

## HEALTH AND SPORT COMMITTEE

### PRE-BUDGET SCRUTINY 2019-20

#### SUBMISSION FROM GLASGOW CITY HEALTH AND SOCIAL CARE PARTNERSHIP

#### Introduction

This submission sets out information about the Glasgow City IJB and specifically focusses on the budget setting process for 2019/20.

#### Budget Setting Process

- **Level of engagement differs with Partner Bodies.** CO and CFO experienced very limited engagement with NHSGGC during 2018/19 in the lead up to budget offer being issued. Offer letter confirmed full pass through of uplift. Council engaged early with the IA, however the focus of discussions was on the savings which were required to be delivered, with limited discussion on the pressures being experienced by the IA. Whilst the Council remained within the parameters of what it was entitled to do in accordance with the Scottish Government's directions, IJB members at their meeting on 27.3.19 were advised of a £13M savings target allocated by the Council against an overall Council savings target of £22.6M for 2019/20.
- **Offer letters from Scottish Government.** Offer letters need to be clearer and not open to the level of interpretation which currently exists. This level of variation in interpretation absorbed significant levels of management time and energy, and a need for Scottish Government to subsequently issue a number of letters to clarify how offer letters should be interpreted.
- **Partner Bodies Joint Approach to Budget Setting.** Integration requires all three parties to work together to assess what is required to deliver integration in the local area, which includes the budget. The IA is required to operate in this way, however to date Partner Bodies budget process continue to operate in isolation which results in budget decisions being taken by one partner which can have implications for the wider health and social care system and therefore the other Partner Body and the IA. A good example of this is the £13m savings taken from Social Care budgets in 2019/20 some of which will impact on direct service delivery and our ability to respond to demand coming from the Acute System.
- **Budget Setting Timescales.** This continues to be an issue with the Health Board budget offer which again resulted in an indicative offer being issued for the March 27<sup>th</sup> IJB budget setting meeting resulting in an offer 'subject to' approval by the Health Board at its budget setting meeting in mid-April. At the time of writing, despite the Health Board confirming the budget in mid-April, a final budget offer letter for 2019/20 is still awaited.
- **Failure of Funding to Lose Identity.** Both sets of Partners remain vested in the budget allocation which they delegate to the IJB and expect this to be used to fund services within their respective services. As an example Glasgow City Council's budget report stated 'It

is anticipated that the contribution from the IJB to the Council will be in line with the Council's approved budget.' This is contrary to the spirit of integration and the IA's statutory responsibility to determine how funding is directed. Glasgow City IA has developed a budget which looks at the totality of funding and does not break the budget into Council services and Health services in an attempt to lose the identity of budgets. However as long as we need to upload budgets and record spend in Partner Body ledgers and report to Partner Bodies on financial performance for their services, budgets will continue to have a Health Board or a Council identity.

- **Focus on Reserves.** There is much focus on reserves in IA's with a belief that these are being held unnecessarily. As a section 106 body IA's can hold reserves and recommended practice is that general reserves are held between 2-4% to enable these bodies to cope with unknown risks and pressures. Glasgow City closed 2017/18 with a general reserve balance of £7.4m which equates to 0.6% and does not currently comply with recommended practice. In addition we hold £24m of earmarked reserves which are required in order to honour existing commitments and are not surplus funds available for the IA to spend. This is required purely to manage the difference between when funding is made available and when spend can be incurred and is often as a result of lead in times required in relation to recruitment, procurement and consultation. We have undertaken an analysis of our likely reserve position at the end of 2018/19 and can state that 55% will be spent in 2019/20, 10% in 2020/21 and the remaining 35% are linked to programmes which are on-going and do not have a definitive timescale attached. An example of the latter is our commitment to fund the Safer Drug Consumption Unit. Reserves are generated as a result of underspends which for us has been in the main down to vacancies and early delivery of future year savings – both of which are non-recurring and are not as a result of either too much funding or failure to spend on the budgets identified to deliver on the strategic plan.

## Set Aside

- **Mechanism still not agreed.** Activity to date has been focused on collection of historic activity and cost data. However there has been limited discussion on the mechanism which would be developed to enable the set aside to operate as the legislation intended. This has been as a result of the practical difficulties in identifying the specific budgets and costs which are defined as set aside. Often these activities are part of larger services which means that the isolation of costs cannot be easily done. The existence of 6 IA's in Greater Glasgow and Clyde and the difficulty in identifying the impact of the action of one IA on the wider system is also an issue. To resolve this Glasgow City is leading on the development of a commissioning plan which will seek to determine the services which require to be commissioned within the set aside arrangements and how this will shift over time.
- **Greater Glasgow and Clyde continue to have a budget shortfall overall**, of which set aside is short by a significant amount. This would be required to be resolved before budgets are delegated to IA's and will be the first call on shifting plans over time, which could mean that it could be a number of years before any funds are released.

- **Set Aside budgets for 2019/20 continue to be indicative.**

### **Shifting the Balance of Care**

**Pressures on funding – Councils and Health Boards.** The main ethos of shifting the balance of care is that we shift care from a hospital/acute setting to a community or homely setting. Although not always the case, in the main this would result in an increase in social care services, with a reduction in health services within the IA. The funding position of the Council and HB's work contrary to this, with national funding being reduced for Local Government and being increased for Health. This is not insurmountable by the IA – however as long as Partners protect their own their budget identity and do not work together to plan the funding for the IA it does present a problem. The Medium Term Financial Plan developed by the IJB

(<https://glasgowcity.hscp.scot/sites/default/files/publications/ITEM%20No%2008%20-%20Medium%20Term%20Financial%20Outlook%202019-22.pdf>) estimates a reduction in Council funding of £24m over the next two years and increase in Health funding of £40m – which has the potential to undermine the intention of integration.

