



To Lewis Macdonald MSP
Convenor, Health and Sport Committee

Via email

Re: Follow up information – Health and Sport Committee 21 May 2019

27 June 2019

Dear Mr Macdonald,

This is in response to your letter of the 6th of June requesting further information following input at the Health and Sport Committee by the Edinburgh Integration Joint Board (EIJB) Chief Finance Officer and me. I trust that the following answers the queries, which I will address in turn. If further information would be helpful I will, of course, be happy to provide wherever possible.

Transformation and Change

Your follow up question is – *‘What steps are you taking to transform services and invest in new models to realise efficiency savings in the social care budget?’*

In response I’d wish to highlight that the EIJB considers the entirety of its budget as a single entity and it recognises the need to make efficiency savings across the totality of delegated budget – across both health and social care. The EIJB has faced significant financial pressures since its inception and this remains the background in the current financial year where the IJB has a target of around £24m. This level of saving will not be achieved on a sustainable footing through efficiencies and one-off actions alone but will require a consistent approach that includes also redesign and the longer transformation of services. In order to achieve this we have the following in place:

- A new strategic plan for 2019/22 currently being consulted on;
- Savings and recovery programme agreed by the EIJB and aligned to the emerging strategic plan wherever possible;
- Savings governance process which ensures the balance of delivery of change and savings, alongside delivery of outcomes for people;
- Budget setting protocol and tri-partite partnership approach to savings delivery with our partners City of Edinburgh Council and NHS Lothian;
- Transformation and change programme which seeks to address the longer term ambitions of the IJB to deliver different, sustainable approaches to health and care which focus on prevention, early intervention and independence;

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- Agreement of a £2m investment in transformation capacity to deliver the above;
- Further £1m community investment fund to support community focussed capacity with the 3rd sector.

‘Double Running Costs’

The question you have asked refers to our being able to reassure practitioners of safe alternative models of care available to support the transfer of care and how we fund any ‘double running costs’ which enable the transition from one model of delivery to another.

Change at this level is complex and we endeavour as far as possible to engage with professionals and stakeholders in the design and delivery of change. As much as possible our approach in Edinburgh is that professionals and practitioners lead and drive the change with the support from the partnership to do so. Sometimes this may include freeing staff up from their substantive roles to lead change, at others we support practical support such as project management capacity to work alongside professionals to enable them to lead change with the necessary additional support to do so. Professional and practitioner led change enables a focus on evidence base change (where there is a clear evidence base) but also supports practitioners in testing change and being assured that new models are sound. Examples in Edinburgh HSCP include work we are undertaking in reviewing our Hospital at Home service which is being led by a GP and the introduction of our 3 Conversations approach which involves staff and teams leading innovation sites and a broad range of our colleagues on the leadership ‘Making it Happen’ group which supports the change.

Our 3 horizon approach is outlined in the paper attached at Appendix 1.

Shortage of Funds available and engagement

Under this section of your letter there were two specific questions, the first asking to what extent the search for innovative solutions is driven by the requirement to cut costs, and the second asking what approach we are taking to include and communicate with members of the public about the need for transformation of services in the community – and what impact that will have on their daily lives.

Regarding the first question – our need to innovate does relate to the need to make savings but it is also related to a number of equally challenging and important issues including the demographic changes in Scotland, availability of the future workforce, changing technology and changing patterns of disease and morbidity. You will no doubt be aware that we have specific challenges in Edinburgh when compared to the rest of the country. Each of these are driving our need to develop our services and be innovative in our approach alongside the challenges of our funding. Our aim in addressing these



challenges is to manage this while wherever possible improving outcomes for people. This is not an easy balance to achieve but you will see – I hope – from the papers that we have provided as additional evidence, that we seek to balance each of them as we drive change in our organisation. Good examples of this are where we’re considering the use of technology in scheduling for our community based staff. This tech solution will deliver better co-ordination of visits to people’s homes, reduce staff travel time and increase time spent with citizens, enable better continuity of care and create efficiencies through the better use of our valuable staff resource. Models such as this are already in place in other areas and have been evaluated.

Budget Setting and 3 year cycle

We welcome the Scottish Government’s move to budgeting over a 3 year period and believe this will support the wider system. However this flexibility will not mitigate the financial challenges facing integration authorities and/or Health Boards. Like many other IJBs we are developing our medium term financial strategy, and this could be supported by a move away from one year allocations towards longer term settlements for both Health Boards and Local Authorities.

Set Aside Budgets

The follow up question in this section of your letter is: ‘Do you agree the underlying assumption of the set aside budget to release resources from acute services to be unrealistic and flawed?’ and ‘what steps can be taken to reduce pressure on acute hospitals used by multiple partnership areas?’

Firstly, it is not our view that the assumption around set aside is unrealistic and flawed – however, it is very challenging to achieve and not, in our experience, something that can be done quickly. It is also worth emphasising the point that set aside resources go beyond the funding and include the human and service resource underpinned by the funding. If the focus is on releasing some of that capacity across the system to enable better system-wide flows and outcomes for people, then the set aside element can work as initially intended. Too often in these discussions the focus is on the money and not on how we use the totality of the resource to support system wide improvement.

In terms of the steps that can be taken to address pressures, this also relates to the initial question about set aside – the focus needs to be on a person-centred approach to improved outcomes, rather than a pressure release on acute hospitals per se. An example of this is the approach that we’re beginning to take in Edinburgh with the improvements we have delivered in reducing the number of people delayed in an acute hospital when medically fit for discharge (known as Delayed Discharge). It is well



understood that being in an acute hospital when fit to go home can be harmful to older people especially – they can lose both fitness and confidence in their ability to be at home. In addition, delays such as these mean that acute beds are not available for people that need them for an episode of acute care – planned or unplanned, which can have a further negative impact on waiting times across the system.

