

REPORT

Finance update

Edinburgh Integration Joint Board

27 October 2020

Executive Summary

The purpose of this report is to provide the Integration Joint Board (IJB) with an update on projected in year financial performance.

Recommendations

It is recommended that the committee:

1. note the current year end forecasts provided by our partners;
2. note the recently announced funding allocation to meet the additional costs of COVID-19;
3. recognise that further work is required to better understand the impact of both this and future allocations on the financial out turn for delegated services; and
4. agree the phase 2 savings and recovery programmes set out in this paper.

Directions

Direction to City of Edinburgh Council, NHS Lothian or both organisations	No direction required	✓
	Issue a direction to City of Edinburgh Council	
	Issue a direction to NHS Lothian	
	Issue a direction to City of Edinburgh Council & NHS Lothian	

Report Circulation

1. The figures contained within this report will be considered by the Performance and Delivery Committee (P&D) on 16th October 2020.

Main Report

Background

2. At its meeting in July the IJB agreed the 2020/21 financial plan, which set out how financial balance could be achieved in year. In August, the board agreed to implement the nationally agreed 3.3% contract uplift to support providers to pay all employees the Scottish Living Wage. This would incur an additional cost of £6.7m for which budget of £3.3m was available. Thus causing a £3.4m gap in the previously balanced financial plan.
3. At the same meeting the IJB also received a report which set out the year end forecasts provided by our partners. These projections indicated a year end overspend of £10.9m, before applying the impact of the contract uplifts. As part of their considerations the board recognised that both partners (the City of Edinburgh Council – the Council and NHS Lothian) had commissioned work to further understand the financial impact of COVID-19 and how any funding made available by the Scottish Government (SG) would affect the overall financial position. In the context of this further work and the prevailing uncertainty, the paper confirmed that the Chief Finance Officer was not, as yet, in a position to give the IJB assurance on the likely final impact on the IJB's finances.

4. Towards the end of September, the Cabinet Secretary announced a funding package totalling £1.89bn to support health and social care costs. Of this, NHS Lothian received £78.3m, including £18.1m for the 4 health and social care partnerships in the area. Both the accompanying letter and ongoing feedback from SG officials emphasised the intention to fully fund the financial impact of COVID-19. Until further allocations are received this clearly remains a risk for all health and social care bodies across Scotland. The allocation is discussed in further detail in paragraphs 14 to 16 below.
5. Although the updated financial projections provided by partners continue to show an overspend by the end of the year, these do not currently reflect: all the funding either currently confirmed; or funding which has not yet been received, but where the SG has given a commitment. This would clearly improve the forecast however, the quantification of this will not be clear until the proposals for the allocation of the funding are finalised. Even then, the allocation of monies from SG in future months, will have further implications which are even more difficult to quantify at this stage. There is no doubt that the current operating environment makes producing robust financial projections extremely challenging.
6. There is a clear risk that agreeing stringent additional savings at a time of significant uncertainty could lead to unnecessary public concern at a time when the country is facing an escalation in the measures required to fight a second wave of the COVID-19 pandemic. For this reason, it is recommended that officers continue to work through the implications of the funding received, in order to provide the board with more informed advice on the extent to which additional savings are required. If required, a special meeting will be arranged for November.

Overview of financial position

7. As members are aware, the IJB “directs” budgets back to our partner organisations, the Council and NHS Lothian, who in turn provide the associated services. The majority of these services are delivered through the Partnership, with the balance being managed by NHS Lothian under the strategic direction of

the IJB. Management of financial performance is undertaken through the governance arrangements in the 2 partner organisations and the Partnership.

8. The information in this report is based on the period 5 monitoring from the Council and the results to the end of August as provided by NHS Lothian. Table 1 below summarises the projected year end operational position for delegated services, before the application of the next tranche of SG funding. Further detail is included in appendices 2 (the Council) and 3 (NHS Lothian).

	Budget £k	Annual Forecast actual £k	Variance £k	Variance to end August £k
NHS services				
Core	299,875	303,140	(3,265)	(2,102)
Hosted	90,843	92,505	(1,662)	(458)
Set aside	89,469	94,387	(4,917)	(1,613)
Sub total NHS services	480,188	490,032	(9,844)	(4,174)
CEC services	228,508	233,160	(4,652)	(1,938)
Living wage		3,400	(3,400)	(1,417)
Total	708,696	726,592	(17,896)	(7,529)

Table 1: IJB year end forecast 20/21

9. As described above and in previous reports, interpreting these results at this time of particular uncertainty is not straightforward. Both partner organisations have commissioned further work to fully understand the: underlying drivers of the position; the financial impact of COVID-19 on the actual costs incurred to date; the consequences for the rest of the financial year; and the extent to which the SG funding will offset these costs.
10. Financial forecasts will continue to be updated as the finance teams work through the exercises discussed in this paper, remobilisation plans are refined and the financial consequences become clearer. This work will provide the IJB with further information which will, in turn, influence the approach required to address any residual financial gap.

