# PERTH AND KINROSS INTEGRATION JOINT BOARD

Council Building
2 High Street
Perth
PH1 5PH

17 March 2017

A meeting of the **Perth and Kinross Integration Joint Board** will be held in the **Council Chambers, Ground Floor, Council Building, 2 High Street, Perth, PH1 5PH** on **Friday 24 March 2017** at **10.30am.**

If you have any queries, please contact Scott Hendry on 01738 475126 or e-mail committee@pkc.gov.uk.

**Robert Packham**
**Chief Officer**

**Voting Members**
Councillor D Doogan, Perth and Kinross Council (Chair)
Councillor P Barrett, Perth and Kinross Council
Councillor I Campbell, Perth and Kinross Council
Councillor K Howie, Perth and Kinross Council
L Dunion, Tayside NHS Board (Vice-Chair)
S Hay, Tayside NHS Board
J Golden, Tayside NHS Board
S Tunstall-James, Tayside NHS Board

**Professional Advisers**
B Atkinson, Chief Social Work Officer, Perth and Kinross Council
R Packham, Chief Officer, Perth and Kinross Integration Joint Board
J Smith, Chief Financial Officer
Dr N McLeod, Independent Contractor
J Foulis, NHS Tayside
Dr N Prentice, NHS Tayside

**Additional Members**
Dr D Walker, NHS Tayside
Dr A Noble, External Advisor to Board

**Stakeholder Members**
F Fraser, Staff Representative, Perth and Kinross Council
A Drummond, Staff Representative, NHS Tayside
H MacKinnon, PKAVS (Third Sector Interface)
B Campbell, Carer Public Partner
A Gourlay, Service User Public Partner

# Perth and Kinross Integration Joint Board

## 24 MARCH 2017

## AGENDA

1. Welcome and Apologies

   **Note:** Proxy and Substitute members are reminded that they should only take part in the debate on the business on the agenda if they are attending the meeting formally in place of another member of the Board.

2. Declarations of Interest

   Members are reminded of their obligation to declare any financial or non-financial interest which they may have in any item on this agenda in accordance with the Perth and Kinross Integration Joint Board Code of Conduct.

3. Minute of Meeting of the Perth and Kinross Integration Joint Board of 3 February 2017 (copy herewith) ***(Pages 1-6)***

4. Action Point Update (copy herewith G/17/48) ***(Pages 7-10)***

5. Matters Arising

6. Financial Update as at 31 December 2016 – Report by Chief Finance Officer (copy herewith G/17/49) ***(Pages 11 -18)***

7. 2017/18 Budget – Report by Chief Finance Officer (copy herewith G/17/50) ***(Pages 19-46)***

8. Proposed Reserves Policy – Report by Chief Finance Officer (copy herewith G/17/51) ***(Pages 47-52)***

9. Strategic Commissioning Plan – Update – Report by Chief Officer (copy herewith G/17/52) ***(Pages 53-72)***

10. Chief Officer Update – Report by Chief Officer (copy herewith G/17/53) ***(Pages73-79)***

11. Meeting Dates 2017

    Friday 16 June 2017
    Friday 18 August 2017
    Friday 13 October 2017
    Friday 15 December 2017

**PERTH AND KINROSS INTEGRATION JOINT BOARD**

Minute of Meeting of the Perth and Kinross Integration Joint Board held in the Council Chambers, Ground Floor, Council Building, 2 High Street, Perth on Friday 3 February 2017 at 10.30am.

**Present:** Councillor D Doogan, Perth and Kinross Council (Chair)
Councillor I Campbell, Perth and Kinross Council
Councillor K Howie, Perth and Kinross Council
S Tunstall-James, Tayside NHS Board
B Atkinson, Chief Social Work Officer, Perth and Kinross Council
R Packham, Chief Officer
J Smith, Chief Finance Officer
Dr M Martindale, Independent Contractor
J Foulis, NHS Tayside (from Item 6 onwards)
Dr A Noble, External Advisor to Board
F Fraser, Staff Representative, Perth and Kinross Council (substituting for G Mackie)
A Drummond, Staff Representative, NHS Tayside (up to and including Item 7)
H MacKinnon, PKAVS (Third Sector Interface)
A Gourlay, Service User Public Partner
B Campbell, Carer Public Partner

**In Attendance:** B Malone, Chief Executive, Perth and Kinross Council; S Hendry, G Taylor, L Cameron and C Johnston (all Perth and Kinross Council); V Aitken, E Devine and H Dougall (all NHS Tayside); M Summers, Substitute Service User Public Partner; S Cole, Substitute Carer Public Partner.

**Apologies:** Councillor P Barrett, L Dunion, S Hay, J Golden, Dr D Walker, G Mackie and A Davidson.

Councillor Doogan, Chair.

## 1. WELCOME AND INTRODUCTIONS

Councillor Doogan welcomed all those present to the meeting and apologies were noted as above.

Councillor Doogan informed the Board that Colin Johnston, Joint Head of Community Care, Perth and Kinross Council would retiring on 31 March 2017. The Board passed on its best wishes to Colin for the future and thanked him for all his hard work particularly in the area of health and social care integration.

## 2. DECLARATIONS OF INTEREST

There were no Declarations of Interest made in terms of the Perth and Kinross Integration Joint Board Code of Conduct.

## 3. MINUTE OF PREVIOUS MEETING

The minute of meeting of the Perth and Kinross Integration Joint Board of 4 November 2016 was submitted and approved as a correct record, subject to the following amendment:

The record of members present be amended to read M Summers (substituting for B Campbell), and the record of in attendance be amended to read S Cole.

## 4. ACTION POINT UPDATE

There was submitted and noted the action point update for the Integration Joint Board as at 3 February 2017 (G/17/13).

In relation to Action Point 51, R Packham agreed to seek a further update in relation to a map to be provided for patients who are attending Out of Hours at Kings Cross Hospital, Dundee and also the availability of vending machines for public use.

## 5. MATTERS ARISING

### (i) Recording of Dissent (Item P2 refers)

It was agreed that a post meeting note would be added to the minute of the meeting of 4 November 2016 confirming that all of the public partners present at the meeting wished their dissent to be noted in relation to this item of business.

## 6. CHIEF OFFICER UPDATE

There was submitted a report by the Chief Officer (G/17/14) providing an overview and update of work across the Health and Social Care Partnership.

**Resolved:**
Progress be noted on governance and operational matters and on the range of projects described under the following Strategic Planning Themes:

- Prevention and Early Intervention;
- Person Centred Health, Care and Support;
- Work Together with Communities;
- Addressing Inequality, Inequity and Promoting Healthy Living;
- Making the Best Use of Available Facilities, People and Resources.

## 7. FINANCIAL UPDATE 2016/17

There was submitted a report by the Chief Finance Officer (G/17/15) providing an update on the financial position of Perth and Kinross Integration Joint Board, and an update on the development funding directly available to the Partnership to effect change.

