

# REPORT

## Future Relationship between the EIJB and Partners

Edinburgh Integration Joint Board

9 February 2024

### Executive Summary

The purpose of this report is to provide the Edinburgh Integration Joint Board with an overview to an All-Party motion presented to City of Edinburgh Full Council on the 2 November 2023 and identifies several workstreams that will address the points raised in the All-Party motion.

### Recommendations

It is recommended that the Edinburgh Integration Joint Board

1. Note the points raised within the City of Edinburgh Council All-Party motion.
2. Agrees to proceed with the workstreams referenced at paragraph 13 of the report, especially the recommendation to review the EIJB governance structure.
3. Asks partners to commission an independent review to understand what spend within the Council budgets contribute positively to the NHS position and vice versa. This will address point 2a vii of the motion raised at Full Council.

### 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 and NHS Lothian	

## Report Circulation

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1. This report has not been considered elsewhere prior to submission to the Edinburgh Integration Joint Board (EIJB).

## Main Report

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2. On 2 November 2023, an [all party motion](#) was presented and agreed at the City of Edinburgh Council. The motion requested several actions be taken forward and are undernoted below:
  - a. That CEC officers closely examine the IJB Scheme of Delegation and all partnership arrangements and produce a report for the January meetings of both Policy & Sustainability Committee and Finance & Resources Committee, highlighting key issues and recommendations on:
    - i. How to increase financial transparency for both CEC officer selected members, and the public for the future.
    - ii. Whether changes are required to the original integration scheme to create better understanding of where all responsibilities lie, why that is so and where the financial responsibility for services lie.
    - iii. How governance can be structured to benefit all parties and to permit this kind of dialogue. Also, how the Council can make its collective voice heard on IJB matters.
    - iv. Detailed lists of which services fall under the responsibility of CEC or NHS Lothian and why.
    - v. Proposals for more effective reporting into CEC committees (F&R in particular but not exclusively).
    - vi. How Council can support IJB to develop and implement the medium-term financial plan, but also a general shift away from short terms thinking and into a system-analysis model of prevention and investment.
    - vii. How we can better recognise the positive impacts of Council social care and other expenditure on measures that reduce NHS costs and therefore the contribution to IJB outcomes.
    - viii. How to develop an effective, ongoing 2-way conversation between Council including elected members and the IJB.
    - ix. Recommendations on whether, and how, the Scheme of Delegation or other process documents needs to be updated.

- x. That in producing this report there should be full engagement with elected members, IJB, trade unions and with NHS Lothian
3. A further report was presented to [Policy and Sustainability Committee](#) on 9 January which highlighted several work streams to take forward the terms of the motions, with approximate timelines. The report and associated improvements contained within the report would require the Edinburgh Integration Joint Board (EIJB), NHS Lothian and the City of Edinburgh Council (the Council) to agree to participate and / or review their processes, information sharing and scrutiny arrangements. Several workstreams were identified in the report to address the points and are undernoted below:

Workstream	Reporting bodies	Completion Date
Review and re-alignment of budget processes and how information is shared between partners	Finance and Resources Committee	December 2023
Review of Council governance associated with health and social care services	Policy and Sustainability Committee and Full Council	April 2024
Review of the EIJB Governance (to be agreed by the EIJB)	EIJB Board	April 2024
Review and adoption of a revised Integration Scheme	Council and NHS Board	December 2024

4. The main points of discussion at Policy and Sustainability Committee are undernoted:
- a. Discussion about the requirement for the EIJB to set a balanced budget. Committee were advised by the Chief Officer that budget proposals are being developed for both this year and next year. Engagement continues between the Chief Officer and Council Section 95 Officer to ensure budget alignment for 24/25 budget is in place.
  - b. Funding neutrality and the responsibility of partners to fund any budget gaps, and how this would be handled in future. Further work is required to ensure the integration scheme resolves some of these complexities.
  - c. The responsibility for agreeing a recovery plan. It was recognised that the process as set out in the integration scheme needs to be improved considering the budget approach taken in 23/24.
  - d. The volatility of the EIJB financial position and level of monitoring and data available. The Chief Officer advised that greater financial grip and control of budget spend has been established, which includes removing spending power