City of Edinburgh Council

11. The Council has just completed its period 5 monitoring report which shows a projected overspend on delegated services of £4.7m for the year. This excludes the impact of the living wage payments agreed in August. Including this will increase the year end position to £8.1m. The methodology underpinning the forecast was outlined in the September report to the committee. As discussed elsewhere in this paper work is ongoing to better understand the drivers of the position but headlines are:

- *Care at home/care and support* (£2.2m/£1.7m overspent respectively) – after initial reductions in March and April service provision (and costs) has been steadily increasing over recent months. Initial evidence is that a number of factors are influencing this, including packages being set up to compensate for other services which are not available during the pandemic (e.g. day services); where family and community support is proving more difficult to sustain as lockdown eases and people return to work, and as an alternative to care home placements. As previously reported, the forecast assumes 3% growth and officers from the Council's finance team are working closely with Locality Managers to review this assumption in the context of the 'grip and control' work which is underway.
- *Day services* (£0.6m under) – reflecting services paused during the pandemic.
- *Residential services* (£0.2m over) – as with care at home and care and support costs fell significantly at the start of the pandemic. These are now increasing as more people are requiring respite, often in privately run care homes.
- *Internal services* (£1.1m under) – continued vacancy levels across a range of services, predominantly homecare where recruitment has been being controlled for the last year.
- *Income* (£2.5m over) – partly due to a lower use of residential and day care services during the pandemic and partly to slippages in timescales for

undertaking financial assessments. Funding of £1.9m has been received as part of the SG package to offset this but, to be consistent with the NHS Lothian approach to reporting, has not been recognised in the figures as yet. As discussed below, a contingency of 30% has been retained by the Scottish Government and it is anticipated that, if this loss of income remains as projected, further funding will be allocated in January.

NHS Lothian

12. NHS Lothian has now published the financial results to the end of August and has finalised their quarter 1 review. The impact on the IJB is estimated to be an overspend of £9.8m by the end of the year. As with the Council, efforts are being made to better understand and refine the position. Information continues to be worked through relating to the IJB position. NHS Lothian will report to their Finance And Resources Committee that ‘the nature of disaggregating costs at cost centre level makes IJB financial performance reporting more complex with COVID-19 costs incurred across set aside, hosted and core areas, and this is compounded by the centralisation of significant cost elements. It is likely that a proper assessment of the IJB financial variances will only be possible once the COVID-19 funding allocation has been distributed accordingly across areas’.
13. As with the Council, the basis of the NHS Lothian forecasts was covered in the September paper to P&D. Key variances include:
 - *GMS* (£2.2m over) – reflecting increased payments made to GPs during the pandemic (£1.5m) as well as increased pressure within NHS board managed GP practices (S2C) (£0.5m) and resulting from maternity & sick costs (£0.2m). As discussed below funding is anticipated to offset the costs incurred as a result of the pandemic although this has not been reflected in the current allocation.
 - *Mental health* (£1.0m under) - continuing high levels of vacancies, particularly in nursing.
 - *Prescribing* (£2.9m over) – price per item remains significantly higher than budgeted prices, creating a £1m year to date overspend. The main cause

of the price spike appears to be in relation to the short supply of an anti-depressant drug, Sertraline, along with a change in the usual mix of medicines. The price of Sertraline has been reducing latterly, bringing the overall cost per item down, but there is still uncertainty about the level of the recovery possible in year and a £2.9m overspend is currently forecast. The prescribing overspend has been classified as a COVID-19 related cost pressure.

- *Hosted services* (£1.6m over) – caused by 2 main COVID-19 related pressures: additional costs of the pan Lothian out of hours GP service (LUCS); and pressures in the Royal Edinburgh Hospital. The underlying position will only be clear when the application of the SG funding is agreed and applied to budgets.
- *Set aside services* (£4.3m over) – the complexities inherent in the methodology used to translate financial performance on a business unit basis to the implications for the IJB via the mapping table requires further analysis. As above this will also be impacted by the recently announced SG funding.

Funding for the financial impact of COVID-19

14. On 29th September 2020 the Cabinet Secretary announced in parliament funding totalling £1.089bn to support health and social care. This was followed by a letter from the SG Director of Planning for Health and Social Care confirming NHS Lothian's allocation of £78.3m. The letter also gave further detail of how the methodology underpinning the allocation, the principles of which are summarised below:

- funding has been provided based on actual costs for the first quarter of the year, with a share of future costs anticipated from quarter 2 until the year end;
- a further allocation will be made in January, reflecting the latest information available on costs across all Boards and IJBs;

- At this stage exclusions have been made to allocations, with follow up required. In the latest allocation (recognising the level of variability in board estimates), lost efficiency savings have not been included within the funding. Significant variation across boards has led the SG to determine that this will be subject to further discussion on a board by board basis. Similarly, offsets have not been adjusted for at this stage, again due to the level of variation across health boards;
- Resource allocations are based on a mix of actual costs and NRAC share. Across health boards, for those elements of cost that would be supported by an NRAC allocation, funding is capped at the lower of cost incurred or NRAC. For Lothian, this means a shortfall in funding of circa £4m at this stage against full requirement for the first quarter of the year, with further discussion required with the SG on how this gap might be closed.
- In principle, funding should be allocated between NHS Boards and Integration Authorities on the basis of the tables supplied by the SG, however Boards and Integration Authorities may agree to allocate funding flexibly between categories to better recognise local pressures and priorities.

15. The detailed schedule is attached at appendix 3.

16. As can be seen from paragraph 14 above, the position with the recently announced funding is complex and will take some time to work through. This is being led by the NHS Lothian Director of Finance and will involve the 4 Chief Finance Officers as required. The key point of importance is the SG commitment to fully fund the financial impact of COVID-19 and that further allocations will follow as the year progresses and the level of uncertainty abates.

