

Mr Michael Matheson
Cabinet Secretary for NHS Recovery, Health and Social Care
Via email

18 July 2023

Dear Mr Matheson,

Edinburgh Integration Joint Board

I am writing at the request of the members of the Edinburgh Integration Joint Board (EIJB), the public body of which I am Chair. You will be sighted on the financial challenges facing integration authorities in Scotland but I have been asked by my Board to ensure that you are aware of the specific issues facing us in Edinburgh.

Our health and care system is facing unprecedented challenges to the sustainability; a growing and ageing population; an increase in the number of people living with long term conditions; a reduction in the working age population which compounds the challenge in workforce supply, and fundamentally resource availability cannot continue to match levels of demand. These issues are longstanding, and the financial implications are reflected in the gap in the EIJB's budget. For 2023/24 this was c£47m, a deficit which is forecast to rise to c£80m by 2025/26. To address this and, with the support of the Board, officers have been developing our medium-term financial strategy (MTFS). This will set out the path to financial balance over the 3-year period. As such, it incorporates a range of programmes and projects which, wherever possible align with our strategic intent.

The EIJB has recently received two inspection reports on adult support and protection and social work & social care, both of which highlighted some serious weakness in our processes, approach and resourcing. We have taken very seriously, and accepted, the findings from both inspections and, in response, have developed an improvement plan which prioritises key actions to deliver good quality social work and social care services to keep people safe from harm.

Whilst this clear plan for improvement encompasses all recent feedback and scrutiny, it is recognised that it is highly ambitious and being undertaken at a time when resources are tight and savings are needing to be made. Many of the initiatives in the improvement plan will deliver improved services and better lives for the people of our city at the same time as improving (i.e. reducing) costs. It is these schemes which have been prioritised for inclusion in the MTFS. They will start to deliver savings this financial year, stepping up in future years as the changes are embedded.

The MTFS offers an opportunity to redesign services over a 3-year period in a way which maximises alignment with the strategic plan and improvement programme. This work has supported the EIJB in agreeing a savings and recovery programme for 2023/24. Alongside a range of other mitigations, this will reduce the predicted in year deficit to £14m. Whilst the MTFS provides a potential path to balancing the EIJB's finances over the 3-year period in a managed and controlled manner, these plans are insufficient to secure financial balance in 2023/24.



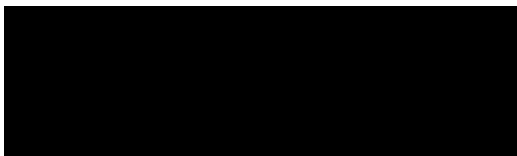
The Board received, and accepted, advice from officers that opportunities to deliver further efficiencies in the timescale required and, at the same time maintain performance and improve outcomes for people, have now been exhausted. Savings beyond the level currently built into the plan will have a significant negative impact on performance gains and, ultimately on outcomes for people. We were presented with a series of measures which could deliver the savings required to balance the financial position this year. The Board unanimously agreed that the rapid nature of implementation would undoubtedly have wide-ranging impacts, both for the outcomes for people in our city and for performance more generally.

It is in this context that the Board remitted that I write to Scottish Ministers strongly expressing concerns over the funding settlement and outlining the severity of cuts which will be needed should additional funding not be made available to the EIJB, and requesting that funding is increased. For further background, I have included links to the papers which were presented to the EIJB on 13 June 2023. [Link here](#).

I am also aware that when you met recently with Andrew Kerr, Calum Campbell and Mike Massaro-Mallinson, there was discussion regarding interim beds, for which funding from Scottish Government ceased on 31 March 2023. While the EIJB has continued to commit funding for 45 interim beds during the first 6 months of this financial year, a decision was made at the EIJB meeting on 13 June 2023 that considering the current financial circumstances and the withdrawal of funding from Scottish Government, funding for interim beds could not be sustained any further. We do recognise that this could impact on Edinburgh's performance, particularly on the number of people delayed in hospital and occupied bed days. If funding of £3.84m (full year of 45 beds plus overdue provider uplift) can be confirmed for interim beds, this would help stabilise Edinburgh's performance, while we continue to explore every other opportunity to improve our performance. We accept that Scottish Government may want to go for a lesser amount of beds or time period to cover winter pressures, this may be more in the region of £2m to protect our delay discharge performance.

I appreciate that this request comes at a time when public finances are extremely stretched requiring some difficult decisions to be made. However, additional investment is vital to ensure no further deterioration in our valued health and social care services. The Board's Vice Chair and I would welcome the opportunity to engage with you and your officials to explore how we can deliver this.

Yours sincerely,



Katharina Kasper

Chair, Edinburgh Integration Joint Board