

# Finance and Resources Committee

10am, Thursday, 17 March 2016

## Health and Social Care Integration – Update

<b>Item number</b>	7.10
<b>Report number</b>	11
<b>Executive/routine</b>	
<b>Wards</b>	All

### Executive summary

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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 provides a summary of the preparations for delegation of functions to the Edinburgh Integration Joint Board (EIJB) on 1 April 2016.

### Links

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

# Health and Social Care Integration – Update

## Recommendations

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- 1.1 Members are recommended to:
  - 1.1.1 note adult social care functions and resources will be delegated to the EIJB on 1 April 2016 subject to EIJB approval of its Strategic Plan; and
  - 1.1.2 note the EIJB governance arrangements in place for the planning, resourcing, operational oversight and performance monitoring

## Background

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- 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 in January 2016. This is the second report in 2016.

## Main report

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### EIJB Preparations for Delegation of Functions

#### Strategic Plan

- 3.1 The statutory consultation on the Draft Strategic Plan was completed and the report of the views of consultees was considered at its meeting in January 2016. The Plan has been updated accordingly.
- 3.2 Both the Council and NHS Lothian will be formally consulted on the second draft Strategic Plan. Views will be invited from the Council's Policy and Strategy Committee on 23 February 2016.
- 3.3 Work is also progressing on the development of 'directions': the formal mechanisms by which the EIJB will direct NHS Lothian and the Council to implement the Strategic Plan. There is currently no formal guidance available on the nature, format or content of directions, such that their development is iterative and every effort is being made to ensure they are practical and proportionate.

## **Finance**

- 3.4 The Strategic Plan requires a Financial Statement in relation to the EIJB delegated resources. The EIJB budget setting process has been constrained by the budget setting timescales of both the Council and NHS Lothian.
- 3.5 The Council budget for all functions delivered through the existing Health and Social Care Directorate was set in January. Work is ongoing to establish the detail of the elements delegated to the EIJB and those which remain with the Council.
- 3.6 The budget setting process and timescale within the NHS is different to that for Councils. Whilst NHS Lothian issued its four IJBs an indicative resource allocation in January 2016, these will not be finalised until May at the earliest. This is the deadline for NHS Boards to submit balanced financial plans to the Scottish Government. The setting of the EIJB budget will need to accommodate this.
- 3.7 The EIJB is scheduled to consider and approve its Strategic Plan at its meeting in March and all financial reporting will go through the EIJB formal business meetings.

## **Audit and Risk**

- 3.8 As noted in the January report, the EIJB has determined the remit and membership of its Audit and Risk Committee. Pricewaterhouse Coopers (PwC) have been commissioned to undertake the first phases of the EIJB risk strategy, specifically to work up the EIJB initial risk register for the Audit and Risk Committee and to support the development of the EIJB Internal Audit Plan for 2016/17. The Committee is likely to meet for the first time in April.

## **Professional Advice for Integrated Service Change**

- 3.9 The EIJB membership includes a range of professional staff whose role it is to provide professional advice to the voting members. In addition to this, the EIJB approved in January the continued role of the Professional Advisory Group.
- 3.10 This is an integrated group of health and social care professionals who will support the Strategic Plan process and act as a wider group of professional advisors on major service change. This group meets once per quarter and contributes to the work of the Strategic Planning Group – see below.

## **Strategic Planning Group**

- 3.11 This is the only statutory 'sub group' that the EIJB must have. Edinburgh's Strategic Planning Group was established in shadow form, prior to the creation of the EIJB in a way which reflected draft guidance at the time. Since its creation specific regulations have been released relating to membership and operation. In addition the Council and NHS Lothian have agreed to a four locality model for the operational delivery of services. A review of the shadow arrangements will take place following approval of the first Strategic Plan to confirm compliance and aligned locality input.

## **Performance and Quality**

- 3.12 The EIJB has also established an integrated Performance and Quality Sub Group. This group will be chaired by a voting member of the EIJB and will focus on monitoring performance, quality and key financial matters in relation to the delivery of the Strategic Plan and meeting statutory requirements. Work is in hand with council and NHS colleagues to finalise the detailed remit, responsibilities and operational arrangement of this Sub Group. This will be completed by 1 April 2016.

## **Delegation**

- 3.13 Subject to the EIJB approving its Strategic Plan in March, the functions and budgets will be delegated on 1 April 2016. The programme of change via the Strategic Plan will then be the responsibility of the EIJB. Finance & Resources Committee will receive one further report in this format confirming delegation of functions.
- 3.14 The EIJB and its supporting committee/groups will govern the planning, commissioning, resourcing, operational oversight and performance monitoring of the delegated functions.