Savings and recovery programme

17. In July 2020 the IJB agreed a phased Savings and Recovery Programme to deliver in year savings of £15.9m, recognising that this was both achievable and challenging. Delivery is overseen by the Savings Governance 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. This approach is part of the Savings Governance Framework which has been put in place following the recent internal audit review of the governance of the programme. The framework considered not only the requirement for immediate savings to ensure financial balance, but provided a clear and structured approach for future years, that aligns with our partners financial planning processes. As appropriate, we have also recognised within the framework, links to the transformation programme to ensure that proposal development, delivery and benefits realisation (including savings) are monitored collaboratively to avoid duplication.
18. As part of the framework, identified proposals were structured into phases that span both this and next financial year detailed in appendix 4.
19. The four phases under which the proposals have been grouped are
 - Phase 0 - Includes proposals that have already been approved by EIJB
 - Phase 1 - proposals which were approved by the EIJB at their meeting on the 21st July 2020
 - Phase 2 - proposals which we identified as our route to financial balance, and which following additional work since July 2020 we are now seeking approval
 - Phase 3 - proposals at planning stage, to ensure savings can be realised in the next financial year
20. The proposals that sit within phase 2 of the savings and recovery programme were identified in our original plan as our route to financial balance. Following additional work on these four proposals since July 2020, which includes

developing high level project briefs detailed in appendix 5, we are now seeking the IJB's approval to implement them.

21. The number of proposals in phase 2 has reduced from the original six proposals presented to the IJB in July 2020 to four proposals. The two changes are as a result of an amalgamation of two proposals (review hospital bed based and review care home provision) into bed based project (phase 1) and the movement of the medical day hospital from phase 2 to phase 3 as there was no forecast saving in this financial year.
22. The phase 2 proposals presented for approval, either anticipate a greater saving realised from a proposal already approved (purchasing) or are due to financial slippage in core budgets in year and as such will not result in any service or policy change.
23. The impact of the proposed phase 2 proposals, along with phase 0 and phase 1 on the savings and recovery programme is detailed in table 2 which also shows the increased savings requirement following the board's agreement in August. All things being equal, this shows a remaining gap of £3.4m (i.e. assuming that all schemes deliver as intended). This shortfall has been captured in the mobilisation plan although, as discussed above, national discussions are ongoing on the extent to which slippage in savings will be funded by the SG.

	July 2020 Savings £m	Updated Oct 2020 £m
Savings requirement		
Original	15.9	15.9
Living wage (3.3% contract uplift)		3.4
Updated requirement	15.9	19.3
<i>Savings and Recovery Programme</i>		
Phase 0	2.96	2.91
Phase 1	8.95	8.95
Phase 2	3.99	4.04
Total Savings and Recovery Programme	15.90	15.90
Net position	0	3.4

Table 2: Impact of savings and recovery programme 2020/21

24. It is important to note that given the ever changing landscape presented by COVID-19 it has been necessary to apply a degree of estimation and assumption based on experience and knowledge available, when developing the proposals. Where assumptions have been made and constraints or dependencies identified these have been articulated as clearly as possible within the savings proposals and as with any risks, mitigations identified as appropriate.

The future: rolling savings programme/sustainability programme

25. Since July 2020, work has been ongoing to refine the Savings Framework, ensure clear strategic alignment and strengthen links with the Transformation programme. These steps will not only aid decision making, but will help us achieve the ambition of rolling Savings Programme and support the route to financial balance in future years.

Implications for Edinburgh Integration Joint Board

Financial

26. Outlined elsewhere in this report

Legal/risk implications

27. Like any year end projection, the IJB's relies on a number of assumptions and estimates each of which introduces a degree of risk. Of particular note are:
- a) forecasts will vary as service driven mobilisation and remobilisation plans are developed and financial impacts crystallised;
 - b) the extent to which COVID-19 costs will be met by the Scottish Government through the mobilisation planning process;
 - c) delivery of the savings and recovery programme in line with projections;
and
 - d) that there will be no further waves of COVID-19.

Equality and integrated impact assessment

28. Where identified as appropriate, Integrated Impact Assessments have been undertaken for both the individual savings proposals and the savings programme as a whole.

Environment and sustainability impacts

29. The environmental impact of the savings proposals within the savings programme, were considered as part of the completed Integrated Impact Assessments.

Quality of care

30. There is no direct additional impact of the report's contents.

Consultation

31. There is no direct additional impact of the report's contents.

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Appendices

Appendix 1	Year end forecast for Council delegated services
Appendix 2	Year end forecast for NHS delegated services
Appendix 3	Scottish Government COVID-19 funding
Appendix 4	Savings and recovery programme 2020/21
Appendix 5	Savings programme high level project briefs
Appendix 6	Glossary of terms

YEAR END FORECAST FOR COUNCIL DELEGATED SERVICES

Service	Annual				Variance to end August £k
	Budget £k	Forecast actual £k	Variance £k	%	
External					
Assessment and care management	519	519	0	0.00%	0
Care at home	31,564	33,747	(2,183)	-6.92%	(910)
Care and support	56,844	58,593	(1,749)	-3.08%	(729)
Day services	13,842	13,260	582	4.20%	243
Direct payments/individual service funds	35,997	35,950	47	0.13%	20
Other services	10,866	10,637	229	2.11%	95
Residential services	65,822	65,979	(157)	-0.24%	(65)
Total external services	215,454	218,685	(3,231)	-1.50%	(1,346)
Total internal services	114,294	113,236	1,058	0.93%	441
Total costs	329,748	331,921	(2,173)	-0.66%	(905)
Income and funding					
Customer and client receipts	20,115	17,586	2,529	12.57%	1,054
Cost recovery	25,299	25,443	(144)	-0.57%	(60)
Funding (SCF/ICF/RT)	55,826	55,732	94	0.17%	39
Total income and funding	101,240	98,761	2,479	2.45%	1,033
Net position	228,508	233,160	(4,652)	-2.04%	(1,938)