- within localities in relation to vacancies, scrutiny of high-cost care packages as well as spending controls / scrutiny.
- e. Discussion regarding elements of the budget setting process (4.8 & 4.11 of the P&S report). Policy and Sustainability Committee were advised the Integration Scheme is based on Scottish Government guidance, therefore further work is required to map out the budget setting process.
  - f. Chief Officer was asked to engage with each of the political groups in terms of the savings proposals that may be considered to inform the Council's budget setting process.
5. The following recommendations were agreed at Policy and Sustainability Committee:
- a. To note the proposed workstreams and that further reports would be brought to Committee and Council depending on the actions required.
  - b. Committee recognises the usefulness of this report and welcomes the overview it gives of both current processes and further action to be taken to improve the relationship and understanding between the IJB and the Council.
  - c. Requests the Internal Audit report once presented to Governance Risk and Best Value (GRBV), is presented to Policy and Sustainability Committee.
  - d. Adds to existing recommendations that:
    - i. the further work indicated at 4.16 will result in a specific briefing to Group Leaders and finance party spokespeople by end January, outlining all outcomes of this work ahead of the CEC 24/25 budget process.
    - ii. that under the Next Steps outlined at 5.1 the results of the EIJG governance review and decision making should be the subject of a briefing to members to the Policy and Sustainability and Finance and Resources Committees to ensure that there is a clear understanding within the Council of the implications of that review.
    - iii. Notes that current budgeting practices are documented as diverging from governance and asks that this discrepancy between governance and practice be examine through the appropriate workstreams 1.3 Notes that Integration Authorities rely on partners for capital budgets and asks that the processes around capital budgeting and capital strategy for health & social care be documented in the appropriate workstreams.
    - iv. Committee suggests the review, revision, and adoption of the Integration Scheme to be complete by September 2024.

6. The EIJB recognises the spirit and intent of the motion submitted to Full Council on 2 November 2022. The EIJB wishes to continue to strengthen its relationship with the Council and NHS Lothian and will consider options to improve its arrangements. The EIJB also recognises that the Integration Scheme sets out the arrangements based on Scottish Government guidance. However, it has been acknowledged that the processes within the Integration Scheme don't necessary reflect the operating environment the EIJB is in. The EIJB wish to work in collaboration with partners and Elected Members to develop robust processes in relation to budget setting and operational delivery to ensure appropriate oversight.
7. In considering the response to the motion from an EIJB perspective, it is useful to consider the context of why Integration Joint Boards (IJB's) were established and their budget processes.

#### **Public Bodies (Joint Working) (Scotland) Act 2014 & Integration Scheme**

8. The Public Bodies (Joint Working) (Scotland) Act 2014 sets out the framework for integrating health and social care and the creation of Integration Authorities / Integration Joint Boards (IJBs). The vision for IJBs was that by working together, NHS and local authorities would be able to implement new and sustainable services which keep people well for as long as possible and keep people at home or as close to home as possible and deliver sustainable services within the budgets set.
9. IJBs were set up to improve the planning and delivery across health and social care through an integrated approach, setting strategy, undertaking planning, and utilising delegated budgets to direct and commission the NHS and Local Authorities to deliver more effective, community-based health and care models.
10. The Public Bodies (Joint Working) (Scotland) Act 2014 (Act) sets out the functions that must be delegated to IJBs from local authorities and NHS Boards and those that can be delegated.
11. The Integration Scheme is a legally binding framework between the Council and NHS Lothian which established the EIJB and sets out the powers delegated to the EIJB, the governance and financial rules which both partners should adhere to (e.g. NHS Lothian and the Council).
12. The powers currently delegated to the Edinburgh Integration Joint Board (EIJB) are outlined in appendix one and are the statutory minimum as specified in the Act.

**EIJB response to motion**

13. The undernoted table provides a position statement on each of the points referenced within the motion, with a proposed recommendation for consideration by the EIJB.

