

Policy and Sustainability Committee

10am, Tuesday, 12 March 2024

EIJB Savings and Recovery Programme 2023-24

Executive/routine
Wards

1. Recommendations

- 1.1 It is recommended that the committee notes the current position of the EIJB Savings and Recovery Programme 2023-24 as it impacts City of Edinburgh Council services.

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ElJB Savings and Recovery Programme 2023-24

2. Executive Summary

- 2.1 The purpose of this report is to provide the Policy and Sustainability Committee with an update on the position of the 2023/24 savings and recovery programme, focusing on the City of Edinburgh Council's (the Council) elements of the programme.

3. Background

- 3.1 The Edinburgh Integrated Joint Board (EIJB), like others across Scotland, operates within a complex environment. Health and social care services are under pressure due to tightening resources, increased demands and workforce shortages leading to a requirement to prioritise.
- 3.2 Following a combined budget offer of £809.4m from the City of Edinburgh Council and NHS Lothian, and the projected costs for delegated services totalling £856.4m the EIJB had an estimated £47m savings requirement going into 2023-24.
- 3.3 In March and June 2023, the EIJB agreed a savings and recovery programme (SRP) to deliver in year savings totalling £20.68 million. A table showing the total programme is attached as Appendix 1. The RAG status used to evaluate project progress and financial progress is provided in appendix 2.
- 3.4 The SRP was developed as part of the medium-term financial strategy (MTFS) for the EIJB, which aims to provide a structured approach to reaching financial balance and sustainability through delivery of a multi-year programme of change and efficiency.

4. Main report

- 4.1 Delivery of the EIJB's Savings and Recovery Programme is overseen by the Change Board, chaired by the Chief Officer. This group meets monthly with all project leads submitting progress reports which inform the overall dashboard prepared by the Programme Manager. As part of this process all reports are signed off by finance colleagues to ensure accurate and appropriate reporting.
- 4.2 It is important to note that not all savings schemes are delivered uniquely by one organisation and that the EIJB's budget is considered as one "pot" of money, with the distinction between the Council and NHS Lothian savings increasingly becoming

blurred. Of the twenty-two (22) projects in the 23/24 SRP, twelve (12) fall under the Council's sole accountability and three (3) will be delivered jointly across the 2 organisations. The remaining seven (7) projects fall under the aegis of NHS Lothian.

- 4.3 NHS Lothian led savings projects are governed through the Change Board detailed above, and existing NHS Lothian mechanisms, principally their Finance and Resources Committee.
- 4.4 The total savings target for the 15 projects for which the Council is in whole or in part accountable is £13.55 million. As of the end of January 2024, these projects have delivered an estimated £11.99 million (89%).
- 4.5 Eight projects have delivered or over-delivered against their targets with three months remaining in the financial year. Confidence remains high that a further three projects will deliver in full or nearly so by year end.
- 4.6 Four projects have yet to deliver significant savings against target and confidence is limited that full delivery will be achievable by year end. Of these, three (Commissioning, Structural Re-organisation and Agency and Overtime) are unlikely to realise in-year savings, however, substantial progress has been made in each case to lay the foundations for savings in the new financial year. The final project, Review and Assessment, has been delayed by a number of factors, including staffing issues, contract management concerns and system and process delays. Mitigating actions have been taken to improve delivery, such as increasing oversight and reporting, streamlining processes and making staffing changes. The learning from this project will inform major elements of the 24/25 Savings and Recovery Programme and it will be monitored closely until year-end to maximise full-year savings.
- 4.7 Notwithstanding, confidence in delivery of the SRP as a whole remains high due to the number of projects which have significantly over-delivered against their original targets.
- 4.8 High level details of the status of the individual projects can be found in appendix 3, based on the Change Board Programme Dashboard for February 2024. This covers actions up to and including January 2024 and indicates the current position for the 15 projects either fully or partially attributable to the Council.
- 4.9 In November 2022, the EHSCP invested in specialist external support to develop the MTFs, and, through this work, enhance the skills of managers and staff across the organisation. Throughout 23/24, processes have been developed and tightened to ensure robust monitoring and tracking of savings against targets, although it is recognised that further work is required in this area. The Partnership will build on the lessons learned in this and previous years to develop its skills in this regard, however, there are also broader challenges relating to the resource and capacity to deliver change of this scale, the availability of reliable data to ensure firm evidence-based decision making and the need to redesign processes and ways of working to enable successful delivery. The scale of the savings required in 24/25 and future years means that this will remain a significant challenge.