- **Difficult to achieve unless funding flows.** Glasgow City HSCP has made progress and integrated services. This is easier to do when operating within the IA. However we have also been successful in delivering a shift across the wider system. Closure of continuing care beds across the system has seen £7.6m being made available to support the development of community care across Greater Glasgow and Clyde. The Adult Mental Health Strategy will also deliver a system wide approach which it is estimated to save £6m which will be released for the development of community services.

### **Reporting Against Outcomes**

The IJB has detailed performance management arrangements in place to measure performance against agreed local and national performance indicators and performance in delivering on the commitments set out within the IJB's Strategic Plan

<https://glasgowcity.hscp.scot/publication/gchscp-strategic-plan-2019-2022>

Routine performance management arrangements are in place, with regular performance reports produced for internal scrutiny by citywide and locality management teams. These reports are also scrutinised by the IJB's Finance, Audit and Scrutiny Committee, which adopts a particular focus on specific services at each meeting, in order to undertake a more in-depth review of performance, with relevant strategic leads invited to attend and discuss their respective areas. A strategic overview of performance is also maintained by the IJB which receives a quarterly performance report that focuses upon a smaller set of more strategic performance indicators.

The IJB 's Finance, Audit and Scrutiny Committee also receives updates on and scrutinises progress with key pieces of work across the Health and Social Care system. This includes

reviewing reports of external inspections and maintaining an oversight of performance of statutory functions.

The range of mechanisms in place to scrutinise performance at city-wide and locality levels, as well as by the IJB enables areas of good practice to be shared across the city and performance improvement plans to be developed in response to identified areas of underperformance, which are monitored on an ongoing basis.

The IJB also has routine reporting arrangements in place for monitoring financial performance, with regular financial performance reports produced for internal scrutiny both locally, on a client group basis and to senior managers. Financial performance is also scrutinised by the IJB's Finance, Audit and Scrutiny Committee and the IJB at every meeting and includes details of major variances and the delivery of the transformation programme.

### **Key Themes from Glasgow City's Performance on Unscheduled Care**

**Delayed Discharge Performance.** Our performance in managing delays has improved progressively since 2011 to December 2017, when our performance experienced its first sustained reversal in almost 7 years. Performance has since consolidated at a higher level compared to November 2017, despite continuing HSCP efforts to restore performance to previous best levels. Various factors are likely to have contributed to this, including increasing levels of complexity in demand and ever greater constraints on resources, both financial and staffing. The system is also adaptive; for example, a combination of acute systems experiencing greater demand for beds and growing consultant confidence in the HSCP to safely manage earlier discharge might explain some of the increasing levels of challenge associated with individual discharges. The health and social care system also took a long time to recover from the additional demand that occurred in the 2017/18 winter. A full description of our performance and the actions we are taking is included in the report on delays considered by the IJB in March 2019

<https://glasgowcity.hscp.scot/sites/default/files/publications/ITEM%20No%2020%20-%20Glasgow%20City%20HSCP%20Delayed%20Discharge%20Performance%20in%20the%20Acute%20Hospital%20System.pdf>

- **Unscheduled Care Performance.** Glasgow City HSCP's Unscheduled Care Action Plan was first agreed by the IJB in March 2017. The programme focuses action in three areas:
  - early intervention and prevention of admission to hospital to better support people in the community;
  - improving hospital discharge and better supporting people to transfer from acute care to community supports; and,
  - improving the primary / secondary care interface jointly with acute to better manage patient care in the most appropriate setting in line with the IJB's and NHS Board's strategic direction.

In the intervening two years there has been substantive improvement across the range of integration indicators agreed by the Ministerial Strategic Group. The attached IJB report approved in May 2019 provides the relevant detail:

<https://glasgowcity.hscp.scot/sites/default/files/publications/ITEM%20No%2014%20-%20Unscheduled%20Care%20Performance%20Update.pdf>

Progress has been made in relation to unscheduled hospital admissions, and bed days lost due to delays but A&E performance continues to be a challenge.

- **Future Improvement.** The May IJB report outlines the range of improvement activity being undertaken by the HSCP in partnership with other HSCPs, Acute, NHSGGC and other stakeholders. There is a clear and shared strategic priority attached to future improvement in unscheduled care performance, which is recognised as being critical to the long-term sustainability of the health and care system. Themes include greater self-management and resilience; earlier and more purposeful intervention through the care journey; capitalising on the opportunities from the new GP contract; and, an associated shift in the balance of care and resources. As the report indicates, HSCPs in Greater Glasgow & Clyde hold a shared view that further inroads into reducing unscheduled care activity will only be possible through a more ambitious strategic programme of change where that shift in the balance of care is supported. The next step in this process will be to develop a detailed system-wide commissioning plan in relation to acute resources, in line with the Scottish Government's objectives. This work is about to begin in partnership across NHSGGC HSCPs. It will draw upon the successful system-wide commissioning of post-continuing care resources and seek to directly address the future use of set aside budgets.