Point/s within motion	Key Points / Current Processes	Recommendation
<p>How to increase financial transparency for both CEC officer selected members, and the public for the future.</p>	<p>The Edinburgh Integration Joint Board (EIJB) reports on its financial position at every board meeting with papers made available publicly. Recognising that the setting of the EIJB budget is a complex process, budget working groups have been established, with the EIJB as members of the group. This group discusses budget options throughout the year to support officers in ensuring the budget presented is informed by the thinking of the EIJB.</p> <p>Alongside this reporting, regular reports are also presented to the Finance and Resources Committee from the Council’s Section 95 Officer which includes an update on the EIJB financial position. Officers from the EIJB also meet with Elected Members groups at the beginning of every year to give Elected Members an update on the current EIJB budget position as part of the influencing of the budget setting process for both Council and NHS Lothian.</p> <p>There are also regular meetings with the Section 95 officers of the EIJB, the Council and NHS Lothian Accountable Officer and Chief Officer to ensure the financial position across the three organisations are shared. Historically, the EIJB Chief Finance Officer has worked closely with partners to bring the EIJB budget into balance by the end of each financial year. This approach has been successful for several years; however, this was challenging in 2023/24 because of the following factors:</p>	<p>It is also recognised that as public sector funding becomes more constrained in future years as demand for health and care services grows, it is recommended:</p> <ul style="list-style-type: none"> <li>• That there is further work required to ensure better alignment of the budget setting process between the Council, NHS Lothian and the EIJB.</li> <li>• The Chief Officer &amp; Chief Finance Officer work with colleagues in the Council and NHS Lothian to develop a robust process for monitoring and reporting on material overspends.</li> <li>• That the EIJB budget setting protocol is reviewed, ensuring it reflects any practice changes.</li> </ul> <p>This work has started with dialogue between the Section 95 officers of the EIJB and the Council on how this will operate for the 2024/25 cycle. Meanwhile whilst this work is</p>

	<ul style="list-style-type: none"> <li>a. material funding shortfalls in the Local Government Finance Settlement for demographic pressures.</li> <li>b. material funding shortfalls in the distribution of Scottish Government funding for living wage uplifts.</li> <li>c. significant additional costs arising from performance related increases in community capacity.</li> </ul> <p>This resulted in a significant overspend for the EIJB, with no clear plan to mitigate without implementing a recovery plan. There were a range of negotiations with Council and NHS Lothian regarding the financial position. The Council had a £14.5m underspend which they allocated to the EIJB to reduce the overspend by £14.5m. This situation highlighted that the process relating to overspends contained within the Integration Scheme was not sufficient to resolve the structural nature of the projected overspend in the EIJB 2023/24 budget.</p> <p>The IJB has a responsibility to identify its strategic priorities for the services delegated to it to achieve the outcomes expected. In theory the IJB then sets a direction to its partners to deliver the priorities with the resources required for them. Both the Council and NHS Lothian have significant additional calls on their budgets and all partners are working against a backdrop of upward financial pressure, continuing austerity, and increasing demand. This requires all partners to be aware of the context in which prioritisation and budget setting takes place and it is far more likely that a collaborative and partnership approach to addressing this complexity will achieve an approved budget. This is the issue that is referenced within the recommendation made at Policy and</p>	<p>undertaken, colleagues will continue to report to the Council’s Finance and Resources Committee on the EIJB budget position.</p> <p>It is recommended that the IJB budget setting protocol is revised and reflects the budget setting arrangements in place.</p> <p>It is specified within the Integration Scheme that “It would be prudent that voting members provide an account of highlights or exceptional matters to meetings of NHS Lothian and City of Edinburgh Council as per the Integration Scheme”. Officers will work to develop a protocol to support voting members in this regard.</p>
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	<p>Sustainability (5D.iii).</p> <p>IJB's budget setting protocol (Appendix 1) recognises that the budget setting process is impacted by the fact that all partners are working against a backdrop of significant financial pressures. This in turn requires all partners to be aware of the context in which prioritisation and budget setting takes place and it is far more likely that a collaborative and partnership approach to addressing this complexity will achieve an approved budget. In recent years, these pressures have led to a divergence between the approach to budget setting set out in the integration scheme and how it works in practice.</p>	
<p>Whether changes are required to the original integration scheme to create better understanding of where all responsibilities lie, why that is so and where the financial responsibility for services lie &amp; detailed lists of which services fall under the responsibility of CEC or</p>	<p>The Act sets out the functions that must be delegated to IJBs from local authorities and NHS Boards and those that can be delegated. The Integration Scheme provides details on which functions are delivered by the Council and NHS Lothian and are based on who is more suited to deliver the function / who provided the service, pre integration and this is contained at appendix 1 for information and contained in annex 1 &amp; 2 of the integration scheme.</p> <p>The IJB must then direct the partners (or parties) to carry out each of the functions delegated via the Directions process. The EIJB is responsible for delivering capacity for the services carrying out the functions specified in directions. The EIJB is responsible for overseeing delivery and performance management of the delegated functions It is also responsible for providing scrutiny and assurance for the operation, performance, and planning of delegated functions.</p>	<p>As the Integration Scheme is between the City of Edinburgh Council and NHS Lothian, they can choose to review the scheme at any time, however it should be highlighted that the current services delegated to the EIJB from the Council and NHS are the <b>statutory minimum</b>, as specified in the legislation and is included as appendix 1.</p> <p>It should be noted that it would be the responsibility of the IJB to direct partners (or parties) to carry out each of the functions delegated via the Directions process and the EIJB is responsible for delivering capacity for</p>