**Resolved:**

(i) The year end forecast overspend for the Integration Joint Board of £303,000, as detailed in the report, be noted;

(ii) The in year commitments against the development funding that is available to the Partnership, and the need to carry this forward to support change projects, as detailed in the report, be noted.

## 8. AUDIT AND PERFORMANCE COMMITTEE

### 8.1 ESTABLISHMENT OF AUDIT AND PERFORMANCE COMMITTEE

There was submitted a report by the Chair of the Audit and Performance Committee (G/17/16) that sought approval of the amended Terms of Reference for the Audit and Performance Committee of the Integration Joint Board.

**Resolved:**

The amended terms of reference, attached as Appendix 1 to Report G/17/16, be agreed.

### 8.2 AUDIT AND PERFORMANCE COMMITTEE ACTION NOTE OF MEETING – 17 JANUARY 2017

There was submitted a report by the Chair of the Audit and Performance Committee (G/17/17) updating members on the outcomes of the Audit and Performance Committee meeting held on 17 January 2017.

**Resolved:**

(i) The detailed actions in Appendix 1 of Report G/17/17 be noted;

(ii) The matters of note from the Audit and Performance Committee of 17 January 2017 be noted.

### 8.3 DRAFT MINUTE OF MEETING OF THE AUDIT AND PERFORMANCE COMMITTEE OF THE PERTH AND KINROSS INTEGRATION JOINT BOARD

There was submitted and noted the draft minute of the meeting of the Audit and Performance Committee of 17 January 2017.

## 9. PERFORMANCE REPORT ON KEY ELEMENTS OF THE STRATEGIC COMMISSIONING PLAN

There was submitted a report by the Chief Officer (G/17/18) providing a high level summary of key elements of the strategic commissioning plan including progress in achieving the nine national outcomes for health and social care.

**Resolved:**

(i) The contents of Report G/17/18 be noted:

(ii) The Chief Officer to prepare the Annual Performance Report for consideration at the meeting of the Board in June 2017.

## 10. STRATEGIC COMMISSIONING PLAN - UPDATE

There was submitted a report by the Chief Officer (G/17/19) providing an update on key actions within the Strategic Commissioning Plan 2016-2019, as part of the regular progress reports to the Board.

**Resolved:**

(i) The contents of Report G/17/19 and the progress in meeting the 2016/17 priority actions as set out in Appendix 1 be noted;

(ii) The Chief Officer be requested to bring further updates to the Board meeting in March 2017.

## 11. PRESCRIBING MANAGEMENT IN PERTH AND KINROSS

There was submitted a report by the Chief Officer (G/17/20) updating the Board on the NHS Tayside led Programme of Work to deliver GP Prescribing efficiency savings in 2016/17 along with the Perth and Kinross Health and Social Care Partnership Work Plan being developed to ensure all possible opportunities are explored in relation to quality, safe and cost effective prescribing.

**Resolved:**

(i) The NHS Tayside Prescribing Management Group 2016/17 Work Stream Initiatives, the progress made to date in delivering anticipated efficiency savings, and the significant forecast in-year shortfall, be noted;

(ii) The further priority initiatives that the NHS Tayside Prescribing Management Group have identified as at December 2016 to accelerate the level of savings delivery in 2016/17 be noted;

(iii) The progress made to date in developing a local Perth and Kinross Prescribing Action Plan that aims to both support the NHS Tayside priority initiatives as well as identify local actions and initiatives that will be required to ensure that the level of savings delivered across Perth and Kinross over the next three years delivers a more effective and sustainable prescribing position be noted;

(iv) It be noted that further discussions would be required to establish clear lines of accountability and responsibility for savings targets and delivery of savings plans thereon.

## 12. ADULT SUPPORT AND PROTECTION BIENNIAL REPORT 2014-16

There was submitted a report by the Director (Housing and Social Work), Perth and Kinross Council (G/17/21) providing a summary of the Adult Support and Protection Biennial Report that covered the period 1 April 2014 – 31 March 2016.

**Resolved:**

The contents of the report be noted and it be agreed that a development session be arranged for members in the future.

## 13. ACCOUNTS COMMISSION REPORT INTO SOCIAL WORK IN SCOTLAND

There was submitted a report by the Chief Social Work Officer, Perth and Kinross Council (G/17/22) that provided the Board with the findings of the recent Accounts Commission examination of how effectively Councils across Scotland are planning to address the financial and demographic pressures facing Social Work Services. The report also considered the position in Perth and Kinross and the progress that was being made against recommendations contained within the report.

**Resolved:**

The contents of the report be noted and the Chief Social Work Officer be instructed to report to the Integration Joint Board in 12 months time on the progress against the recommendations.

## 14. MEETING DATES 2017

Monday 27 February (Proposed Special Meeting – TBC)
Friday 24 March
Friday 16 June
Friday 18 August
Friday 13 October
Friday 15 December

All meetings to take place at the Perth and Kinross Council Offices, 2 High Street, Perth. Board Meetings to begin at 10.30am with Development Sessions beginning at 9.00am as required.

# ACTION POINTS UPDATE

**Perth & Kinross Integration Joint Board**
**24 March 2017**

| | Meeting | Minute Reference | Heading | Action Point | Responsibility | Timescale | Status |
|---|---|---|---|---|---|---|---|
| 29 | 23 Mar 2016 | Item 18(v) | Health & Social Care Joint Workforce & Organisational Development Strategy | The finalised Joint Organisational Development Plan be reviewed by the Board in June 2016 to ensure alignment with partnership priorities. | Chief Officer | ~~June 2016~~ ~~March 2017~~ June 2017 | 31/10/16 Joint OD plan been updated - due to be finalised by March 2017 and to be submitted in June 2017 |
| 30 | 23 Mar 2016 | Item 19(ii) | Equality Outcomes and Mainstreaming Report | Reports to be submitted on an annual basis to the Board in relation to progress in response to the Equality Outcomes in a format which will be agreed by both NHST and PKC in the year ahead. | Chief Officer | ~~March 2017~~ June 2017 | 13/03/17 – delay until June agenda. |
| 48 | 26 Aug 2016 | Item 9 (ii) | Hosted Services | Memorandum of Understanding to be reviewed annually. | Chief Officer | Aug 2017 | |
| 49 | 26 Aug 2016 | Item 9 (iii) | Hosted Services | CO to report back at future meeting of the Board in relation to progress made in agreeing detailed arrangements for hosted services. | Chief Officer | ~~Feb 2017~~ ~~March 2017~~ June 2017 | 23/03/16 delay until June agenda |
| 52 | 04 Nov 2016 | Item 7 – 2.2 | OOHs Report | Chief Officer to circulate information to Board Members in relation to test results for nurse led telephone triage within the out of hours service. | Chief Officer | ~~March 2017~~ June 2017 | **03/02/17**– E Devine following up this action.<br><br>**06/02/17** – awaiting response – delay |