5. Next Steps

- 5.1 The EIJB will continue to monitor the performance of the SRP and a bi-annual report will be provided to this committee with ongoing updates.

6. Financial impact

6.1 This paper provides an update on the savings and recovery programme. This is one element of the overall financial position for the Integration Joint Board, which is continuing to project an overspend for 2023/24. The Chief Officer and Chief Finance Officer are working with Council officers to consider the options for addressing this.

7. Equality and Poverty Impact

- 7.1 A full programme of Integrated Impact Assessments was carried out prior to the decisions taken by the EIJB in March and June 2023, including two assessments of the cumulative impact of the savings. Details can be found at www.edinburghhscp.scot.

8. Climate and Nature Emergency Implications

- 8.1 No environmental impacts have been identified.

9. Risk, policy, compliance, governance and community impact

- 9.1 A robust programme of Integrated Impact Assessments was carried out to identify the community impact.
- 9.2 Risk is managed in the first instance via the Change Board risk register and by individual project risk logs. The risk of failing to deliver the savings in full by year end is managed through the EHSCP risk log with escalation to the corporate risk register where appropriate.

10. Background reading/external references

- 10.1 The SRP was agreed on 13 June at the meeting of the EIJB of that date.
<https://democracy.edinburgh.gov.uk/documents/g6632/Public%20reports%20pack%2013th-Jun-2023%2010.00%20Edinburgh%20Integration%20Joint%20Board.pdf?T=10>

11. Appendices

Appendix 1: 23-24 Savings Programme - Project and Finance Table

	Project Title	23/24/ Savings Target (£m)
1	Review and Assessment - Digital Care Development (enabler)	£1.22

	- 3 Conversations & Social Prescribing (enabler) - Digital front Door (enabler)	
2	Commissioning - Brokerage (enabler)	£1.00
3	One Edinburgh	£0.50
4	Hosted and set aside	£2.80
5	Continence	£0.05
6	Structure Reorganisation	£0.13
7	Agency and Overtime Savings	£0.60
8	Optimising SDS	£2.00
9	Purchasing (gross funding)	£0.40
10	Employability services (The Works)	£0.25
11	Spot Purchase Grip and Control	£1.00
12	Decommissioning Interim Beds	£3.20
13	Community equipment	£0.28
14	2C Practices	£0.05
15	Prescribing	£2.60
16	Overnight support	£1.15
17	Community Transport	£0.50
18	Housing support	£0.45
19	Pentland ward investment	£1.10
20	Comm investment fund	£1.00
21	Blood borne virus investment	£0.20
22	Contract uplifts	£0.20
	TOTAL	£20.68

Appendix 2: RAG Scoring Guidance

2.1 Progress RAG Scoring Guidance*

Red	0	No confidence in delivery
Red	1	Critical issues threaten the success of the project and confidence in delivery is very low
Red	2	Significant project issues mean project is not on track and confidence in delivery is very low
Amber	3	Major problems regarding project performance and no or limited corrective actions in place
Amber	4	Major problems regarding project performance and delivery, but corrective actions are in place to improve confidence in delivery
Amber	5	Problems exist regarding project performance, delivery of corrective actions are/ have been delivered, with reasonable confidence of success
Amber	6	Minor problems exist with the project but confidence in the delivery of the project remains high
Green	7	Project on track and expected to deliver minimum outputs/ benefits
Green	8	Project on track. Progress and achievement of the project is on target
Green	9	Progress and achievement of the project is likely to exceed planned output/benefits
Blue	10	Project completed and outputs/ benefits delivered. Appropriate learning shared within and beyond Programme