<p>NHS Lothian and why.</p>	<p>The Integration Scheme specifies that the relevant committees of NHS Lothian and CEC continue to discharge their assurance remit for assurance and scrutiny for their respective areas, including internal control, quality and professional standards and compliance with the law. Professional standards and compliance with the law remain the statutory duties of both NHS Lothian and CEC.</p> <p>The Public Bodies (Joint Working) (Scotland) Act 2014 states that the health board and local authority should make payments to the IJB in the manner laid out in the Integration Scheme. The Integration Scheme outlines that payments should be made to the EIJB with a starting position of the previous financial year. This will then be reviewed, having due regard to factors affecting the budget, previous performance, and the content of the Strategic Plan.</p> <p>The Council and NHS Lothian then engage the IJB’s Chief Officer and Chief Financial Officer. Scottish Government financial guidance describes the process as a negotiated process based on priority and need and that the Chief Officer and Chief Financial Officer should build a case for an integrated budget based on the strategic plan and present to the local authority and health board for consideration and agreement. It notes that efficiencies should be agreed between the IJB, local authority and health board. The EIJB should plan within the overall delegated resource and should through the strategic planning process decide what capacity is required from the Local Authority and Health Board to deliver the agreed performance on outcomes.</p>	<p>the services carrying out the functions specified in directions. Therefore, it is not within the gift of the Council or NHS Lothian to determine whether responsibility lie in terms of delivery or financial arrangements.</p> <p>It is recommended:</p> <ul style="list-style-type: none"> <li>• The EIJB work with partners to gain assurance that directions and associated services are being appropriately scrutinised and ensure that scrutiny is happening in the right way and place.</li> <li>• That the EIJB work with partners to ensure the process for managing overspends and reporting is robust.</li> </ul>
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	<p>The Local Authority and the Health Board then evaluate the case against their other priorities and are expected to negotiate their respective contributions. The allocations should be based on priority and need and not historic allocations. In addition, the Scottish Government can direct the Council and NHS Lothian to pass through funding approved within the Scottish budget to the EIJB for example in support of national priorities such as the Real Living Wage.</p> <p>The funding provided by the health board and local authority then loses its identity and the IJB determines how that money should be allocated in delivering the delegated functions. The relative proportion of partners' contributions to the EIJB should not influence the proportion of services that are directed by the IJB through the Strategic Plan.</p> <p>Any consideration of the payments provided by the Council and NHS Lothian by the EIJB must take into consideration if they are sufficient to deliver the integrated services within the context of the Strategic Plan. If the EIJB does not believe the funds are sufficient to deliver the Strategic Plan, then discussions should take place with NHS Lothian and the Council on possible solutions which could range from amending the Strategic Plan to further funds being provided. The EIJB has established a budget working group in December 2020 which considers the financial plan and settlements from the Council and the NHS and seeks to inform Board Members of the budget challenges and decisions.</p>	
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	<p>The Integration Scheme sets out how forecast overspends, and underspends should be treated. Where there is a financial overspend, then the Chief Officer (EIJB), should take immediate and appropriate action to prevent the overspend. If the remedial action is insufficient, the EIJB Financial Officer should develop a recovery plan to the EIJB for approval. If the recovery plan is unsuccessful and insufficient to address the overspend, then both partners should consider making additional payments. The basis of these payments is to be agreed by the parties with repayment in future years based on the recovery plan. If the recovery plan is not agreed by the EIJB, NHS or the Council, then dispute resolution arrangements within the Integration Scheme should be applied.</p>	
<p>How governance can be structured to benefit all parties and to permit this kind of dialogue. Also, how the Council can make its collective voice heard on IJB matters &amp; how to develop an effective, ongoing 2-way conversation between Council including elected members and the IJB.</p>	<p>The EIJB does not carry out the functions delegated itself but sets the strategy. It instructs the City of Edinburgh Council and the NHS Lothian to carry out those services through directions. Directions are issued to partners (CEC &amp; NHS Lothian) which should include performance measure and include the budget allocated to the provision of service. The EIJB is responsible for overseeing delivery and performance management of the delegated functions, providing scrutiny and assurance for the operation, performance, and planning of delegated functions. The Integration Scheme sets out that the NHS and Council will continue to provide governance oversight in terms of clinical and core governance as well as assurance for professional accountabilities. Professional standards and compliance with the law remain the statutory duties of both NHS Lothian and the Council.</p> <p>The relevant committees of NHS Lothian and the Council continue to discharge</p>	<p>It is recommended that:</p> <ul style="list-style-type: none"> <li>• The EIJB with Council and NHS Lothian colleagues review its scrutiny processes to understand where scrutiny of health and social care services sits across both Council, NHSL and EIJB (and its committees). This will ensure that scrutiny is occurring in the right place and reduces duplication. It ensures that there are no gaps in scrutiny and will identify if any changes to governance arrangements are required. This will then inform any amendments required to the Integration Scheme and potentially the governance</li> </ul>