YEAR END FORECAST FOR NHS DELEGATED SERVICES

Service	Annual				Variance to end August £k
	Budget £k	Forecast actual £k	Variance £k	%	
Core services					
Community Hospitals	12,946	12,641	305	2%	75
District Nursing	11,969	11,627	342	3%	119
Geriatric Medicine	2,736	2,649	87	3%	(71)
GMS	83,549	85,748	(2,199)	-3%	(1,938)
Learning Disabilities	1,177	1,144	33	3%	51
Mental Health	10,753	9,819	934	9%	567
PC Management	49,197	49,006	191	0%	(31)
PC Services	9,676	9,850	(174)	-2%	(94)
Prescribing	76,117	79,052	(2,935)	-4%	(949)
Resource Transfer	25,536	25,536	0	0%	1
Substance Misuse	4,472	4,380	92	2%	130
Therapy Services	10,060	10,125	(65)	-1%	22
Other	1,686	1,562	124	7%	18
Sub total core	299,875	303,140	(3,265)	-1%	(2,102)
Hosted services					
Community Equipment	1,860	2,276	(416)	-22%	(306)
Complex Care	1,598	1,393	205	13%	9
Hospices & Palliative Care	2,956	2,960	(4)	0%	(8)
Learning Disabilities	7,887	8,106	(219)	-3%	146
LUCS	5,596	7,776	(2,180)	-39%	(904)
Mental Health	27,941	29,098	(1,157)	-4%	(388)
Oral Health Services	9,951	9,762	189	2%	128
Primary Care Services	2,957	2,817	139	5%	95
Psychology Services	4,970	4,979	(9)	0%	28
Public Health	1,063	971	92	9%	17
Rehabilitation Medicine	5,039	4,584	455	9%	220
Sexual Health	3,705	3,528	177	5%	116
Substance Misuse	2,161	2,157	4	0%	46
Therapy Services	7,374	7,062	312	4%	183
UNPAC	3,746	3,532	214	6%	(111)
Other	2,040	1,504	535	26%	272
Sub total hosted	90,843	92,505	(1,662)	-2%	(458)
Set aside services	89,469	94,387	(4,917)	-5%	(1,613)
Total	480,188	490,032	(9,844)	-2%	(4,174)

SCOTTISH GOVERNMENT COVID-19 FUNDING

	NHS Lothian (£000s)			
	Allocation Basis	Health Board	HSCP	Total
Q1 Total as per COVID-19 Finance Return		13,793	15,337	29,130
<i>Less Exclusions</i>				
Social Care Spend	Actuals	-	(4,480)	(4,480)
Underachievement of savings	N/A	(1,183)	(2,671)	(3,855)
Offsetting Savings	N/A	11,481	-	11,481
Personal protective equipment	Actuals	(446)	(1,023)	(1,469)
Hospice Loss of Income	N/A	-	-	-
FHS Payments	N/A	-	(5,567)	(5,567)
Louisa Jordan Costs	Actuals	-	-	-
Q1 Spend for NRAC calculation		23,645	1,596	25,241
NRAC Share of Total		14.96%		21,224
Q1 Calculated Allocation (Lower of NRAC/Actual)		19,874	1,349	21,224
<i>Add back:</i>				
Social Care Spend	Actuals	-	4,480	4,480
Personal protective equipment	Actuals	446	1,023	1,469
Louisa Jordan Costs	Actuals	-	-	-
Q1 Allocation		20,320	6,852	27,172
Q2-4 Total as per COVID-19 Finance Return		72,470	40,388	112,858
Allocations- 70% of actuals or NRAC share				
PPE	Actuals	447	375	822
Social Care (payments to third parties, DD reduction)- 50%	Actuals	-	12,289	12,289
Elective/Planned Care (100% allocated)	Actuals	6,837	-	6,837
Test and Protect	Actuals	1,931	-	1,931
Hospital scale up - Staffing and beds	Actuals	13,653	711	14,364
Loss of income	Actuals	8,488	2,029	10,516
Louisa Jordan	Actuals	-	-	-
Equipment and Maintenance costs	NRAC	2,672	54	2,726
Other	NRAC	-	1,464	1,464
Primary care	NRAC	823	2,517	3,340
Digital transformation	NRAC	731	108	839
Remobilisation	NRAC	1,502	-	1,502
Additional HSCP staffing costs	NRAC	-	2,960	2,960
Public Health Measures (including flu)	NRAC	2,689	-	2,689
Total allocation for Q2-4		39,773	22,506	62,280
Difference between Q2-4 Forecast and allocation				(50,578)
Reconciling Items				
Underachievement of savings				(8,995)
Offsetting Cost Reductions				2,335
Social Care (payments to third parties, DD reduction)				(12,289)
FHS Payments				(2,899)
Hospice Funding				(2,079)
Winter Planning				-
Unscheduled Care				(2,000)
30% forecast adjustment				(18,495)
NRAC adjustment				14,739
Planned Care Adjustment				(20,896)
Calculated Allocation Q1-4		60,094	29,359	89,452
Less social care funding previously allocated		0	11,179	11,179
Total Allocation Q1-Q4		60,094	18,180	78,273
Confirmed Capital Funding				6,181

