

# Finance and Resources Committee

10am, Thursday, 4 June 2015

## Health and Social Care Integration – Update

<b>Item number</b>	7.3
<b>Report number</b>	
<b>Executive/routine</b>	
<b>Wards</b>	All

### Executive summary

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This report presents an update on the integration of Council social care functions with NHS Lothian health functions under the Public Bodies (Joint Working) (Scotland) Act 2014.

### Links

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<b>Coalition pledges</b>	P12 and P43
<b>Council outcomes</b>	CO10, CO11, CO12, CO13, Co14, Co15
<b>Single Outcome Agreement</b>	SO2

## Health and Social Care Integration – Update

### Recommendations

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- 1.1 Members are recommended to note:
  - 1.1.1 That comments have been received from Scottish Government on the Integration Scheme;
  - 1.1.2 Subject to approval of the minor amendments, the first IJB meeting could be 17 July 2015;
  - 1.1.3 The latest Scottish Government guidance on ‘aids and adaptations’ including Housing Revenue Account element;
  - 1.1.4 The Council must review its governance and committee arrangements to ensure the IJB is given its statutory role; and
  - 1.1.5 The Council must establish and agree how it will provide business support functions to the IJB, jointly with NHS Lothian.

### Background

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- 2.1 Finance and Resources Committee requested regular update reports to track progress with the work associated with Health and Social Care Integration. This is the fifth report in 2015.

### Main report

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#### Integration Scheme

- 3.1 Further to the timetable shared in the report to Finance and Resources Committee in May, minor comments were received on the Integration Scheme from Scottish Government on 29 April.
- 3.2 Council delegated approval of minor changes to its Chief Executive at the meeting on 12 March 2015.
- 3.3 The Integration Scheme must be signed off by the Cabinet Secretary. If this is done by 19 May, the Order can be laid before Parliament for 28 days, prior to Parliament summer recess.
- 3.4 A very quick turn-around of the required changes is required in order to meet this Scottish Government deadline. If met, it will be possible to establish the IJB by the end of June and for the first meeting to be held on 17 July 2015.

- 3.5 If there is slippage, then it is likely that the Order will not be laid before Parliament until after the summer recess and the IJB will be established in late August/early September 2015.
- 3.6 Please note that the formal delegation of functions and resources will not happen until the Strategic Plan is approved by the IJB and this is unlikely to be before December 2015.

## **Latest Guidance**

- 3.7 Legislation requires the Council to delegate functions associated with aids and adaptations in so far as they relate to adults with social care needs. The Council included this within its Final Integration Scheme.
- 3.8 Aids and adaptations are provided to Council housing tenants through the Housing Revenue Account (HRA). In the absence of detail from Scottish Government, the matter of resources associated with this delegation remained unclear at that time.
- 3.9 Scottish Government released guidance on Council 'Aids and Adaptations' on 30 April 2015. This makes clearer that funds associated with aids and adaptations included within the HRA must be delegated to the IJB and be included within the Strategic Plan process. Arrangements must be made to ensure that the HRA funds can be 'ring-fenced' within the IJB budget so that the funds can be managed in line with HRA rules.
- 3.10 Work is in hand to consider the implications of this and to develop appropriate arrangements.

## **Impact on the Council**

### **Review of Existing Governance Arrangements**

- 3.1 The Committee was advised in May of Scottish Government's expectation that the Integration Joint Board will be fully responsible for carrying out the functions delegated to it. Scottish Ministers expect that the IJB or its members will have operational responsibility for the delegated functions.
- 3.2 However, as the IJB will not employ staff, the Health Board and the Council will deliver services in line with IJB directions and on its behalf. The consequence of this is that operational governance responsibility lies across three organisations (the Health Board, the Council and the Integration Joint Board).
- 3.3 The principle agreed in the Integration Scheme is that existing governance structures will be reviewed and amended, to reduce potential for duplication, and that the IJB will have the authority to develop additional governance committees if these are required.

- 3.4 The Council will therefore need to review the terms of reference and membership of relevant committees to accommodate the role of the IJB prior to the formal delegation of functions and will need to consult the IJB on this once it is established.

### **Council Transformation Programme**

- 3.5 A statutory requirement of the Public Bodies legislation is to integrate health and social care functions from the point of view of recipients. This is to be achieved via the role of the Chief Officer who is required to operationally manage the majority of integrated services. This impacts on the Council's organisational structure and creates a strong dependency with the Council's transformation programme.
- 3.6 A proposed organisational structure for Council social care and NHS Lothian health functions has been prepared, for consideration elsewhere on this agenda. This structure integrates the management of NHS health functions and Council adult social care functions under the line management of the IJB Chief Officer, who will also be a Director within both NHS Lothian and the Council.
- 3.7 The Integration Scheme guidance also requires that both NHS Lothian and the Council will provide joint business support functions to the Integration Joint Board.
- 3.8 A starter list of the business support functions has been prepared for discussion between NHS Lothian and the Council. Some areas are primary functions delegated to the IJB, such as strategic planning, research and performance; others are more general and form part of the general operational oversight of delegated functions. The functions listed impact on the Council's transformation business support services work stream.
- 3.9 It is important to work through the dependencies with the Council's transformation programme work streams to avoid duplication and to ensure compliance with statute. This work has begun and the report elsewhere on this agenda about the Council's transformation programme 2015 will outline assumptions and dependencies with the integration programme.