## **Governance Matters for Action during 2016/17**

- 3.15 The work to establish the EIJB has been substantial and the priority has been on those items which were to be newly established in advance of delegation of functions. There remain some matters identified within the Integration Scheme which will need to be worked through during the first year or so of operation, with the support of an integrated management team. Two such matters have been recognised as national issues in the National Audit of Integration by Audit Scotland. They are detailed below:

- 3.16 The EIJB has a clear role in monitoring standards and will rely, in the first instance, on existing mechanisms within NHS Lothian and the Council for clinical and care governance. It will be important for the Council and NHS Lothian to consider, during 2016/17, how matters in relation to quality and standards are shared with the EIJB. Work has started in both the Council and NHS Lothian to address this in the coming months.
- 3.17 Following the change in decision-making responsibilities and the recent recommendation of National Audit of Integration by Audit Scotland, it will also be important for the Council and NHS Lothian to consider how they wish to ensure that Councillors and non-executive members who are not directly involved in the EIJB are kept informed of progress/ impact of integration for people who use local health and care services.

## **Dependencies**

- 3.18 The Chief Officer is continuing to develop proposals for the integrated operational management structure and is working towards a consultation on the proposals in late April / early May. Work is progressing in tandem with the Council's Transformation Programme to deliver the savings required by the Council and is aligned with NHS Lothian organisational change arrangements.
- 3.19 Plans for 2016/17 savings targets have been agreed and project outlines approved within the Health and Social Care Transformation programme. Detailed business cases are being developed. A workshop took place on 8 March to consider patients flows across secondary, primary and social care. From this a detailed action plan to tackle patient discharge from hospital will now be developed.

## **Interface Group**

- 3.20 The preparations for the creation of the EIJB and delegation of functions have been led by a joint Leadership Group of senior NHS Lothian and Council leaders. As of 1 April 2016, this group will stand down, its role complete.
- 3.21 The effect of the legislation, creation of the EIJB and the integrated management structure means that all three parties will now share responsibility and accountability for delivering the integration functions, with each party responsible for different but interwoven aspects of funding, governing, planning, directing, delivering and monitoring/reporting on performance.
- 3.22 This is a complex and demanding arrangement, across a very wide range of services that are being brought together in this way for the first time. To ensure open channels of communications and continued dialogue about matters related

to finance, delivery of directions and risk, the Leader of the Council, Chair of EIJB and Chair of NHS Lothian have agreed the following:

- A Tripartite Agreement which sets out the working principles for behaviour/ operation across all three parties to help to continue to build trust and ensure safe and effective service delivery.
- An informal 'Interface Group' with a legitimate remit to discuss ongoing financial and operational matters which require senior leadership input, such as the impact of major demand pressures on future years' budgets, operational responses to directions and the management of risk across the three parties.

## Measures of success

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- 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 Edinburgh Integration Scheme outlines the process for determining the performance arrangements and for allocating responsibility for performance.
- 4.3 The Strategic (Commissioning) Plan work stream is tasked with planning for the delivery of these outcomes for the services in scope.
- 4.4 The EIJB has set up a Performance and Quality Sub Group with a role to monitor progress. A joint baseline has been developed and work is underway on a joint framework for the future.
- 4.5 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.

## Financial impact

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- 5.1 It is estimated that the Edinburgh Integration Joint Board will be 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 from 1 April 2016. The delegated resources are currently 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 identifies how the resources are to be spent and 'directions' will be given to the Council and NHS Lothian for the delivery of the functions within specified resources. Planned variances will be retained by the Integration Joint Board, which will have the power to carry reserves.

## **Risk, policy, compliance and governance impact**

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- 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. Price Waterhouse Coopers will deliver the first three phases of the EIJB Risk Management Strategy between February and April. This will enable the EIJB Audit and Risk Committee to commence its work and will provide a sound footing for the new integrated management structure to be clear about shared risks.

## **Equalities impact**

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- 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

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- 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

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- 9.1 A number of members of the EIJB, in line with statute, bring broader perspectives such as service users, carers and the third sector.
- 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 The Strategic Plan has been developed in a collaborative ways and a detailed formal consultation took place between August to October 2015.
- 9.4 The Council and NHS Lothian are formal consultees on the second draft of the Strategic plan as noted above.
- 9.5 The Strategic Plan commits the EIJB to working in a collaborative way and it is highly likely it will issue 'directions' which require NHS Lothian and the Council to continue to develop proposals for service redesign in a collaborative way.

## Background reading/external references

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[Finance and Resources Committee, 14 January 2016, Health and Social Care Integration Update.](#)

[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.

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](mailto:Susanne.harrison@edinburgh.gov.uk) | Tel: 0131 469 3982

## **Links**

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**Coalition pledges** Ensuring Edinburgh and its residents are well cared for.

<b>Council outcomes</b>	Health and Wellbeing are improved in Edinburgh and there is a high quality of care and protection for those who need it.
<b>Single Outcome Agreement</b>	Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health
<b>Appendices</b>	None