EDINBURGH IJB SAVINGS AND RECOVERY PROGRAMME 2020/21

Programme Focus	Phase 0 (Already approved)	Phase 1 (Seeking approval)	Phase 2 (Route to financial balance)	Phase 3 (Future programme - planning stage)
1) Bed Based Review*		8. Home First*	16. Bed Based Project (Phase 1)	20. Bed Based Project (Phase 2)
				21. Contribution based charging
2) Purchasing	1. Adult Sensory Impairment Services	9. Purchasing	17. Additional Purchasing	22. Review Grants
			18. Mental Health and Wellbeing	
3) Building Based Services	2. LD Services (A)	10. LD Services (B)		23. Review future delivery model of building based services ²
	3. External Housing Support			
	4. Day Centres & Be Able*			
4) Workforce	5. Vacancy Control (G&C ¹)			24. Review Management Resource
				25. Mobile worker expenses
5) Lothian Service		11. Review Rehabilitation Services		
		12. Review Sexual Health Services		
		13. Prescribing		
6) Other	6. Hosted (by NHS/ other 3HSCPs)	14. Community Equipment*	19.EADP	26. Internal Home Care*
	7. Set Aside			27. Thrive – Mental Health and Wellbeing
		15. Carers investment		28. Medical Day Hospitals*

Programme Focuses recognise where proposals may be interlinked and therefore have interdependencies e.g. purchasing and community investment

* Projects with elements that also fall within the Transformation Programme

¹ Grip & Control

² Informed by SG Route map and to incorporate Internal & External Services

EDINBURGH IJB SAVINGS AND RECOVERY PROGRAMME 2020/21

Proposal		Phase	July 2020 Saving (£m)	Update Oct 2020 (£m)
1	Adult Sensory Impairment Services*	0	£0.03	£0.03
2	LD Services (A)**	0	£0.52	£0.52
3	External Housing Support***	0	£0.25	£0.20
4	Day Centres & Be Able**	0	£0.04	£0.04
5	Vacancy Control	0	£0.20	£0.20
6	Hosted (by NHSL/ other 3HSCPs)****	0	£0.74	£0.74
7	Set Aside*****	0	£1.18	£1.18
Phase 0 Sub Total			£2.96	£2.91
8	Home First*****	1	£1.00	£1.00
9	Purchasing *****	1	£4.10	£4.10
10	LD Services (B)*****	1	£0.06	£0.06
11	Review Rehabilitation Services*****	1	£0.08	£0.08
12	Review Sexual Health Services*****	1	£0.05	£0.05
13	Prescribing *****	1	£1.96	£1.96
14	Community Equipment*****	1	£0.25	£0.25
15	Carers investment*****	1	£1.45	£1.45
Phase 1 Sub Total			£8.95	£8.95
16	Bed Based Project (Phase 1)	2	£0.50	£0.50
17	Additional purchasing	2	£3.09	£3.09
18	Mental Health & Wellbeing	2	£0.30	£0.30
19	EADP	2	£0.10	£0.15
Phase 2 Sub Total			£3.99	£4.04
20	Bed Based Project (Phase 2)	3		
21	Contribution based charging	3		
22	Review Grants	3		
23	Review delivery model of building based services	3		
24	Review Management Resource	3		
25	Mobile worker expenses	3		
26	Internal Home Care	3		
27	Thrive - Mental Health & Wellbeing (Phase 2)	3		
28	Medical Day Hospitals	3		
TOTAL 2020/21 SAVINGS			£15.90	£15.90

* Agreed at IJB on 10th December 2019:

<https://democracy.edinburgh.gov.uk/ieListDocuments.aspx?CId=160&MId=473&Ver=4>

** Already agreed as part of 2019/20 Savings Programme:

[https://democracy.edinburgh.gov.uk/Data/Edinburgh%20Integration%20Joint%20Board/20190329/Agenda/\\$item_56_-_201920_financial_plan.xls.pdf](https://democracy.edinburgh.gov.uk/Data/Edinburgh%20Integration%20Joint%20Board/20190329/Agenda/$item_56_-_201920_financial_plan.xls.pdf)

*** Agreed at IJB on 28th April 2020:

<https://democracy.edinburgh.gov.uk/ieListDocuments.aspx?CId=160&MId=475&Ver=4>

**** Savings planned within NHS Lothian Set Aside

***** Agreed at IJB on 21st July 2020: <https://democracy.edinburgh.gov.uk/documents/s24813/Item%207.2%20-%20Savings%20and%20Recovery%20Programme%202020-21%20V2.pdf>

SAVINGS PROGRAMME - HIGH LEVEL PROJECT BRIEFS

Savings Programme Project Brief: 16. *Bed Based Project (Phase 1)***Project Brief**

As part of the development of the EIJBs financial plan, The Edinburgh Health and Social (EHSCP) develops its growth assumptions for residential care based upon a situation where care homes are at capacity. The unusual circumstances created by COVID-19 have meant that this is not currently the case. This proposal therefore seeks to review the balance of internal and external residential provision, thereby reducing the growth assumptions and realising a saving of £500,000.