# ACTION POINTS UPDATE

**Perth & Kinross Integration Joint Board**
**24 March 2017**

| | Meeting | Minute Reference | Heading | Action Point | Responsibility | Timescale | Status |
|---|---|---|---|---|---|---|---|
| | | | | | | | update until June agenda. |
| 53 | 04 Nov 2016 | Item 7 – 2.4 | GP Clusters | Dr D Walker to submit a briefing paper to future meeting in relation to dietetic work being undertaken at a national level. | Dr D Walker/Chief Officer | August 2017 | |
| 56 | 04 Nov 2016 | Item 10 | Clinical Care and Professional Governance Progress Report | Chief Officer to submit further progress report in six months time containing details of progress and providing further recommendations. | Chief Officer | June 2017 | |
| 57 | 04 Nov 2016 | Item 11 | Perth & Kinross Winter Plan | Yearly plan to be submitted | Chief Officer | October 2017 | |
| 59 | 04 Nov 2016 | Item 14 | Adult Support & Protection | Development Session to be arranged in 2017 for members on the work of the Adult Protection Committee, Child Protection Committee and Public Protection Work | Chief Officer | Nov 2017 | |
| 63 | 03 Feb 2017 | Item 9 | Performance on Key Elements of Strategic Commissioning Plan Annual Report | Annual Report requested | LC/ED/DF | June 2017 | |
| 65 | | | | | | | |

# ACTION POINTS UPDATE

**Perth & Kinross Integration Joint Board**
**24 March 2017**

## ACTION POINTS RESOLVED

| | Meeting | Minute Reference | Heading | Action Point | Responsibility | Timescale | Status |
|---|---|---|---|---|---|---|---|
| 21 | 23 Mar 2016 | Item 7(iii) | Strategic Commissioning Plan | CO to submit progress reports on the strategic plan to each IJB meeting | Chief Officer | Ongoing – updates provided at each IJB MEETING. | 3/02/17 Resolved |
| 24 | 23 Mar 2016 | Item 9(ii) | Internal Audit Update Report on Financial Assurance | General Update to be provided at each board meeting | Chief Finance Officer | Ongoing – updated provided at each IJB meeting. | 3/02/17 Resolved |
| 62 | 03 Feb 2017 | Item 4 | Action Point Update | Further action raised by Public Partner request to be made to OOHS for vending machines and Water fountain to be provided for patient/carers at Kings Cross. | E Devine | March 2017 | 06/03/07 Water fountain in place within OOH at Kings Cross. Request submitted from RP to MA re provision for catering OOHs Resolved |

# ACTION POINTS UPDATE

**Perth & Kinross Integration Joint Board**
**24 March 2017**

| | Meeting | Minute Reference | Heading | Action Point | Responsibility | Timescale | Status |
|---|---|---|---|---|---|---|---|
| 51 | 04 Nov 2016 | Item 7 – 2.2 | OOHs Report | Request received for Map to be provided for patients who have to attend OOH at Kings Cross – previous requests submitted to NHST has not been actioned. Further request to be sent to OOHs from Rob Packham. | Chief Officer | Feb 2017 | 06/03/17 - Direction and Map available via NHS Tayside Website. 23/03/17 Resolved |
| 60 | 24 Mar 2017 | | Health & Social Care National Delivery Plan | Report to be submitted on the H&S Care National Delivery Plan at IJB meeting in March 2017. Also update to be provided in Strategic Commissioning Plan re Local Delivery Plan. | LC/RP | March 2017 | 24/03/17 - Resolved |
| 61 | 24 Mar 2017 | | Chief Finance Officer Update | Future report to include update re Agency/Supplementary staff costs. | JS | March 2017 | 24/03/17 - Resolved |
| 44 | 26 Aug 2016 | Item 4 (i) | Matters Arising – Public Partners | Biographies of Board members to be circulated to Public Partners | Chief Officer | November 2016 | 24/03/17 Resolved |
| 64 | 03 Feb 2017 | Item 11 | Prescribing Management in Perth & Kinross | Evidence of improvements to be submitted in future report | Clinical Director (HD) | March 2017 | Delay until June agenda. |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

6

(G/17/49)

**PERTH & KINROSS INTEGRATION JOINT BOARD**

**24 MARCH 2017**

**FINANCIAL UPDATE AS AT 31 DECEMBER 2016**

**REPORT BY CHIEF FINANCE OFFICER**

**PURPOSE OF THE REPORT**
The purpose of this report is to provide an update on the forecast financial position of Perth & Kinross Integration Joint Board, for the year ended 31 March 2017.

## 1. RECOMMENDATIONS

It is recommended that the Integration Joint Board (IJB):-

- Note the year end forecast overspend for the IJB of £1.19m.

## 2. DISCUSSION OF KEY ISSUES

A year-end forecast overspend of £1.19m is now forecast based on the actual outturn to 31 December 2016. This is a significant deterioration from the £303k overspend predicted previously.

The deterioration is due to an increased forecast overspend on GP Prescribing (additional £655k) and a reduction in underspend across Community Care (reduction of £227k).

Appendix 1 provides a breakdown across service areas, in relation to the core financial position and delivery of savings.

The Integration Scheme sets out that for the first 2 years of the IJB, an overspend will be met by the partner with the operational responsibility, unless agreed otherwise through a tripartite agreement between IJB and the partners. The underlying £3.1m overspend against the budgets devolved by NHS Tayside will therefore be managed as part of NHS Tayside's commitment to deliver an overall break even position at 2016/17. The £1.9m underspend against the social care budget devolved to the IJB will be carried forward as reserves into 2017/18. A reserves policy is being considered separately by the IJB at its meeting on 24 March 2017.

Further explanation of key material variances impacting on the forecast financial position is provided below.

## 3. COMMUNITY AND HOSPITAL HEALTH SERVICES

For Community & Hospital Health Services is an underspend of £301k is forecast excluding delivery of savings. This position has deteriorated slightly from the projection of £350k last month.

The significant variances are as previously reported. The forecast overspend in Medicine for the Elderly (Tay/Stroke at PRI) has increased from £135k to £195k. This is due to continued staff recruitment and retention issues which are being covered by supplementary staffing including agency to ensure safe staffing levels.

The year forecast overspend on Community Hospitals South has also increased from £165k to £235k. Again a delay in recruitment plus sickness absence above average levels has impacted on the year end forecast with gaps being covered by supplementary staffing to ensure safe staffing levels.

These areas are being offset by a number of non-recurring underspends. The Medical Trainees forecast underspend has increased by £58k to £340k underspend, due to a number of vacancies. Community Hospitals North is forecasting an underspend of £285k due to the non operational status of Aberfeldy. Adult Mental Health and Wellbeing is forecasting a £80k underspend due to a number of temporary vacancies.