	<p>their remit for assurance and scrutiny for their respective areas, including internal control, quality and professional standards and compliance with the law. Professional standards and compliance with the law remain the statutory duties of both NHS Lothian and the Council.</p> <p>Alongside, the governance arrangements within the Council and NHS Lothian, the EIJB has also established a range of governance committees, that scrutinise performance, service delivery, internal control, and quality assurance within the Edinburgh Health and Social Care Partnership, which includes the Strategic Planning Group, the Clinical and Care Governance Committee, the Performance and Delivery Committee and the Audit and Assurance Committee.</p> <p>The EIJB and partners (the Council and NHS Lothian) need to have sufficient assurance that delegated services are being delivered in line with directions set. It is also important for the EIJB and partners to assure themselves that delegated services are delivered in line with the ambitions of the Strategic Plan and are compliant with regulation and legislation. The EIJB is a separate public body, which is independent of the Council and NHS Lothian. The EIJB has been set up with 10 voting members, 5 Councillors and 5 Non-Executive Directors. This ensures the widest range of views are considered on the EIJB when making decision. The Chair of the EIJB also rotates between the Council and NHS Lothian.</p>	<p>arrangements of EIJB, CEC and / or NHS Lothian.</p> <ul style="list-style-type: none"> <li>• That there is further work undertaken on how collectively the EIJB can improve dialogue with partners.</li> <li>• It is specified within the Integration Scheme that “It would be prudent that voting members provide an account of highlights or exceptional matters to meetings of NHS Lothian and City of Edinburgh Council as per the Integration Scheme”. Officers will work to develop a protocol to support voting members in this regard.</li> </ul>
<p>Proposals for more effective reporting into CEC committees (F&amp;R</p>	<p>The EIJB reports to the Policy and Sustainability Committee, on a quarterly basis on progress with key EIJB workstreams and includes updates on strategy, performance, finance, and anything from an escalation perspective. It is</p>	<p>Recognising that the budget position next year and future years is likely to become more challenging, it is recommended:</p>

<p>in particular but not exclusively) &amp; how to develop an effective, ongoing 2-way conversation between Council including elected members and the IJB.</p>	<p>proposed this continues and that the Chief Officer briefing note (done in advance of each EIJB) is also circulated to Policy and Sustainability Committee as this is the “home” committee for reporting EIJB / Partnership business. There are also reports in relation to Internal Audit and Partnership assurance that are presented to Governance Risk and Best Value which also gives Elected Members a level of assurance.</p>	<ul style="list-style-type: none"> <li>• That there is further engagement on ways to build a better dialogue between all partners. It should also look at ensuring any decisions made by any of the three bodies are taken with clear recognition of any unintended consequences.</li> <li>• That as part of the review of the EIJB scrutiny process, the reporting regime is considered and reviewed. This will ensure that the reporting regime is appropriate, provides the necessary level of scrutiny across the EIJB &amp; delegated services and ensures it is manageable for officers.</li> </ul>
<p>How Council can support IJB to develop and implement the medium-term financial plan, but also a general shift away from short terms thinking and into a system-analysis model of prevention and investment.</p>	<p>The EIJB continues to refine its Medium-Term Financial Strategy to develop a sustainable health and care system. Alongside this, there is an ambitious change programme that has been agreed by the EIJB, which will move the system to a sustainable position over the next three years. The EIJB does continue to develop its early intervention and prevention model. There are several of projects within the Change programme that would help move the EIJB to an early intervention and prevention model.</p>	<p>It is recommended that whilst the Council cannot direct, drive, or implement the EIJB’s Medium Term Financial Strategy, the EIJB appreciates and recognises the financial support provided by partners through its current business partnering arrangements to support development of the MTFS.</p>