Edinburgh IJB has made progress in improving the number of people delayed in an acute bed. As a result of this we are also making progress in discussions with our partner; NHS Lothian, in relation to a reduction in acute beds for older people. On the completion of this work, we will be able to target and use the staffing resources toward the community models we are developing which will further support prevention of admission, early intervention and further improvement in our performance outcomes for people.

Housing adaptations

Our relationship with housing associations is improving and we are working alongside housing planning colleagues within the council and the health board to progress future planning. The steps being taken are included in the Housing Contribution Statement to the Strategic Plan.

I trust this addresses the additional questions raised and remain very happy to expand on any of this further, should the committee find it useful.

Yours sincerely

Judith Proctor
Chief Officer – Edinburgh Health and Social Care Partnership

c.c. Angus McCann, Chair, Edinburgh IJB
Cllr Ricky Henderson, Vice Chair, Edinburgh IJB
Moira Pringle, Chief Finance Officer



APPENDIX 1

Like many other public sector organisations, we face significant financial challenges and, due to the continuing difficult national economic outlook and increasing demand for services, will need to operate within tight fiscal constraints for the foreseeable future. Pressures on public sector expenditure are expected to continue, both at a UK and Scottish level. As a result our partners in NHS Lothian and City of Edinburgh Council will face continued funding pressures for the foreseeable future. This in turn will impact on their ability to resource the functions delegated to the EIJB. In this financial climate, we recognise that returning to a balanced position will require major redesign of services, radical changes in thinking and approach, and the involvement of all partners and stakeholders.

Many of the considerable challenges we face have significant financial consequences and we face a complex landscape of interconnected risks. Examples include:

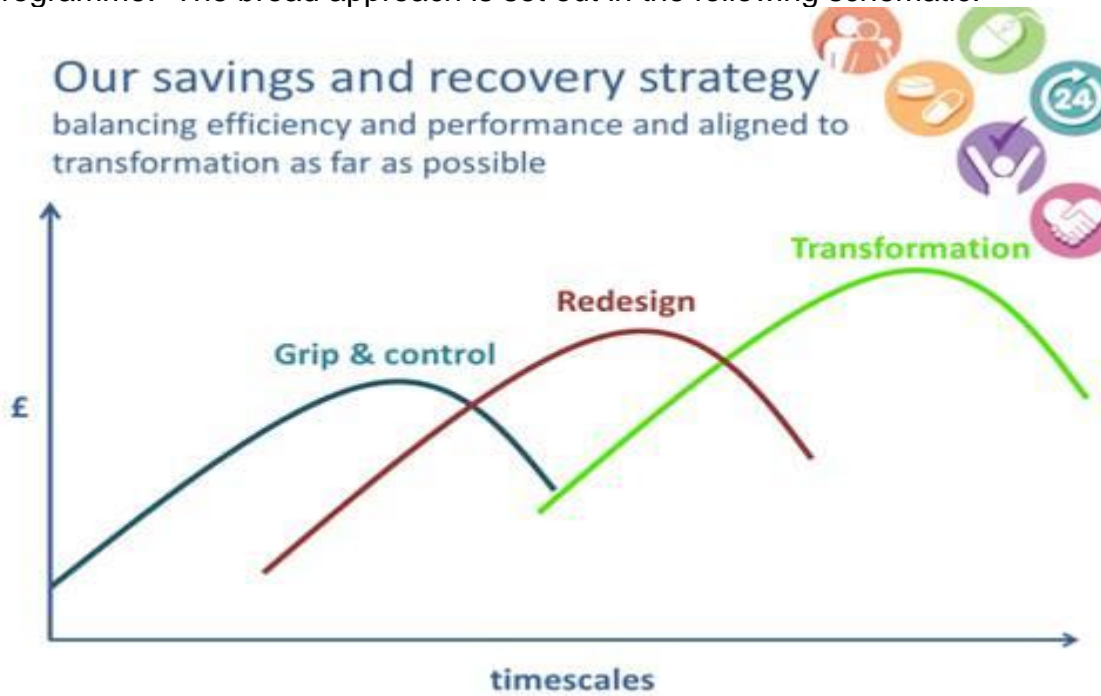
- increased demand for services alongside reducing resources;
- impact of demographic changes;
- delays in accessing appropriate services, including social care assessments, reviews and timely discharge from hospital;
- impact of welfare reform on the residents of Edinburgh;
- impact of the living wage and other nationally agreed policies;
- risk that the savings programme does not deliver within the required timescales or achieve the desired outcomes; and
- costs associated with meeting new legislative requirements without adequate resources being put in place.

These risks mean that money is tighter than ever before. It is therefore crucial that we focus on early intervention, prevention and recovery if we are to work within the total annual budget of just over £700 million. Moving into 2019/20, we are working to proactively address the funding challenges presented while, at the same time, improving outcomes for the residents of Edinburgh.

Our change programme is encapsulated within the strategic plan, but while we think about change in the medium to longer term, and put in place the programme and engage with our teams and stakeholders on our plans, we also have to make savings. Our approach is to focus in the immediate term mainly on “grip and control” measures. In the medium to longer term, we are confident of achieving efficiencies that assist in delivering



financial balance through redesign and outputs from transformation through the change programme. The broad approach is set out in the following schematic:



Conclusion

Thus, the IJB faces the twin challenges of: increasing demand for services; and a climate of constrained financial resources. In this context, the development and implementation of a strategic approach to financial planning over the next 3–5 years is essential to support the sustainability of health and social care delivery in Edinburgh.