

Finance and Resources Committee

10am, Thursday, 15 January 2015

Health and Social Care Integration: Update

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| Item number | 7.2 |
| Report number | Report 8 of regular updates |
| Executive/routine | |
| Wards | All |

Executive summary

This report updates Finance and Resources Committee on the progress of the integration programme since the last report on 28 November 2014. It outlines:

- The draft IRAG guidance covering financial matters;
- The most recent draft guidance on the Integration Scheme from Scottish Government;
- The outstanding issues with the guidance/Integration Scheme; and
- The revised consultation and approval timescale.

Council agreed on 11 December 2014 that the authority for approval of the Draft Integration Scheme would be delegated to Corporate Policy and Strategy Committee at its meeting on 20 January 2015. If agreed, formal five week consultation would be undertaken until 20 February to allow an amended scheme to be submitted for approval at Council on 12 March. The consultation will include further discussion by Finance and Resources Committee at its meeting on 3 February 2015. The agreed Integration Scheme is required to be with the Scottish Government by the deadline of 31 March.

Links

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| Coalition pledges | P12 and P43 |
| Council outcomes | CO10, CO11, CO12, CO13, Co14, Co15 |
| Single Outcome Agreement | SO2 |

Health and Social Care Integration - Update

Recommendations

- 1.1. To note the financial guidance contained in the Integrated Resources Advisory Group's Professional Guidance, Advice and Recommendations for Shadow Arrangements
- 1.2. To note that further consideration of this guidance is required
- 1.3. To note that draft guidance on the content of the Integration Scheme was released on 14 November 2014.
- 1.4. To note the delay in the approval process of the Draft Integration Scheme for consultation.
- 1.5. To note the revised consultation and approval timescale for the Integration Scheme.

Background

- 2.1 The report provides Finance and Resources Committee with an update of progress with the integration programme. This is the eighth report in the series and the first for 2015.

Main report

- 3.1 Work to prepare the first Draft Integration Scheme for consultation progressed well during October and early November 2014.

Financial Guidance

- 3.2 Guidance available to the Council and NHS during drafting has included statutory Regulations, which have been released in phases during October and November, and a selection of draft guidance from a range of Scottish Government Working Groups, released as produced.
- 3.3 Finance and Resources Committee has been updated on all of the statutory Regulations released up to the deadline for the 28 November 2014 meeting.
- 3.4 The most relevant guidance for Finance and Resource Committee is the 120-page Integrated Resources Advisory Group (IRAG) Professional Guidance and Recommendations for Shadow Arrangements, released earlier in 2014 in draft

form and available at: <http://www.scotland.gov.uk/Topics/Health/Policy/Adult-Health-SocialCare-Integration/About-the-Bill/Working-Groups/IRAG/Guidance>.

- 3.5 The draft IRAG guidance references the requirements of the Public Bodies (Joint Working) (Scotland) Act for the various Integration Authority options, including Edinburgh's preferred model, the Integration Joint Board (IJB). It includes governance, assurance, risk, planning, budget setting, management, reporting, VAT, capital assets and accounting standards in relation to financial matters. It identifies mandatory matters (as required by the legislation) and matters recommended by IRAG.
- 3.6 Section B of the guidance covers delegation to an IJB. Relevant sections to note include:

Section 1.3.0.1 Financial Model

The Health Board and Local Authority will delegate functions (Section 1 of Act) and make payments to the Integration Joint Board in respect of the delegated functions (Section 14 of Act); and the Health Board will also set aside amounts in respect of large hospitals for use by the Integration Joint Board. The Integration Joint Board will produce the Strategic Plan for the use of these resources and give direction and make payment where relevant (Sections 26 and 27 of Act) to the Health Board and Local Authority for delivery of the services in line with the Strategic Plan

Section 2.1.1 Financial Assurance

The Health Board accountable officer and the Local Authority Section 95 Officer discharge their responsibility, as it relates to the resources that are delegated to the Integration Joint Board, by setting out in the Integration Scheme - the purpose for which resources are used - and the systems and monitoring arrangements for financial performance management. It is their responsibility to ensure that the provisions of the Integration Scheme enable them to discharge their responsibilities in this respect.

Section 4.2.5 Initial Payments

The initial payments to the Integration Joint Board should be based on analysis of the shadow period in 2014-15 to provide the Local Authority, Health Board and Integration Joint Board with reassurance that the delegated resources are sufficient to deliver the delegated functions.