<p>How we can better recognise the positive impacts of Council social care and other expenditure on measures that reduce NHS costs and therefore the contribution to IJB outcomes.</p>	<p>The budgets from each constituent party come to the EIJB and lose their identity. Due to the integrated nature of teams delivering delegated services, it is not possible without a significant manual effort to quantify the level / cost of social care services and how that has reduced NHS costs. Services should be seen holistically as an integrated pathway of health and social care services.</p>	<p>It is recommended that the EIJB asks partners to commission an independent review of the positive impacts of the Council social care (and other expenditure) on measures that reduce NHS cost and vice versa. It is also suggested that this work includes a wider understanding of demographic and economic pressures nationally and locally and to determine longer term financial viability of the EIJB. The EIJB doesn't have the resource to undertake this work themselves, whilst delivering a range of complex and significant change programmes. Consideration on how an independent report into this request should be funded must also be agreed.</p> <p>It is also recommended that the EIJB / officers consider opportunities to promote the positive impacts health and social care services are making to the residents of Edinburgh.</p>
<p>Recommendations on whether, and how, the</p>	<p>The EIJB has a set of financial regulations which set out the delegated limits. As EIJB manage the spend through existing process and systems within the Council</p>	<p>It is recommended:</p> <ul style="list-style-type: none"> <li>• That financial regulations are subject to a</li> </ul>

<p>Scheme of Delegation or other process documents needs to be updated.</p>	<p>and NHS Lothian (scheme of delegation), there is no EIJB Scheme of Delegation in place.</p>	<p>regular review.</p> <ul style="list-style-type: none"> <li>• That the EIJB / officers in collaboration with Council and NHS Lothian consider whether changes are required to any partner Scheme of Delegation.</li> </ul>
<p>That in producing this report there should be full engagement with elected members, IJB, trade unions and with NHS Lothian.</p>	<p>The contents of this report have been shaped by the views of the EIJB which includes trade unions and NHS Lothian colleagues.</p>	<p>It is proposed that if the recommendations are agreed, progress on the workstreams will be shared with the EIJB at key milestones.</p>

### National Care Service

14. This work must be done in the context of the potential creation of the National Care Service and what impacts that may have on the Council, NHS Lothian and the EIJB.
15. The National Care Service (Scotland) Bill has been published and discussions continue in relation to what the strengthening of IJBs will look like and whether this will change / increase powers to IJBs. However, it is likely that there will be a significant impact which will affect the budget, the delivery of that budget and the governance arrangements surrounding it. The workstreams proposed in this report and any recommendations to the EIJB, Council or NHS Lothian Committees will take into consideration the proposals for the National Care Service as they develop.

### Next Steps

16. In recognising there are several actions required to address the points within the motions that cut across all three partners as well as additional actions that the EIJB will undertake to improve its arrangements, therefore undernoted is an overview. Each workstream will contain multiple actions and work to be undertaken and a broad outline only is detailed below:

Workstream	Reporting bodies	Completion date
Better alignment of the budget setting process between the Council, NHS Lothian and the EIJB	EIJB, Council Finance and Resource Committee and NHS Finance and Resource Committee	March 2024
Review the scrutiny / governance processes to understand where scrutiny of health and social care services sits across both Council, NHSL and EIJB (and its committees).	EIJB Policy and Sustainability Committee Full Council	May 2024
EIJB work with partners to gain assurance that directions and associated services are being appropriately scrutinised and ensure that scrutiny is happening in the right way and place.	EIJB Policy and Sustainability Committee NHS Board / Committees	May 2024
Reporting regime is considered and reviewed – linked to the governance processes.	EIJB Policy and Sustainability Committee NHS Board / Committees	May 2024

Further work undertaken on how collectively the EIJB can improve dialogue with partners.	EIJB NHS CEC	May 2024
Review of the revised Integration Scheme	Council and NHS Board and potentially Scottish Government	September 2024
Financial regulations are subject to a regular review.	EIJB	December 2024

17. A further report will be presented to the EIJB in due course on progress with the recommendations above.

## Implications for Edinburgh Integration Joint Board

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### Financial

18. There are no specific financial implications arising from this report. The work to progress the workstreams referenced in paragraph 13 will be delivered within existing resources / budgets.

### Legal / risk implications

19. There are no direct legal or risk implications arising from this report. It is recognised that there will be increased risk/s arising where governance systems that are not robust, or function as expected.

### Equality and integrated impact assessment

20. There will be an equality and integrated impact assessment undertaken as part of workstreams referenced within this report.

### Environment and sustainability impacts

21. There are no environmental or sustainability impacts arising from this report.

### Quality of care

22. There are no direct impacts arising from the content within this report.

## Consultation

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23. There will be full engagement with key stakeholders including EIJB members, Elected Members, trade unions, Council and NHSL colleagues as part of developing the workstreams.