2.2 Saving RAG Scoring Guidance

RAG Rating		% of Savings Target
Red	0	0% achieved
Red	1	<20%
Red	2	20% - 30%
Amber	3	30% - 40%
Amber	4	40% - 50%
Amber	5	50% - 60%
Amber	6	60% - 70%
Green	7	70% - 80%
Green	8	90% -100%
Green	9	>100% achieved
Blue	10	Financial balance achieved and recorded in General Ledger Appropriate learning shared within and beyond Programme

Appendix 3 - 23-24 Savings Programme - Project status including progress and saving RAG evaluation (CEC projects only)

Project Number	SAVINGS PROJECT: Project Name	23/24 Savings Target (£M)	YTD Total	Progress RAG	Savings RAG	Progress update as of end January 2024
1	Optimising SDS	£2.00	£1.7	9	7	85% of savings have been delivered and confidence is very high that the saving will be realised in full by year-end.
2	Purchasing (gross funding)	£0.40	£1.7	9	9	This project has delivered well over the target (425%) and is projected to deliver further savings over the final months of the year.
3	Community Transport	£0.50	£0.50	7	8	This saving has been delivered in full and scoping is underway to identify further savings in this area for 24/25.
4	Housing support	£0.45	£0.47	9	9	This project has exceeded its original target and a close report is being prepared for sign-off.
5	Review and Assessment	£1.22	£0.06	2	1	The Review and Assessment project suffered from a number of delays to implementation. Progress has been underway since October 23. The team have delivered an in-year net saving of £0.054m to date, albeit with a full-year impact for 24/25 of £1.7m. It is unlikely that significant further savings will be realised in 23/24 and mitigating actions have been instigated.
6	Commissioning	£1.00	£0	4	0	Substantial analysis has been carried out in the commissioning sphere and a number of inter-linked programmes have been identified which are anticipated to realise savings as an important plank of the 24/25 programme. However, it is unlikely that these savings will be delivered by the end of this financial year.
7	Spot Purchase Grip and Control	£1.00	£1.60	9	9	This project has overdelivered by £600k through successful reclaim of unspent ISF funding. It is projected to deliver small amounts of further savings over the remaining months of the financial year.
8	Decommissioning Interim Beds	£3.2	£2.76	7	8	All interim bed contracts ended on 30 th September. Full savings will not be realised in-year as 3 individuals remain on spot contracts due to difficulties in securing appropriate onward destinations. Work continues on this and full year saving may increase slightly once this has been resolved.
9	One Edinburgh	£0.5	£0.48	8	8	96% of savings have been delivered to date. Confidence is high that the target will be achieved.

Project Number	SAVINGS PROJECT: Project Name	23/24 Savings Target (£M)	YTD Total	Progress RAG	Savings RAG	Progress update as of end January 2024
10	Structural re-organisation	£0.13	£0	6	0	Significant progress has been made to review the structure of the EHSCP, however, it is now very unlikely that savings will be delivered in 23/24. However this will be mitigated by underspend from unfilled posts in year.
11	Agency and overtime	£0.6	£0	4	0	Work is ongoing to manage agency use within high impact services, with tighter security on approving agency use and overtime. However confidence in delivery of savings target within this financial year is low and it is unlikely remedial actions will achieve the savings target in year.
12	Contract uplifts	£0.20	£0.20	10	10	Savings delivered in full and project closed.
13	Community investment fund	£1.00	£1.00	10	10	Savings delivered in full and project closed.
14	Blood borne virus investment	£0.20	£0.20	10	10	Savings delivered in full and project closed.
15	Overnight Support	£1.15	£1.34	10	10	Savings delivered in full and project closed.
TOTAL		£13.55	£11.99			