Section 4.2.7 - 4.2.10 Subsequent Years Payments

*The method for determining the allocations to the Integrated Budget in subsequent years will be contingent on the respective financial planning and budget setting processes of the Local Authority and Health Board. They should aim to be able to give **indicative** three year allocations to the integration joint board, **subject to annual approval through the respective budget setting processes.***

The Chief Officer, and the Integration Joint Board financial officer where such is appointed separately, should develop a case for the Integrated Budget based on the Strategic Plan and present it to the Local Authority and Health Board for consideration

and agreement **as part of the annual budget setting process**. The business case should be evidence based with full transparency on its assumptions

The partner Local Authority and Health Board will evaluate the case for the Integrated Budget against their other priorities and are expected to negotiate their respective contributions accordingly. The allocations will be a negotiated process based on priority and need and it should not be assumed that they will be the same as the historic or national allocations to the Health Board and Local Authority. The method for determining the contributions is required to be included in the Integration Scheme.

The allocations made from the Integration Joint Board to the Local Authority and Health Board for operational delivery of services will be approved by the Integration Joint Board. The value of the payments will be those set out in the Strategic Plan approved by the Integration Joint Board.

- 3.7 The Integration Scheme is the statutory document required in which NHS Lothian and the Council set out the agreed arrangements in response to the Act and the range of available guidance including this IRAG guidance.

Other Guidance

- 3.8 Further draft guidance on the content of the Integration Scheme was released by Scottish Government on 14 November 2014 to supplement the formal Regulation on the contents of the Integration Scheme.
- 3.9 This raised a number of issues which needed to be addressed prior to its approval by Council.
- 3.10 Furthermore, the guidance in relation to NHS 'set-aside' funds for acute hospital specialities in scope was released in the week commencing 8 December 2014 and is currently being considered by NHS Lothian.
- 3.11 A meeting with Scottish Government took place in early December to help clarify the relationship between the policy guidance and the Act. Further work on the Integration Scheme has been required as a result of this meeting and the clarification of Scottish Government expectations.

Current Position

- 3.12 As of late December 2014, the position is as follows for the following key matters:
- a) **Role of the Integration Joint Board (IJB) in relation to operational delivery of services:** the recent guidance and clarification from Scottish Government is that the IJB and its members must have a role in operational delivery of functions and this must be set out in the Integration Scheme.
 - b) **The operational role of the Chief Officer of the IJB:** The Integration Scheme must set out the details of the role which the Chief Officer of the IJB will play in relation to operational delivery and that this must include all functions delegated to the IJB, with the exception of acute hospital functions

which are delivered on large hospital sites to more than one IJB. The role is expected to integrate the operational delivery of functions as directed through the Strategic Plan.

- c) **Approach to be taken in relation to set-aside resources:** Broadly, these are the resources used in large hospitals that are to be set aside by a health board and made available to the IJB for delivery of services delegated to the IJB. The guidance was released week commencing 8 December and is currently being considered by NHS Lothian.
- d) **Finance:** The high level arrangements for determining all major financial matters including under / over spends will be included in the Integration Scheme. The fundamental principles outlined in the Draft Integration Scheme on overspends, which will be submitted to Finance and Resources on 3 February, are:
- the IJB is required to break-even every year;
 - where forecasts indicate that this is not likely, remedial action is to be taken by the Chief Officer;
 - where remedial action is not effective, a recovery plan must be approved by the IJB; and
 - if the recovery plan is projected to be unsuccessful, the parties (NHS Lothian and the Council) may consider making additional payments to the IJB with repayments in future years based on a revised recovery plan.
- e) **Claims/Liability/Indemnities:** The regulations require the Integration Scheme to set out an agreed approach on claims and liability, and any associated indemnity arrangements. As a matter of general principle, the liability for claims should ultimately rest with the authorities whose actions or negligence gave rise to the claims and, that in turn, suggests that if a different authority has to settle the claim, it should be reimbursed (i.e. by way of an indemnity arrangement) by the authority who was at fault. The Scottish Government recognises that the IJB and Chief Officer arrangements on operational responsibility are shared with NHS Boards and local authorities. The issue of liability for operation delivery will be uncertain and will rest on the particular circumstances. There may be particular issues in future and the liability will need to be determined on a case by case basis. It is worth noting that no significant cases have arisen in the last 10 years of joint arrangements.

- 3.13 To allow time for the matters to be resolved and for updates to the Integration Scheme, it was agreed at full Council meeting on 11 December that the authority for approval of the Draft Integration Scheme would be delegated to Corporate Policy and Strategy Committee at its meeting on 20 January.

- 3.14 The delay means that the period for consultation has been reduced. A formal five week consultation will now be possible. This will run from 20th January (assuming approval of the draft) until 20th February. The Council and the NHS understand the consequences of this on stakeholders and are making every effort to communicate with stakeholders in advance to ensure readiness for this period. There will be a very short period for responses to be collated and adjustments to the Scheme made prior to final approval at Council on 12 March. Given the very short 'turn-around' time, it is likely that a formal response to the consultation will be published following submission of the Integration Scheme.
- 3.15 Finance and Resources Committee is a key consultee and the Draft Integration Scheme is scheduled to be submitted to the meeting on 3 February 2015.
- 3.16 The final version for submission to Scottish Government by the deadline of 31 March 2015.