Assumptions and Dependencies**Assumptions:**

High level assumptions include:

- The demand for residential places will gradually return to previous levels

Dependencies

High level dependencies include:

- Scottish Government guidance on managing COVID-19
- Future waves of COVID-19

Impact

Implementation of the Bed Based Project (Phase 1) proposal contributes to the following Strategic priorities:

- Managing our resources effectively
- Making best use of capacity across the system
- Right care, right place, right time

Following due consideration it has been identified that an Integrated Impact Assessment (IIA) is not required for the Phase 1 Bed Based Project proposal because it will not result in any change to policy, nor result in any services changing or ceasing. Rather the proposal will simply lead to a review of the balance of internal and external residential provision. As such the proposal will not differentially affect groups of people with protected characteristics.

SAVINGS PROGRAMME - HIGH LEVEL PROJECT BRIEFS**Benefits*****Financial Benefit***

- Spend incurred in the most appropriate setting
- Reduced spend

Finances***Financial Savings***

The anticipated financial savings are laid out below:

Full year target 2020/21 (£k)	Forecast 2020/21 In Year Savings (£k)	Delivery Investment
£500	£500	None identified

SAVINGS PROGRAMME - HIGH LEVEL PROJECT BRIEFS

Risk

Risk ID	Description of Risk/ Issue	Summary of Action taken to Mitigate	Inherent RAG	Residual RAG
13.1	Financial risk: that the planned efficiencies are not achieved	Effective planning and monitoring process implemented	Red	Amber
13.2	Capacity: Winter pressures and or future waves of COVID-19 result in increased demand for residential services to alleviate pressure on acute services	Close monitoring throughout the coming months	Red	Amber

SAVINGS PROGRAMME - HIGH LEVEL PROJECT BRIEFS

Savings Programme Project Brief: 17. *Additional Purchasing***Project Brief**

To ensure the best use of the purchasing budget and to maximise the benefit to eligible individuals in the most fair and equitable manner possible, within available resources, it is necessary to review and implement appropriate changes. These changes will ensure that the Edinburgh Health and Social Care Partnership (EHSCP) is able to fulfil its statutory obligations including in relation to Self-Directed Support (SDS) and that it is aligned with approaches delivered across Scotland, whilst supporting a move away from a dependency model to an enabling model that supports people to utilise their assets, develop new skills and take responsibility for their own decisions.

The changes also seek to empower staff, by providing opportunities to support and share best practice, create space for learning and development and bring about sustained cultural change

The key changes to support the proposed Grip and Control, redesign and transformation of the Purchasing Budget were outlined in proposal including in the Savings Programme approved by the EIJB on the 21st July 2020. Through the implementation of these proposed changes it had been identified that £4.1m could be saved.

Since approval on the proposal in July, work had been ongoing to instigate and develop workstreams that support Grip and Control and cultural change. Namely: the establishment of a Good Practice Forum and Locality Forums; Learning and Development Programme and steps taken to re-establish a Resources Allocation System (RAS). These have been significant and important steps however, it is recognised that these are long term pieces of work that will take time to embed into practice.

The 2020/21 financial plan included £7.19m worth of purchasing savings, £4.1m of which have been approved to date (at EIJB on 21st July 2020). Based on initial data, it is identified that there is an opportunity to realise an additional saving of £3.09m, allowing us to realise the full saving of £7.19m outlined in the financial plan.

There is recognition that COVID-19 will have impacted on purchasing, both operationally and on the financial position. However, as recognised nationally and by the Scottish Government further analysis is required to understand the extent to which COVID-19 has impacted the forecast. This will be closely monitored and reported by the Savings Governance Board. If through this monitoring we are not on track to achieve the saving, leading to an unbalanced financial position we will need to take alternative action.

Constraints and Assumptions**Constraints:**

High level constraints include:

- Availability of accurate data to inform the decision making process
- Savings can only be attributed to this additional purchasing proposal once the original £4.1m purchasing target has been achieved

SAVINGS PROGRAMME - HIGH LEVEL PROJECT BRIEFS

- Capacity of people to engage fully with the project and appropriate changes, as well as responding to the consequences of the any future waves of COVID-19, whilst still delivering business as usual
- Risks associated with proposed changes (see Section 4: Risk & Impact) regarding staff, services provided and the people who use these services.

Assumptions:

High level assumptions include:

- Capacity of people to engage fully with the project, as well as responding to any future waves of COVID-19, whilst also delivering business as usual may constrain the benefits realisation of the project, however, this may be mitigated by the identification of appropriate project support
- It is assumed that the purchasing project proposal will be able to deliver its target of £4.1m alongside the delivery of the £3.09m identified within this proposal
- Colleagues leading purchasing programme will be integral in the broader project or programme development of any areas that may impact on the purchasing budget:
 - Bed Based Review
 - Edinburgh Pact
 - Community Investment
- Leadership by example: Ongoing buy in, support and leadership from across EIJB leadership specifically EIJB and EMT
- Support services (e.g. finance and strategic insight) across the City of Edinburgh Council will have capacity and will be available to provide support to ensure the realisation of the workstreams
- Programme management support will continue to be available via the new transformation team
- Digital solutions to be applied where possible
- The implementation of community investment to enable the shift to support self management – maximising community resources
- The implementation of Edinburgh Pact will be progressed to ensure clarity of services understanding and capacity to manage expectations
- Staff are able to adapt to new ways of working (e.g. utilising and embedding technology into practice)

Dependencies

- Delivery of the £4.1m purchasing savings proposal already agreed alongside the delivery of the £3.09m identified within this proposal
- Scottish Government guidance on managing COVID-19
- Future waves of COVID-19