## 4. HOSTED HEALTH SERVICES

Perth & Kinross IJB's share of all Hosted services is forecast to overspend by £399k, excluding delivery of savings. This has moved from £374k reported in previously.

There is an increased forecast overspend within Forensic Services (hosted by Angus). The year-end forecast has increased to £775k from £705k, of which Perth and Kinross's share is £260k. This service has experienced severe recruitment issues relating to core medical cover. This has caused it to become heavily reliant on agency cover. In order to negate this use of agency, the service is moving towards a salaried model.

The overspend projected within General Adult Psychiatry Inpatients (hosted by Perth & Kinross) has increased from £830k to £1.0m, of which Perth & Kinross's share is £335k. In addition, Learning Disabilities Inpatients (hosted by Perth & Kinross) is forecasting an increase in overspend from £255k to £290k, with the Perth & Kinross share being £97k. Learning Disabilities and GAP Inpatients overspends are due to the inability to recruit to consultant vacancies, this has led to significant supplementary staffing costs and locum cover.

An outline business case is being developed that will set out the future model for inpatient beds required across Learning Disabilities and Mental Health inpatient services. This should respond to the current recruitment issues and will address workforce and financial sustainability moving forward.

The hosted position above is partially offset by some significant underspends. Psychology (hosted by Dundee) is reporting an increased underspend of £547k, Perth & Kinross share is £183k. This is due to further delay in recruiting to a number of vacancies.

Out of Hours (hosted by Angus) previously projected an underspend of £270k, this has reduced to £160k, Perth & Kinross share is £54k. This underspend is due to difficulty in filling the required duty shifts. However, the movement is due to seasonal costs and additional sessions being met.

## 5. GP PRESCRIBING

Based on actual GP prescribing expenditure to October 2016, a year end year overspend of £2.0m is now reported. Of this £1.05m relates to the expected shortfall on savings, together with an overspend of £970k relating to item growth. Up until November 2016 the year end forecast prepared by PSU was based on the budgeted level of item growth rather than the actual growth from 1 April 2016. This has been corrected and has significantly impacted on the year end forecast. Whilst it does not represent a sudden increase in item growth in Perth & Kinross in a single month but a month on month rate of growth that is higher than budgeted for. The implications of this role of item growth are being discussed as part of discussions with NHS Tayside.

## 6. COMMUNITY CARE

The Community Care forecast underspend excluding savings is £743k, this has reduced from £1.05m reported last month.

This movement is due to additional care at home hours being purchased together with budget being transferred to accelerated savings. Care at Home reported a £71k underspend based on the month 7 position. This has moved to a projected £118k overspend. This is in line with the pressures anticipated within the 2017/18 budget for social care which forecasts increased demand for Self Directed Support Homecare provision.

Other key areas of underspend are similar to the last report. Local Authority Residential Care Homes is reporting a £260k underspend. This has increased from £219k and is due to higher than anticipated income based on the current resident profile.

For commissioned nursing and residential care placements an underspend of £165k is reported, due to an increased turnover of placements.

Community Care teams are forecasting an underspend due to the service transitioning to a locality model.

Day Opportunities within Learning Disabilities are reporting an underspend of £165k, due to staff vacancies and an underspend on purchased services.

## 7. SAVINGS DELIVERY

The inability to identify savings plans to meet the significant NHS Tayside savings target continues to be the main driver of the forecast overspend for the IJB. A shortfall of £2.1m against a target of £4.4m is predicted. Key areas of shortfall are across GP Prescribing and Hosted Services.

For GP Prescribing, the local workplan is being further developed, led by the Clinical Director to ensure clear actions and accountability alongside costed savings targets. However it is unlikely that the establishment of a robust local programme will impact in this financial year.

At NHS Tayside level, significant additional savings had been anticipated against formulary review, Lidocaine plasters and the Pregabalin Plasters by 31 March 2017; however at this stage no benefit from these initiatives is currently being forecast for the three IJB's within the PSU year end forecast.

For Inpatient Mental Health services a programme of work has commenced where, working with the Head of Inpatient services along with the Associate Medical Director, all possible actions are being identified and taken forward to deliver financial balance including delivery of savings. Progress in taking this forward has been impacted by the urgent issue around contingency arrangements to respond to the Junior Doctor shortage from February. However with contingency plans now implemented the team are again working closely with the CO and CFO to consider all options to drive down costs.

Within Social Care, all 2016/17 plans are expected to deliver the £1m target in full. A further £1.14 of accelerated savings is forecast to provide a non-recurring benefit in 2016/17.

Appendix 2 provides a detailed update on all savings plans.

**Appendix 1**

| Perth & Kinross Integration Joint Board | Partnership Year End Over/(Under) spend Forecast £000 | IJB Year End Over/(Under) spend Forecast £000 |
|---|---|---|
| **Core Position** | | |
| Community & Hospital Health Services | -301 | -301 |
| Hosted Services | 1,323 | 399 |
| GMS/Other FHS | -118 | -118 |
| GP Prescribing | 970 | 970 |
| Sub -total Health | 1,874 | 950 |
| Care at Home | 118 | 118 |
| Care Home Placements/LA Care Homes | -425 | -425 |
| Other | -436 | -436 |
| Sub-total Community Care | -743 | -743 |
| Sub-total Core Financial Position | 1,131 | 207 |
| **Savings Delivery** | | |
| Community & Hospital Health Services | 466 | 466 |
| Hosted Services | 880 | 607 |
| GP Prescribing | 1,052 | 1,052 |
| Sub-total Health | 2,398 | 2,125 |
| Community Care | -1,141 | -1,141 |
| Sub-total Savings | 1,257 | 984 |
| | | |
| **Total** | **2,388** | **1,191** |

**Appendix 2**

Perth and Kinross IJB Summary of Savings as at 31st December 2016

| | Savings Plan 2016/17 | Savings Amount Booked/Anticipated | Gap |
|---|---|---|---|
| **Health Services** | **£'000s** | **£'000s** | **£'000s** |
| Physiotherapy - Redesign | 99 | 99 | 0 |
| Occupational Therapy - Workforce Review | 64 | 64 | 0 |
| POA Anti-cholinesterase prescribing review | 100 | 100 | 0 |
| Pay Protection Older People CMHT | 50 | 50 | 0 |
| Transformation - POA Inpatient Service Review Phase 1 | 54 | 54 | 0 |
| Transformation of District Nursing | 169 | 52 | 117 |
| Review of Joint Equipment Loan Store | 18 | 18 | 0 |
| Admin and Clerical Review | 93 | 80 | 13 |
| CHP Management | 100 | 89 | 11 |
| Corporate Review of Uplifts | 107 | 107 | 0 |
| Review of Adults Mental Health and Wellbeing Team | 16 | 16 | 0 |
| Mental Health Community | 126 | 94 | 32 |
| Learning Disabilities | 41 | 41 | 0 |
| Reserves Review | 38 | 196 | -158 |
| MIIU's Review | 0 | 0 | 0 |
| Anticoagulation Supplies and Workforce review | 28 | 22 | 6 |
| Balance of further savings to be identified | 444 | 0 | 444 |
| **Totals Local** | **1547** | **1082** | **466** |