## Report Author

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## Background Reports

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1. None

## Appendices

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|------------|----------------------------|
| Appendix 1 | List of delegated services |
| Appendix 2 | Budget Setting Protocol    |

Appendix 1 List of delegated services

Adult social care services	Community health services	Hospital based services
<ul style="list-style-type: none"> <li>• Assessment and care management – including occupational therapy services</li> <li>• Residential care</li> <li>• Extra care housing and sheltered housing (housing support provided)</li> <li>• Intermediate care</li> <li>• Supported housing – learning disability</li> <li>• Rehabilitation – mental health</li> <li>• Day services</li> <li>• Local area coordination</li> <li>• Care at home services</li> <li>• Reablement</li> <li>• Rapid response</li> <li>• Telecare</li> <li>• Respite services</li> <li>• Quality assurance and contracts</li> <li>• Sensory impairment services</li> <li>• Drugs and alcohol services</li> </ul>	<ul style="list-style-type: none"> <li>• District nursing</li> <li>• Services relating to an addiction or dependence on any substance</li> <li>• Services provided by allied health professionals (AHPs)</li> <li>• Community dental services</li> <li>• Primary medical services (GP)*</li> <li>• General dental services*</li> <li>• Ophthalmic services*</li> <li>• Pharmaceutical services*</li> <li>• Out-of-hours primary medical services</li> <li>• Community geriatric medicine</li> <li>• Palliative care</li> <li>• Mental health services</li> <li>• Continence services</li> <li>• Kidney dialysis</li> <li>• Prison health care service</li> <li>• Services to promote public health</li> </ul> <p>* includes responsibility for those aged under 18</p>	<ul style="list-style-type: none"> <li>• A&amp;E</li> <li>• General medicine</li> <li>• Geriatric medicine</li> <li>• Rehabilitation medicine</li> <li>• Respiratory medicine</li> <li>• Psychiatry of learning disability</li> <li>• Palliative care</li> <li>• Hospital services provided by GPs</li> <li>• Mental health services provided in a hospital with exception of forensic mental health services</li> <li>• Services relating to an addiction or dependence on any substance</li> </ul>

## Appendix 2 - Budget Setting Protocol

### Budget setting protocol - Edinburgh Integration Joint Board

#### Background

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There is an ongoing need to ensure that budget setting approaches are adapted and reviewed to enable the Edinburgh Integration Joint Board (EIJB) to undertake the full duties delegated to it by the Council and NHS Board under the Public Bodies (Joint Working) (Scotland) Act 2014 ('the act').

In accordance with the spirit of the legislation, responsibility for determining the strategic priorities for the delivery of delegated health and social care services moved to the EIJB from the Council and the health board. Under the Act, the EIJB has responsibility for setting a budget for the delivery of its strategic planning intentions utilising the budgets delegated to it by its partner organisations - NHS Lothian and the City of Edinburgh Council (the Council).

This protocol sets out the various roles and responsibilities of all partners to ensure:

- that there is an acknowledgement of the financial environment in which all partners are operating – with significant pressures in relation to budgets in the foreseeable future;
- recognition of the role of the EIJB in making decisions in relation to its financial requirements to deliver its agreed strategic plan and in regard to the areas where it will seek to make savings and efficiencies; and
- alignment as far as possible with the budget setting processes and requirements in the Council and NHS Lothian.

#### Roles and responsibilities

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The Council and NHS Lothian are responsible for delegating functions, and the associated resources to deliver them, to the EIJB under the provisions in the act. The IJB is responsible for setting strategy and plans for the delivery of those functions through either the Health and Social Care Partnership (for core and some hosted services) and NHS Lothian (for some hosted and all set aside services). It does this through the issuing of directions to its partner organisations. The EIJB is also responsible for achieving performance against the 9 national health and wellbeing outcomes.

The EIJB's partner organisations have different legal responsibilities in relation to their budgets. The Council has a duty to set a balanced budget whilst NHS Lothian is required to deliver financial balance at the year end. For each organisation this responsibility is discharged by its accountable officers – the Chief Executive of NHS Lothian and the Section 95 Officer for the Council. The Chief

Finance Officer is the EIJB's Section 95 Officer, and the Chief Officer is jointly accountable to the 2 Chief Executives.