SAVINGS PROGRAMME - HIGH LEVEL PROJECT BRIEFS

Impact

Strategic Links

Implementation of the changes to Purchasing contributes to the following Strategic priorities:

- Prevention and early intervention
- Person Centred Care
- Managing our resources effectively
- Making best use of capacity across the system
- Right care, right place, right time

High Level Impact

An Integrated Impact Assessment (IAA) was completed for the Purchasing Savings Proposal on 23rd March 2020, which can be found here: <https://www.edinburghhsc.scot/the-ijb/integrated-impact-assessments/>. The key outcomes identified through the completion of the IIA are detailed below:

People (citizens)

Positive

- Best use of purchasing budget to maximise the benefit to eligible individuals
- Provision of care and services in the most fair and equitable manner possible, within available resources.
- Improved consistency and equity in practice
- Person centred care using a collaborative approach which promotes choice and control

Negative

- Increase in the number of challenging and complex conversations
- Period of inconsistency as new systems and processes are implemented, mitigated by communication
- Some people may no longer receive the same level of funding to access the same level of care and support previously provided to them

People (staff)

Positive

- Clarity, support and consistency of practice
- Investment in staff via training, reflective practice and peer support and time to support this
- Cultural change

Negative

- Change in approach may be anxiety provoking for some, mitigated by communication and training
- Period of inconsistency as new systems and processes are implemented, mitigated by communication
- Increase in the number of challenging and complex conversations

System

Positive

- New and improved mechanisms
- Resources are allocated fairly across the system

SAVINGS PROGRAMME - HIGH LEVEL PROJECT BRIEFS

- Move towards Three Conversations as the new norm is aligned with EHSCP strategic intent and the principles of Self Directed Support (SDS)

Negative

- Period of inconsistency as new systems and processes are implemented, mitigated by communication
- Possible increase in delays

Reputation

Positive

- Services are delivered which ensure legal compliance, application of best practice, alignment of delivery with that seen across the country

Negative

- Perception that a selective and inequitable service is delivered, mitigation: communication about implementation of mechanisms

Benefits

Citizen Benefit

- Consistency in assessment and provision of care
- Improved communication
- Appropriate level of support when required
- Person centred and collaborative approach adopted
- Discharge facilitated in a timely manner
- Remaining at home enabled
- Reduced waiting lists

System Benefit

- Improved practice, systems and processes
- Consistency of decision making
- Reduced waiting lists
- Improved accountability and transparency of processes including decision making
- Improved audit trails
- Shift to a prevention approach

Staff Benefits

- Clarity of purpose through the provision of a position statement
- Improved communication
- Increased training
- Increased job satisfaction
- Cultural change

Financial Benefit

- Improved budget grip and control
- Improved accountability for spend
- Reduced spend

SAVINGS PROGRAMME - HIGH LEVEL PROJECT BRIEFS

Finances

Financial Savings

The anticipated financial savings are laid out below:

Full year target 2020/21 (£k)	Forecast 2020/21 In Year Savings (£k)	Delivery Investment
£8,000	£3,090 (In addition to £4.1m already approved, therefore totalling £7.19m)	<ul style="list-style-type: none"> • Dedicated time from senior managers, budget holders • Learning and development programme • Time from people to commit to developing and implementing processes • Finance support • Strategy and Insight support Delivery of other co-dependent work streams

SAVINGS PROGRAMME - HIGH LEVEL PROJECT BRIEFS

Risk

Risk ID	Description of Risk/ Issue	Summary of Action taken to Mitigate	Inherent RAG	Residual RAG
15.1	People: confusion or misunderstanding of how and why new model is being implemented	Clear and appropriate engagement and communication with people and carers	Amber	Green
15.2	Reputational damage: new service model does not meet existing expectations leading to increased complaints	Ensure appropriate linkages are made with Edinburgh Pact Workstream	Red	Amber
15.3	Skill and knowledge gap: inconsistency in the skills, knowledge and confidence of current decision makers and assessors	Staff supported and provided appropriate training and peer support	Amber	Green
15.4	Resistance to change: by workforce/ stakeholders/ people	Clear and appropriate engagement and communication	Amber	Amber
15.5	Change management: pressures on staff from involvement and supporting change whilst delivering business as usual	Staff supported and provided appropriate training including being supported t through change management	Amber	Green
15.6	Scale: the work required does not match the capacity of staff to undertake	Effective planning, allocation and monitoring process developed and implemented	Red	Amber
15.7	Volatility of the market: challenges with managing purchasing spend due to the volatility and nature of the market	Consistent, effective planning and monitoring process implemented	Amber	Amber
15.8	Financial risk: that we do not achieve the additional planned efficiencies	Effective planning and monitoring process implemented	Red	Amber
15.9	Clear vision and leadership: Inconsistent understanding of the situation and what we are trying to achieve	Consistent, positive messaging and communication. With proactive engagement across all stakeholders Ensure appropriate linkages are made with Edinburgh Pact Workstream	Red	Amber
15.10	COVID-19: Operational priorities due to COVID-19 mean that it is not possible to implement the service changes	Close monitoring throughout the coming months	Red	Amber
15.11	Inclusive involvement: purchasing leads are not involved in major strategic workstreams that change the way EHSCP conducts its business, which impact on the purchasing budget and ability to achieve savings target	Purchasing Leads must be involved in all EHSCP major strategic workstreams	Red	Amber
15.12	COVID-19: Identifying the full impact of COVID-19 on purchasing expenditure.	Continued analysis and ongoing dialogue with Scottish Government throughout the coming months	Red	Amber

SAVINGS PROGRAMME - HIGH LEVEL PROJECT BRIEFS

Savings Programme Project Brief: 18. *Mental Health & Wellbeing***Project Brief**

COVID-19 has had a number of impacts on the broader Mental Health portfolios and has resulted in financial slippage and delays to projects in a number of areas. This includes recruitment slippage to a number of posts. The financial slippage has been associated with core elements of the budget.