| | | | |
|---|---|---|---|
| **Hosted:** | | | |
| Podiatry procurement and instruments review | 155 | 0 | 155 |
| Transformation - Prisoner Healthcare Workforce review | 70 | 70 | 0 |
| GAP Inpatients MRH | 309 | 309 | 0 |
| Community Dental | 185 | 120 | 65 |
| Balance of further savings to be identified | 660 | 0 | 660 |
| **Total Hosted P&KHSCP** | **1379** | **499** | **880** |
| Share of P&K Hosted above ( 33.5%) | | | 295 |
| Share of Angus Hosted (33.5%) | | | 113 |
| Share of Dundee Hosted (33.5%) | | | 199 |
| **Total Hosted PKIJB** | | | **607** |
| **GP Prescribing** | 1479 | 427 | 1052 |
| **Totals Prescribing** | **1479** | **427** | **1052** |
| **Community Care** | | | |
| Communities First | 72 | 72 | 0 |
| Housing with Additional Support | 80 | 80 | 0 |
| Delayed Discharge Income | 181 | 181 | 0 |
| Contributions Policy | 200 | 200 | 0 |
| OT Charge | 63 | 63 | 0 |
| Service Level Agreements | 56 | 56 | 0 |
| Targeted Budget Reduction in Community Care | 222 | 222 | 0 |

| | | | |
|---|---|---|---|
| Corporate Review of Workforce/Productivity | 113 | 113 | 0 |
| Transformation of Procurement Reform | 107 | 107 | 0 |
| Accelerated for 2017/18 | 0 | 1141 | -1141 |
| **Totals Community Care** | **1094** | **2235** | **-1141** |

| | |
|---|---|
| **Total Perth & Kinross HSCP Forecast Gap on Savings** | **1257** |
| **Total Perth & Kinross IJB Forecast Gap on Savings** | **984** |

**PERTH & KINROSS INTEGRATION JOINT BOARD**

**FRIDAY 24th MARCH 2017**

**2017/18 BUDGET**

**Report by Chief Finance Officer**

**PURPOSE OF REPORT**

This report sets out the progress made by the Chief Finance Officer in agreeing the 2017/18 budget requisition for Perth & Kinross Council (PKC) and NHS Tayside (NHST). Further, it seeks approval from the Integrated Joint Board (IJB) to the Budget Requisition to Perth & Kinross Council.

## 1. RECOMMENDATIONS

It is recommended that the IJB:

1.1 Approve the proposed budget requisition to Perth & Kinross Council for 2017/18 and agree that a formal Direction be issued on this basis.

1.2 Note that whilst the draft budget proposition from NHS Tayside for Core Hospital, Community and Other hosted services is regarded as sufficient, no final proposition has been made with discussions still ongoing. For this reason it is not possible for the Chief Finance Officer (CFO) to recommend final approval.

1.3 Note that the Chief Finance Officer cannot at this stage recommend approval of the budget proposition from NHS Tayside for GP Prescribing and Inpatient Mental Health Services. Ask the Chief Officer and Chief Finance Officer to work with NHS Tayside to develop a three year financial plan that ensures financial sustainability.

## 2. BACKGROUND AND CONTEXT

2.1 At its meeting on 23 March 2016, the Integrated Joint Board, following a robust due diligence exercise, accepted the level of budgeted resources calculated by Perth & Kinross Council as relating to delegated services for 2016/17 and adopted the associated savings proposals.

2.2 At its meeting on 1 July 2016, following a robust due diligence process and an extended period to develop further savings proposals, the Integrated Joint Board accepted the level of budgeted resources calculated by NHS Tayside for Hospital and Community Health Services and Podiatry, Prisoner Healthcare and Dental Services (other hosted services) and the associated savings proposals. Whilst savings had not been identified in full and a number of cost pressures required to be managed, the budget was regarded fair and sufficient.

2.3 At its meeting on 1 July 2016, following due diligence work and a further period to develop savings plans, the Integrated Joint Board could not accept the budgets for GP Prescribing and

Inpatient Mental Health Services as sufficient and the risk sharing agreement to cover overspends in the first two years as set out in the Integration Scheme was invoked.

2.4 Given the position set out above in relation to the sign off or otherwise of the budgets for 2016/17, the development of budget requisitions for 2017/18 has been progressed by the Chief Finance Officer in four parts:-

- Perth & Kinross Council Social Care Services
- NHS Tayside Hospital and Community Services/Other Hosted Services
- NHS Tayside GP Prescribing
- NHS Tayside Inpatient Mental Health Services

2.5 The following sections set out the budget requisition process and outcomes for each of the four budgets and how this aligns with the Scottish Government Budget Setting Guidance issued to NHS Boards and Local Authorities in relation to Integrated Joint Boards for 2017/18.

## 3. PERTH & KINROSS COUNCIL : SOCIAL CARE SERVICES

3.1 In February 2016, an indicative budget proposition for 2017/18 was approved by PKC for Social Care. This was based on a number of assumptions, particularly in respect of the likely budget settlement from the Scottish Government to Local Authorities and the implications thereon for the Social Care Budget.

3.2 Over the last 5 months the Chief Officer, Chief Finance Officer and the Partnership's Management Team have worked closely with Perth & Kinross Council Executive Officer Team (EOT) to develop a revised budget proposition for 2017/18 that takes account of the following:-

- Settlement from Scottish Government to PKC and impact on level of corporate savings target being spread across all budgets.
- Scottish Government Commitment to pay the Foundation Living Wage and anticipated funding to meet this additional cost.
- Estimation of demand pressures including care at home and residential care.
- Additional savings opportunities within social care and from the integration of health and social care services.

The table below summarises the budget proposition that has resulted from work.

TABLE 1

SUMMARY BUDGET PROPOSITION PKC SOCIAL CARE 2017/18

| | £000 |
|---|---|
| FYE 16/17 Recurring Budget | 49,496 |
| Add: Expenditure Pressures | 4,401 |
| Less: Savings Proposals | 1,340 |
| Less: Anticipated Income | 2,892 |
| Net Budget Proposed for 2017/18 | 49,665 |

The Executive Summary for Social Care for 2017/18 is set out at Appendix 1. This provides details of forecast pressures and offsetting agreed savings plans and anticipated income. This includes Perth & Kinross's share (£2.62m) of £100m funding passed to Integration Authorities

from NHS Boards General Uplift to fund the Scottish Government commitment to the Living Wage. The estimated cost of implementing the living wage in 2017/18 has been estimated at £1.2m and therefore the balance of funding (£1.42m) has been used to offset the significant demand pressures identified.