The IJB has a responsibility to identify its strategic priorities for the services delegated to it to achieve the outcomes expected. In theory, the EIJB then sets a direction to its partners to deliver the priorities with the resources required for them. In reality, both the Council and NHS Lothian have significant additional calls on their budgets and all partners are working against a backdrop of upward financial pressure, continuing austerity and increasing demand. This requires all partners to be aware of the context in which prioritisation and budget setting takes place and it is far more likely that a collaborative and partnership approach to addressing this complexity will achieve an approved budget.

### **Budget setting timelines – the Council and NHS Lothian**

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Budget setting timelines and processes differ in the Council and NHS Lothian given the different make up of these organisations. For both organisations the annual budget settlement is influenced by Scottish Government (SG) draft budget which tends to be issued in December each year. It is this budget which sets out the incremental funding (also known as uplift) available to public sector bodies. In recent years the SG draft budget has been accompanied by instruction to local authorities and NHS boards on the extent to which these uplifts are passed on to integration authorities.

The final SG budget is subject to debate and vote in Parliament with the final allocation letters to both local authorities and NHS boards being sent toward the end of January/early February. As above, the SG applies parameters around the allocation of budgets from partner organisations to Integration Joint Boards (IJB's).

In preparation for budget setting, all three organisations have established processes for identifying and monitoring the progress of delivering agreed budget savings, transformation, and efficiencies and in practice this is largely a year-round cycle.

For the Council the process of budget savings is a political one with the final budget being set by full Council in mid-February (and an absolute end date is in place in late February to enable Council tax to be set and letters sent to Council taxpayers). The budget – including revenue, housing and capital – is proposed by the Council's administration and this usually occurs after a period of clear engagement with senior officers as well as public engagement and consultation on proposed savings. Each of the political parties will present their own budgets and elected members will then agree the Council budget via a vote.

NHS Lothian receives its funding letter from the Scottish Government around the same time. As with the Council budget, the financial planning is a rolling cycle with NHS taking various iterations of its budget through its corporate management team and its finance and resource committee. The final version is presented to the health board for approval, around March/April. It is then submitted to the SG for final agreement.

As a public body the IJB must set and agree its own budget, including any savings and efficiencies required of it. Given the timeline for all three organisations, initial work on this is undertaken on the basis of projections and the likelihood of various funding scenarios. This should enable all partners to undertake due engagement and diligence in reaching an agreed budget, as well as ensuring the primacy of decision making on the EIJB's budget, to sit with the EIJB.

## Principles of the Approach

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It is important that the approach is seen as one of collaboration and working together to achieve outcomes that would not be possible if operating as individual organisations. Furthering this, we would want to work within clear principles of clarity, openness, transparency and engagement and in terms of agreeing to work on the basis of there being 'no surprises'. While the EIJB will ultimately decide how and where to make savings on its budget it is imperative that the EIJB Executive Team works across all three organisations in support of this.

## Engagement

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Engagement is critical throughout this process but especially so before budget papers are presented to the Council, NHS Lothian forums and to the EIJB. It is important that the timings of these is choreographed as, once the SG settlements are known, including the details of any conditions or ringfencing that might apply, it is crucial that the two Chief Executives, the Chief Officer and the three Lothian CFOs come together to navigate these and the EIJB's priorities into a funding award that takes account of the context of pressures and available resource.

The EIJB is funded in its totality by its partner organisations – the Council and NHS Lothian. The scale of the budgets delegated, and the scope of the services delivered by it is vast. The EIJB is required to make its own decisions within the legislation set out in the act. As part of this there is a requirement to be transparent with our partners, and the wider public in terms of how and where these decisions are made. Given the scale and scope and in pursuing openness and transparency we need to balance the distinct decision-making right of the EIJB, with that transparency and enable both elected members of the Council and the NHS Board understand how its delegated funding will be used, and where savings and efficiencies will fall.

In support of this, the EIJB executive team participates in the Council's engagement with the political groups within the principle of openness and transparency on the budget options being considered and the pressures on the budget that are being presented to the EIJB. Elected Members will need to recognise and respect that these options are being shared with them for information as opposed for decision making. In recent years the Chief Officer and Chief Finance Officer have provided briefing sessions for each of the political groups.

The NHS process will include EIJB executive team engagement through the Corporate Leadership Team and in the same spirit of openness and transparency through Finance and Resources for information to enable and support NHS Lothian set the budget allocation for delegation to the EIJB.

The EIJB's financial plan and associated savings and recovery programme is developed through a series of budget working groups held with board members. Given the importance of openness and accountability the budget working group, whilst a formal subgroup of the IJB, has no formal decision-making powers.

A medium-term financial strategy is being developed which will take a longer term view to financial planning and sustainability.