### **Next steps**

- 3.10 Work is continuing on the key steps required to establish the IJB, in addition to those identified above, to allow it to get ready for the delegation of functions and resources. This includes progressing the variety of tasks agreed in the Scheme and the development of the Strategic Plan.

3.11 The tasks are being undertaken across NHS Lothian and the four councils within the Lothian area and outputs are being shared and adjusted to local circumstances.

3.12 Specific areas include:

- Work has begun in the Council to formalise the governance arrangements of the IJB e.g. prepare Standing Orders and further work is required on clinical and care governance arrangements.
- The financial work stream is being progressed by the Pan-Lothian work group and the current focus is on financial regulations/scheme of delegation.
- Discussions have taken place between the respective internal auditors to start the process of agreeing a joint financial assurance work programme. The Council, NHS Lothian and the IJB itself need to be assured that the arrangements are established on a sustainable footing and that all associated planning assumptions and risks are well understood by all parties.
- Consultation on the first draft of the Joint Strategic Needs Assessment, which will inform the content of the Strategic Plan.
- Consultation on stakeholder aspirations for the Strategic Plan through the shadow strategic planning arrangements.
- Development of the processes for appointing both the Chief Officer and Chief Finance Officer for the Edinburgh IJB.

## Measures of success

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- 4.1 The Scottish Government has issued National Outcomes for the delivery of integrated Health and Social Care as part of the final Regulations. These are as expected. [National Health and Wellbeing Outcomes Framework](#)
- 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.
- 4.3 The content of the Annual Performance Report is set out in Regulations and includes performance with respect to the integration planning principles and in respect of localities.
- 4.4 The Final Edinburgh Integration Scheme outlines the process for determining the performance arrangements and for allocating responsibility for performance.

## Financial impact

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- 5.1 It is estimated that the Integration Joint Board will encompass a combined budget in the transition year of 2015/16 of around £590 million; c£200 million of Council funds, c£300 million of community health NHS Lothian funds, and an early estimate of acute hospital related 'set aside' funds of c£90 million.
- 5.2 A report is due in May 2015 on the Council's financial strategy, which will give an early estimate of the Council element of the Integration Joint Board resources for 2016/17, i.e. the first full financial year of the Integration Joint Board. The position in NHS Lothian is more complex, due to the need to 'disaggregate' regional budgets for 2015/16, in line with Scottish Government guidance and then roll forward into 2016/17, in line with NHS financial planning arrangements.
- 5.3 The resources for the functions in scope will be delegated to the Integration Joint Board for governance, planning and resourcing purposes. The delegated resources will be subject to financial assurance in order for the Integration Joint Board to understand any underlying financial risks. This process is set out in the Final Edinburgh Integration Scheme.
- 5.4 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. Planned variances will be retained by the Integration Joint Board, which will have the power to carry reserves.

## Risk, policy, compliance and governance impact

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- 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 Major risks to both the Council and NHS Lothian as a result of the programme of change are also identified on Corporate Management Team, Health and Social Care and NHS Lothian risk registers.
- 6.3 The approach to risk management for the Integration Authority and respective parties is set out in the Final Edinburgh Integration Scheme and discussions are ongoing between Council and NHS Lothian.

## Equalities impact

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- 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 A combined impact assessment procedure between NHS Lothian and Health and Social Care has been developed. This will be used for all impact assessments as required across the joint service once the Integration Joint Board is fully established.
- 7.4 An impact assessment of all four Lothian Draft Schemes was completed on 10 February by representatives from NHS Lothian and the four Lothian councils.

## Sustainability impact

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- 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

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- 9.1 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 included 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. A comprehensive engagement programme is also underway to engage with a wide range of staff and practitioners across health and social care services.
- 9.2 A full report on the consultation on the Integration Scheme was provided to Council on 30 April 2015.
- 9.3 The Strategic Commissioning Plan process is developing a co-production approach to ensure timely and productive engagement with key stakeholders. The Statutory Strategic Planning Group has been established in shadow form and met for the first time in March 2015. Its programme of work includes consulting on the Draft Joint Strategic Needs Assessment, engaging to develop Edinburgh's priorities for the Strategic Plan and the form and content of the Plan itself.

## **Background reading/external references**

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[Finance and Resources Committee – 13 May 2015, Health and Social Care Integration Update.](#)

[City of Edinburgh Council – 30 April 2015, Health and Social Care Integration Scheme - Consultation Responses](#)

[Health, Social Care and Housing Committee – 21 April 2015, Health and Social Care Integration Update.](#)

[Finance and Resources Committee – 19 March 2015, Health and Social Care Integration Update.](#)

[City of Edinburgh Council – 12 March 2015, Health and Social Care Integration Scheme: Final for Submission.](#)

Finance and Resources Committee – 3 February 2015, Health and Social Care: Draft Integration Scheme Consultation.

Health, Social Care and Housing Committee – 27 January 2015, Draft Integration Scheme Consultation.

Corporate Policy and Strategy Committee – 20 January 2015, Health and Social Care Integration Scheme: Draft for Public Consultation.

Finance and Resources Committee – 15 January 2015, Health and Social Care Integration; General Update.

City of Edinburgh Council – 11 December 2014, Health and Social Care Integration Scheme; Update on Draft Integration Scheme.

Finance and Resources Committee – 27 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.

See reports above for earlier reporting.

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## Links

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