The Scottish Government issued guidance in December 2016 to Local Authorities which set out a maximum overall reduction in budget that could be applied to IJB Social Care Budgets by Local Authorities in 2017/18. For PKC this limit was set at £2.09m. The above proposed budget position for social care shows a proposed increase to the social care budget of £169k for 2017/18.

The Chief Officer, Chief Finance Officer and the Executive Management Team are content that the level of pressures has been prudently estimated in development of the budget proposition. Further they have led the development of savings proposals and are comfortable that the savings planned for 2017/18 are deliverable and do not conflict with the delivery of Strategic Plan objectives. Indeed a number of the savings proposals significantly support the Strategic Plan intentions.

3.3 On this basis the Chief Finance Officer is able to recommend that the Integrated Joint Board approve the budget proposition as the basis for the budget requisition to be made to Perth & Kinross Council for 2017/18 by way of a Direction to be issued by 31st March 2017. The Chief Finance Officer is also able to recommend approval of the savings plans set out to deliver a balanced financial position in 2017/18.

## 4. NHS TAYSIDE GENERAL UPDATE

The budget settlement for NHS Boards was issued by the Scottish Government on the 15th December 2016. On 3 February the Director of Finance shared with the Tayside Chief Finance Officers the draft NHS Tayside Financial Framework for 2017/18 including the proposed implications draft for IJB Delegated Budgets. This set out the following planning assumptions:-

- Each IJB to receive a proportionate share of the balance of NHS Tayside's general uplift after deduction to meet the £100m to be transferred to IJBs to meet the estimated cost of the Living Wage in 2017/18. This is broadly sufficient to cover the 1% pay pressure anticipated with no contribution to wider expenditure pressures.
- The IJBs to receive no direct share of NHS Tayside increase in NRAC Uplift of £8m.
- Discussions to take place at NHST Directors around how £4m cost pressure funding will be shared across all business units including IJB's.

The implications of the above proposed settlement are significant and mean that aside from the IJB receiving any share of the £4m cost pressure allocation set aside within the Financial Framework, the expectation within the budget proposition is that all cost pressures aside from the basic pay uplift will require to be matched by savings.

The specific implications for each part of the budget devolved to the IJB from NHS Tayside are set out below. It should be noted however that the NHST Financial Framework has not been finalised and continues to be subject to change. For this reason, it is not possible to recommend approval of any aspect of the budget at this stage.

## 5. HOSPITAL AND COMMUNITY SERVICES/OTHER HOSTED SERVICES

The budget proposition implicit in the NHS Tayside Financial Framework for HCH/Other Hosted Services is set out at Table 2 below.

TABLE 2

DRAFT SUMMARY BUDGET PROPOSITION 2017/18 HCH/OTHER HOSTED SERVICES

| | £000 |
|---|---|
| 2016/17 Recurring Budget | 40,862 |
| Add: Pay Uplift from NHST | 260 |
| Proposed budget 2017/18 | 41,122 |

It is critical in assessing this as an acceptable budget proposition for 2017/18 that the overall level of savings which will require to be delivered, taking into account identified cost pressures, is quantified along with the level of savings identified. This is summarised in Table 3 below.

TABLE 3

BUDGET SAVINGS SUMMARY NHST HCH/OTHER HOSTED SERVICES 2017/18

| | £000 |
|---|---|
| Savings target undelivered c/f from 2016/17 | 978 |
| Add: Anticipated Pressures | 795 |
| Less: contribution from NHST to pressures | -260 |
| 2017/18 Savings Target | 1,513 |
| Less : Savings identified at 12th March 2017 | 999 |
| Savings to be identified by 31st March 2017 | 513 |

A savings target of £1.5m is 4.3% of the in scope recurring budget. This represents a significant challenge. However the intensive work undertaken by the partnership team over the last five months has identified a very large element of this requirement with a gap of £513k remaining at 12 March 2017. However there are a number of further proposals being worked through, in particular in respect of the integrated care team structure within localities and AHP Redesign both of which are expected to deliver additional efficiency in 2017/18.

As well as the savings target identified in Table 3 the partnership will require to respond robustly to the significant overspends in 2016/17 within Tay/Stroke Wards at PRI, within Community Hospitals South (St Margaret's and Crieff) and within Psychiatry of Old Age. The recruitment and retention issues facing each of these services has resulted in the use of supplementary staffing costs in excess of budget available. The Chief Officer and Executive Management Team are planning to work collaboratively with clinical colleagues to develop options for new models of care which can ensure sustainable services which deliver the aims of the strategic plan.

The management team are confident that pressures have been robustly assessed; that the savings plans identified are deliverable and that they fully support delivery of strategic plan objectives; and that the significant supplementary staffing cost pressure across a number of inpatient services can be managed non-recurringly whilst new models are care are developed for implementation in 2018/19.

Overall the draft budget proposition is regarded as sufficient. However given the ongoing discussions in respect of the draft NHS Financial Framework and potential changes to the proposed budget proposition, it is not possible to recommend approval of the HCH/Other Hosted Services budget at this stage.

## 6. NHS TAYSIDE GP PRESCRIBING

The budget proposition set out by the NHST Director of Finance within the current draft NHST Financial Framework for 2017/18 in respect of GP Prescribing is set out at Table 4 below.

TABLE 4

| | £000 |
|---|---|
| 2016/17 Recurring Budget | 26, 372 |
| Add: Uplift from NHST | 0 |
| Proposed budget 2017/18 | 26, 372 |

It is essential in assessing this as an acceptable budget proposition that the overall savings that required to be delivered is quantified alongside the level of savings identified. This is summarised in Table 5 below.

TABLE 5

| | £000 |
|---|---|
| Savings target undelivered c/f from 2016/17 | 1,083 |
| Add: Anticipated Pressures | |
| 16/17 Growth above funded level | 850 |
| 17/18 Anticipated Growth | 878 |
| | |
| Less: 17/18 Off Patent Benefit anticipated | 733 |
| Less: Contribution from NHST to pressures | 0 |
| 2017/18 Savings Target | 2,078 |
| Less : Savings identified at 12th March 2017 | 410 |
| Gap | 1,668 |

The Chief Finance Officers for Tayside have written formally to the NHST Director of Finance advising that the target being set is not deliverable in a single year. Whilst there is full recognition of the need for a significant step up in efforts to reduce expenditure, this will not happen immediately. A change in culture will be required including a new way of working with GPs across Perth & Kinross to deliver a sustainable reduction in spend.

As at 13 March 2017, savings plans of £410k have been identified by the NHST Prescribing Support Unit including specific anticipated price reductions, Oral Nutritional Supplements, and Lidocaine Patches.