As a result of the slippage described above we have identified £300,000 of non recurring savings. There will be no service or policy as a result of this saving.

Assumptions & Dependencies**Assumptions:**

High level assumptions include:

- The broader system is able to flex and adapt to respond to the demand for services

Dependencies

- Funding awards from the Scottish Government are made to previously stated levels.

Impact & Benefits**Strategic Links**

Delivering efficiencies within mental health and wellbeing programme contributes to the following Strategic priorities:

- Making best use of capacity across the system
- Managing our resources effectively
- Right care, right place, right time
- Person Centred Care

High level impacts:

Following due consideration it has been identified that an Integrated Impact Assessment (IIA) is not required for this savings proposal because it will not result in any change to policy, nor result in any services changing or ceasing. Rather the proposal is to utilise identified slippage in core Mental Health budgets as a non recurring saving. As such the proposal will not differentially affect groups of people with protected characteristics.

Financial Benefit

- Reduced spend in year

SAVINGS PROGRAMME - HIGH LEVEL PROJECT BRIEFS**Finances*****Financial Savings***

The anticipated financial savings are laid out below:

Full year target 2020/21 (£k)	Forecast 2020/21 In Year Savings (£k)	Delivery Investment
£300	£300	None identified

SAVINGS PROGRAMME - HIGH LEVEL PROJECT BRIEFS

Risk

Risk ID	Description of Risk/ Issue	Summary of Action taken to Mitigate	Inherent RAG	Residual RAG
14.1	Financial risk: The Partnership does not have operational and financial responsibility for all of the budgets included within this programme	There has been widespread engagement and communication with all stakeholders, this will continue going forward.	Amber	Green
14.2	Financial risk: that we do not achieve the planned efficiencies	Effective planning and monitoring process implemented	Amber	Green

SAVINGS PROGRAMME - HIGH LEVEL PROJECT BRIEFS

Savings Programme Project Brief: 19. EADP

Project Brief

Due to the circumstances created by COVID-19 there have been a number of delays to projects which have resulted in financial slippage. As a result, we have identified an underspend of £148,000 non-recurring which can be used to partially realise the identified savings target for this financial year. There will be no service or policy change as a result of this saving.

Future financial challenge will mean that ongoing work will be required to redesign services delivery to ensure sustainability.

Assumptions and Dependencies**Assumptions:**

High level assumptions include:

- The broader system is able to flex and adapt to respond to the demand for services

Dependencies

- Funding awards from the Scottish Government are made to previously stated levels

Impacts**Strategic Links**

Implementation of a review of EADP services has the potential to contribute to the following Strategic priorities:

- Managing our resources effectively
- Making best use of capacity across the system

High level impacts:

Following due consideration it has been identified that an Integrated Impact Assessment (IIA) is not required for this EADP savings proposal because it will not result in any change to policy, nor result in any services changing or ceasing. Rather the proposal is to utilise identified slippage in core EADP budgets as a non recurring saving. As such the proposal will not differentially affect groups of people with protected characteristics.

Benefits**Financial Benefit**

- Anticipated reduced spend

SAVINGS PROGRAMME - HIGH LEVEL PROJECT BRIEFS**Finances*****Financial Savings***

The anticipated financial savings are laid out below:

Full year target 2020/21 (£k)	Forecast 2020/21 In Year Savings (£k)	Delivery Investment
£420	£148	None identified

SAVINGS PROGRAMME - HIGH LEVEL PROJECT BRIEFS

Risks

Risk ID	Description of Risk/ Issue	Summary of Action taken to Mitigate	Inherent RAG	Residual RAG
7.1	Financial risk: that we do not achieve the planned efficiencies	Effective planning and monitoring process implemented	Amber	Green

GLOSSARY OF TERMS

TERM	EXPLANATION
ASSESSMENT AND CARE MANAGEMENT	Predominantly social work, mental health and substance misuse teams
CARE AT HOME	Services provided to over 65s in their homes.
CARE AND SUPPORT DAY SERVICES	Services provided to under 65s in their homes.
DIRECT PAYMENTS	Services provided to clients in buildings owned by the Council or a third party.
GMS	Option 1 of self directed support where the client has chosen to be responsible for organising their care.
HOSTED SERVICES	General medical services – largely the costs of reimbursing GPs who, in the main, are independent contractors carrying out work on behalf of the NHS as opposed to being employees.
INDIVIDUAL SERVICE FUNDS	Services which are operationally managed on a pan Lothian basis either through one of the 4 Health and Social Care Partnerships or Royal Edinburgh and Associated Services (REAS).
LUCS	Option 2 of self directed support where the client has chosen for a 3rd party (not the Council) to organise their care.
RESIDENTIAL SERVICES	Lothian Unscheduled Care Service – provides out of hours GP services
SET ASIDE SERVICES	Services provided to clients in care homes.
THERAPY SERVICES	Acute hospital based services managed on a pan Lothian basis by NHS Lothian
UNPAC	Mainly occupational therapy teams.
	Services provided for Lothian residents out with Lothian.