Measures of success

- 4.1 The Scottish Government has issued final National Outcomes for the delivery of integrated Health and Social Care as part of the final Regulations. These are as expected.
- 4.2 The Strategic (Commissioning) Plan work stream is tasked with planning for the delivery of these outcomes for the services in scope. The Programme Sub Group on Performance and Quality is tasked with establishing local outcomes for measuring the success of the new Health and Social Care Partnership in relation to the national outcomes. A joint baseline has been developed and work is continuing on a joint framework for the future.

Financial impact

- 5.1 It is estimated that the Integration Joint Board will encompass a combined budget of around £500 million; approximately £200 million of Council funds and £300 million of NHS Lothian funds. The process for determining the exact figure will be confirmed in the Integration Scheme.
- 5.2 The resources for the functions in scope will be delegated to the Integration Joint Board for governance, planning and resourcing purposes. The Strategic Plan will identify how the resources are to be spent to deliver on the national outcomes and how the balance of care will be shifted from institutional to community-based settings.

Risk, policy, compliance and governance impact

- 6.1 A detailed risk log is maintained for the integration programme and reported through the status reporting process to the Shadow Health and Social Care Partnership and through the CPO Major Projects reporting procedure.
- 6.2 Enterprise level risks for integration are also identified on Corporate Management Team, Health and Social Care and NHS Lothian risk registers.
- 6.3 The approach to risk management between the relevant parties will be set out in the Integration Scheme.

Equalities impact

- 7.1 The integration of health and social care services aims to overcome some of the current 'disconnects' within and between existing health and social care services for adults, to improve pathways of care, and to improve outcomes.
- 7.2 Furthermore, the intention is to improve access to the most appropriate health treatments and care. This is in line with the human right to health.
- 7.3 Work is in progress to develop a combined EqHRIA procedure between NHS Lothian and Health and social Care Services. This will be used for all EqHR impact assessments as required across the joint service once the Integrated Joint Board is fully established.

Sustainability impact

- 8.1 The proposals in this report will help achieve a sustainable Edinburgh because:
 - joint health and social care resources will be used more effectively to meet and manage the demand for health and care services
 - they will promote personal wellbeing of older people and other adults in needs of health and social care services; and
 - they will promote social inclusion of and care for a range of vulnerable individuals.

Consultation and engagement

- 9.1 The Draft Integration Scheme will be consulted upon widely in line with the requirements of the Public Bodies Act. While it is appreciated that the consultation period is short, due to the pressures noted above, the Council and

NHS Lothian are making significant efforts to communicate with stakeholders to ensure readiness for the consultation period.

- 9.2 Consultation and engagement form a key work stream in the programme. A number of events have taken place and mechanisms are being established to ensure the Shadow Health and Social Care Partnership is engaging at all levels. This includes the recruitment of service users and carers as members of the Shadow Health and Social Care Partnership with the express purpose of bringing their own perspective to the discussions. The Integration Scheme will outline the approach to be taken to consultation and engagement.

Background reading/external references

Finance and Resources Committee – 28 November 2014, Health and Social Care Integration - Update

Finance and Resources Committee – 30 October 2014, Health and Social Care Integration - Update

Finance and Resources Committee – 30 September 2014, Health and Social Care Integration - Update

Finance and Resources Committee – 28 August 2014, Health and Social Care Integration - Update

Corporate Policy and Strategy Committee- 5 August 2014, Health and Social Care Integration – Options Analysis of Integration Models.

Corporate Policy and Strategy Committee- 5 August 2014, Response to Draft Regulations relating to the Public Bodies (Joint Working) (Scotland) Act 2014.

Finance and Resources Committee – 30 July 2014, Health and Social Care Integration Update

Finance and Resources Committee 5 June 2014, Health and Social Care Integration Update

See reports above for earlier reporting.

The Scottish Government website hosts all Regulations and Guidance relevant to Health and Social Care Integration at:

<http://www.scotland.gov.uk/Topics/Health/Policy/Adult-Health-SocialCare-Integration/Implementation/Regulations>; and

<http://www.scotland.gov.uk/Topics/Health/Policy/Adult-Health-SocialCare-Integration/Implementation/ImplementationGuidance>.

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Links

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| Coalition pledges | Ensuring Edinburgh and its residents are well cared for. |
| Council outcomes | Health and Wellbeing are improved in Edinburgh and there is a high quality of care and protection for those who need it. |
| Single Outcome Agreement | Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health |
| Appendices | None |