To ensure a step up in the identification of efficiency plans, the Chief Officer, Chief Finance Officer, Head of Health and Clinical Director have agreed to invest significant collective time over the next 6 weeks to ensure a robust grip on all possible efforts that can be taken to reduce current expenditure in 2017/18 and over the next three years and the infrastructure and engagement required to support this. This will reflect the actions identified within the Medicines Management Proposals paper which was considered at the NHST Board meeting in December 2016 an what will realistically be delivered in 2017/18 A key element of this will be agreement of a model for GP engagement across Perth & Kinross. A separate paper in this regard will be brought to the IJB in June 2017.

## 7. NHS TAYSIDE INPATIENT MENTAL HEALTH SERVICES

The budget proposition implicit in the NHS Tayside Financial Framework for Inpatient Mental Health Services is set out at Table 3 below.

TABLE 6

DRAFT SUMMARY BUDGET PROPOSITION 2017/18 NHST IP MENTAL HEALTH SERVICES

| | £000 |
|---|---|
| 2016/17 Recurring Budget | 18,615 |
| Add: Pay Uplift from NHST | 140 |
| Proposed budget 2017/18 | 18,755 |

It is critical in assessing this as an acceptable budget proposition for 2017/18 that the overall level of savings which will require to be delivered taking into account overall cost pressures is quantified along with the level of savings identified. This is summarised in Table 7 below.

TABLE 7

BUDGET SAVINGS SUMMARY NHST IP MENTAL HEALTH SERVICES

| | £000 |
|---|---|
| Savings target undelivered c/f from 2016/17 | 694 |
| Add: Anticipated Pressures | 2,254 |
| Less: contribution from NHST to pressures | 140 |
| 2017/18 Savings Target | 2,808 |
| Savings/Income identified as at 13th Mar 2017 | 1,583 |
| Gap | 1,225 |

A savings target of £2.8m is over 10% of the £19.8m recurring budget. This represents a very significant challenge.

A large undelivered savings target is being carried forward into 2017/18. This has in part been due to the delay in implementing the management team in the early part of the year and then the significant focus on both the transformation plan as well as the contingency arrangements required responding to the shortfall in junior doctors from February 2017. Savings of £383k have been identified thus far by the management team and further intensive work is underway to identify all other opportunities.

The level of anticipated pressures for 2017/18 includes £900k in respect of medical staffing locum costs. There are currently 7 vacant consultant posts across Dundee, Perth and Angus that are being covered by locums and this is planned to continue into 2017/18 whilst options for the redesign of services across Tayside are considered. It is appropriate that early discussions are commenced on the support that the IJB can expect from NHST recognising the specific circumstances of these hard to recruit posts.

The anticipated pressures also includes the agreed health contribution to packages which have been agreed through the joint assessment process for 4 complex care patients ready for discharge from the Learning Disability Inpatient Facility at Strathmartine. The budget for complex care packages has not been devolved to the IJB's and therefore our savings/income assumptions assume that this cost will be covered by NHST recurringly from the £4m cost pressure fund through the appropriate prioritisation process. This will involve the Chief Officer of the Partnership.

The outcome of the transformation business case is fundamental to achieving safe and financially sustainable Inpatient (IP) Mental Health and Learning Disability (LD) Services moving forward. The finance team is working closely with the Head of Inpatient Mental Health Services and the Mental Health Transformation Programme Director to undertake a robust financial appraisal of each option however at this stage the business case has not been finalised and therefore the timing and magnitude of savings after taking account of required community investment is not yet known.

The Chief Officer and Chief Finance Officer have asked to meet with Executive Directors at NHS Tayside to review the current level of costs pressures, to consider the potential savings that may be achievable from transformation and to consider how over the next 2-3 years a balanced financial plan can be developed for IP GAP and LD services, including the possibility of bridging finance whilst transformation plans are implemented.

In the meantime the Chief Officer, Chief Finance Officer, Head of IP Mental Health Services, Associate Medical Director (Transformation) and MH Programme Director will continue to work with the finance team over an intensive period to identify all possible options for cost reduction savings in 2017/18.

The Scottish Government Settlement for 2017/18 devolves Alcohol and Drug Partnership (ADP) Funding from NHS Boards to each IJB. For NHS Tayside, inherent in this is the requirement for ADP's to deliver savings at a similar level to NHS Tayside core services. The Tayside CFO's are working closely with the NHS Tayside Director of Finance to ensure the ADP budgets are appropriately devolved. A paper will be brought back to the next meeting in this regard.

The settlement currently proposed by NHST for IP Mental Health Services does comply with the Scottish Government Requirement to be no less than 16/17 budget level. However the significant level of cost pressures anticipated along with the carry forward of a significant undelivered savings target from 2016/17 gives this service a significant savings target that cannot be delivered in a single year. Delivery of savings of this magnitude will require a major redesign of the current bed base and at this stage a preferred option for the future shape of services has not been identified. The Chief Finance Officer therefore cannot recommend that the budget proposition from NHS Tayside is acceptable and urgent discussions are now required to develop a robust longer term plan with the consideration of bridging finance in the intervening period.

## 8. LARGE HOSPITAL SET ASIDE

At the March 2016 meeting of the Board, it was noted that whilst indicative agreement had been reached on the Large Hospital Budgets to be set aside on behalf of each IJB, formal due diligence had not been undertaken and it was agreed that this work should be undertaken.

Since then the three CFO's in Tayside have been working closely with support from the Scottish Government to transition from the draft cost book based set aside value to a 2017/18 budgetary value based on the recurring budgets held within the NHST Acute Division for the acute specialities included within Large Hospital set Aside.

This move to real budgetary values is considered to be the most effective basis for taking forward a step up in the level of discussions with Partnership, other Tayside HSCP's and Acute Division colleagues around future plans for inpatient beds and a shift in the balance of care.

A full update will be provided to the August 2017 meeting of the IJB.

## 9. FINANCIAL RISK SUMMARY

A full assessment of the financial risks that may impact on the delivery of the IJB's Strategic Plan objectives will be presented at the next meeting.

## 10. CONCLUSION

Based on the recommendations in this report, a budget requisition can now be issued to Perth & Kinross Council for Social Care Services.

However for NHS Tayside the overall uncertainty around the overall budget proposition to the IJB, along with the unachievable savings requirement emerging for Inpatient Mental health Services and GP Prescribing, means that budget sign off will not be achievable by 31 March 2017. Urgent discussions are now required with NHS Director Team and a full update will be brought to the 16 June 2017 IJB Meeting.

