NHS Lothian chief executives, work has started to consider this in relation to NHS revised management arrangements and Council Transformation Programme.

- 3.13 At the moment ongoing work is focused on:
- Reconsidering the permanent senior management structure in light of interim arrangements. The timescale for this is being aligned as closely as possible with the wider Council Transformation programme; and
 - The operating model for delivery of services in localities which must also take account of the need to make savings through the Council's transformation programme and NHS Lothian Local Reinvestment Plans (LRP).

National Audit of Health and Social Care Integration

- 3.14 Audit Scotland has undertaken the first of three planned audits of national arrangements for the integration of health and social care. Stakeholders from Edinburgh's Integration Joint Board were interviewed by Audit Scotland.

- 3.15 A summary of the overall audit is provided below. The full report can be accessed [here](#).

- 3.16 Points to note on audit arrangements for integration authorities:
- The Accounts Commission is responsible for appointing (external) auditors to IJBs and has an interest in financial management and governance arrangements;
 - IJBs are regarded as local government bodies and as such the Accounts Commission has a power to audit the extent to which they are discharging their Best Value duty;
 - The Auditor General has an audit interest in the extent to which this significant national policy is being implemented and its impact; and

- From April 2017, the Care Inspectorate and Health Care Improvement Scotland are required by legislation to assess progress in establishing joint strategic commissioning and the early impact of legislation.

3.17 Auditor comments to note on progress so far:

- There is wide support for the opportunities offered by integration;
- NHS Boards and Councils need to be clear about how local arrangements work in practice, including shared understanding of roles and responsibilities and an effective system for scrutiny;
- Members of IJBs need to understand and respect differences in organisational cultures and background;
- IJB members will have to manage conflicts of interest;
- IJBs are responsible for the planning of integrated services but are not entirely independent of councils and NHS boards;
- There needs to be clear understanding of who is accountable for delivery: specifically roles and responsibilities and the management of the risk of service failure;
- Clear procedures are required for clinical and care governance;
- Councils and NHS Boards are finding it difficult to agree budgets for the new integration authorities. This is hindered by different planning cycles and complexities of set-aside budgets. As at October 2015, budgets for only six integration authorities had been agreed;
- Most integration authorities are still developing their strategic plans. As at October 2015, only six had published their plans. Budget difficulties, identified above, are hindering production;
- Most integration authorities have still to produce supporting strategies for key areas such as workforce, risk management, data sharing. The lack of such support brings into question the likely effectiveness of the integration authorities, at least in their first year;
- There is a pressing need for workforce planning to show how an integrated workforce will be developed;
- The proposed national performance indicators do not allow clear measurement of progress required to transfer the balance of care to the community, and the linking of indicators to outcomes is incomplete such that it will be difficult to measure success.
- The role of localities in leading the integration of social care still needs to be fully developed.

3.18 Recommendations are made in three tranches a) Scottish Government, b) integration authorities and c) for all constituent parties to work together. Specific recommendations for all three parties include:

- The need to develop protocols to ensure the chair of the IJB, chief officer and chief executives of the NHS board and Council negotiate their roles in

relation to the IJB early on and that the shared understanding is maintained;

- Establish effective scrutiny mechanisms to ensure councillors and NHS non-executives who are not members of the IJB Board are kept fully informed of the impact of integration for people who use local health and care services (given the change in roles and responsibilities);
- Review clinical and care governance arrangements to ensure a consistent approach for integrated services and that they are aligned to existing arrangements;
- Urgently agree budgets for integration authorities, for their first year and for the next few years so they have a measure of certainty for strategic planning;
- Put in place data sharing arrangements to allow them to access new data from Information and Statistics Division (ISD).

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 and to ensure that they are fair and reasonable.
- 5.3 The delegation of the resources means that spending decisions within the overall agreed budget will become the responsibility of the EIJB from 1 April 2016.
- 5.4 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. A further report is due at its meeting on 20 November

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 The EIJB has been advised by the Equalities and Human Right Commission (EHRC) that the Equality Act 2010 applies to Integration Joint Boards. As a result the EIJB is required to publish a 'mainstreaming report and a set of equality outcomes by 30 April 2016.

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 on the second draft as noted above.

Background reading/external references

[Health and Social Care Integration, Audit Scotland, 3 December 2015](#)

Governance Risk and Best Value Committee – 17 December 2015, health and Social Care Integration - Update (not yet available online)

[Finance and Resources Committee - 26 November 2015, Health and Social care Integration Update](#)

[Finance and Resources Committee - 29 October 2015, Health and Social care Integration Update](#)

[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.

Robert McCulloch-Graham

Chief Officer

Edinburgh Health and Social Care Partnership

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	Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health
Appendices	None