Appendix 1 - PKC Consolidated 2017/18 Executive Summary

| HEALTH AND SOCIAL CARE PARTNERSHIP | Expenditure Pressures<br>17/18<br>£'000 |
|---|---|
| **Implementation of The Foundation living Wage – Full Year effect**<br><br>The Scottish Government considers the implementation of the Living Wage to be a significant indicator of an employer's commitment to Fair Work practices. In 2016-17 the Scottish Government provided funding to support the range of fair work practices including implementation of the Foundation Living Wage of £8.25 per hour. This will enable contracted care providers to retain and recruit high calibre staff.<br><br>This amount is the full year effect of implementing this national initiative and is in addition to the amounts approved in February 2016.<br><br>Care at Home - £310k<br><br>Contracts/SLA's/Sleepovers £6k<br><br>There is a compensating saving for this amount (see saving 3) as further additional income is anticipated to be provided by the Scottish Government since this is a national policy. Should this additional income not be forthcoming in the financial settlement, then the Council will need to consider how to fund this pressure as this is a commitment already made to providers in the report that was approved by Strategic Policy and Resources committee in September 2016 (Report 16/10 refers). | **734** |
| **Inflationary Increase for Living Wage**<br><br>The Scottish Government considers the implementation of the Living Wage to be a significant indicator of an employer's commitment to Fair Work practices. In 2016-17 the Scottish Government provided funding to support the range of fair work practices including implementation of the Foundation Living Wage. It has | **551** |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Expenditure Pressures 17/18 £'000 |
|---|---|
| recently been announced that the hourly rate will increase by 20p per hour from 1st April 2017 annually.<br><br>This will enable contracted care providers to retain and recruit high calibre staff. This is for all non-residential services i.e. Care at home, SLA's, contracts and sleepovers (see saving 1). The sleepover rate increase has been calculated at 80p per hour in line with the Scottish Government's Government indications.<br><br>It is assumed that this additional cost pressure will be fully funded by the Scottish Government via the financial settlement. If this is not the case, then the Council will not increase payments to providers and may lose its Living Wage Employer accreditation status.<br><br>Description 2017/2018 2018/2019<br>Care at Home £110k £5k<br>Contracts/ Sla's/ Sleepovers £449k £199k<br>Total Net pressure £559k £204k | |
| **Care Home Contract Rates 2017/18-2018/19**<br><br>The 2017/18 negotiations have only recently started. The pressures in this paper are based on the recently announced increases for the Living Wage and equate to an increase of 2.4% in the headline rates for next year. | **389** |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Expenditure Pressures<br>17/18<br>£'000 |
|---|---|
| **Service Demand Pressures**<br>**Care at Home**<br><br>The Service is experiencing considerable demands for additional and more complex "care at home" service packages. This is due to an increased demand from an increasingly complex population with multiple-pathologies and the social, functional, cognitive and physical features of frailty and extreme old age. There is a direct impact upon the levels of delays to discharges in PRI and Community Hospitals. | **573** |
| In addition, since the calculation of the living wage pressure in January 2016, Care at Home has experienced a growth in demand. The calculation of additional costs associated with the living wage was based on the lower levels of demand at that point in time. This pressure allows for growth since that date and anticipated growth until March 2018.<br><br>It has been calculated that the expected growth within Internal/External Care at Home service can be contained within the current budget. However, there is insufficient budget to meet current and future demand for SDS option 2's (whereby individual's and providers manage the care package on an ongoing basis). | **166** |
| **Older People Residential/Nursing Placements- Anticipated Future Demand Pressures**<br>The Service is experiencing considerable demands for increased levels of residential/nursing placements. This is due to an increasingly complex population with multiple-pathologies and the social, functional, cognitive and physical features of frailty and extreme old age. | **284** |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Expenditure Pressures 17/18 £'000 |
|---|---|
| **Learning Disabilities - Sleepovers**<br>There has been a demand pressure identified within the commissioned services Learning Disabilities contracts. A further 7 sleepovers have been identified since the initial review. It is not expected this demand will increase, as sleepover arrangements will be reviewed over the coming months. | **92** |
| **Learning Disability Long Term Clients – Increased Demand**<br>A number of clients are due to be discharged into a community based setting with effect from 2017/18. These clients will have high cost care packages. These clients are all originally from Perth and Kinross.<br>Funding that was previously identified for these clients has been consumed by other new clients entering the system and increases to existing care packages. | **300** |
| **Free Personal Care Payments**<br>This is a 2.5% inflationary increase for free personal care provided to self-funding clients in order to deliver the shared Scottish Government/COSLA commitments on free personal care. This pressure has routinely been funded by specific Scottish Government funding in the annual financial settlement. | **92** |
| **Learning Disability Transitions**<br>Each year a number of clients whose care has previously been the responsibility of Education & Children's Services reach the stage of moving into Community Care Services. There is no budget resource within HCC to fund these additional commitments hence additional pressure is placed on existing HCC budget resources. | **444** |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Expenditure Pressures 17/18 £'000 |
|---|---|
| **Home Care/Reablement – Cost of Commissioning**<br><br>This pressure assumes increases of 1% for 2016/17, 1.5% for 2017/18 and 2018/19. This is in line with anticipated public sector pay awards in future years and the Council's current budget planning assumptions. | **114** |
| **Demographics – Older People**<br><br>The impact of the increasing older people population will place additional pressure on Housing & Community Care services. | **109** |
| **Loss of income re Charges to War Veterans & Additional Responsibilities re new Carers Legislation**<br><br>The Scottish Government has recently announced changes to the charging regimes for social care services provided to War Veterans and to additional and new legislative responsibilities falling to Local Authorities in respect of services to Carer. They have made funding of £180,000 available to Perth & Kinross in the December 2016 Finance Settlement to fund these initiatives. | **180** |
| **Reduction in Alcohol and Drug Partnership (ADP) Funding**<br><br>NHS Tayside has indicated that, as a consequence of reduced Scottish Government funding for Alcohol and Drug Partnerships nationally, funding will be cut by £75,000 per annum between 2016/17 and 2018/19.<br><br>Savings for 2016/17 will be met from slippage in the NHS Tayside ADP budget. This will allow time for a comprehensive review of substance misuse services in Perth and Kinross and the development of | **150** |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Expenditure Pressures 17/18 £'000 |
|---|---|
| an action plan for implementing a Recovery Oriented System of care. Details on how the savings target will be achieved will be included in this plan . | |
| **TOTAL EXPENDITURE PRESSURES** | **4,178** |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Net Saving<br>17/18<br>£'000 | Staffing Implications<br>17/18<br>FTE |
|---|---|---|
| **Inflationary Increase Living Wage (Non-Residential Services) – Income From Scottish Government**<br><br>The Scottish Government considers the implementation of the Living Wage to be a significant indicator of an employer's commitment to Fair Work practices. In 2016/17 the Scottish Government provided funding to support the range of fair work practices including implementation of the Foundation Living Wage (see pressure 4).<br><br>Description 2017/2018 2018/2019<br>Care at Home £110k £5k<br>Contracts/Sla's/Sleepovers £341k £199k<br>Total Net pressure £451k<br>£204k<br><br>It is assumed that this additional cost pressure will be fully funded by the Scottish Government via the financial settlement. If this is not the case, then Council will not increase payments to providers and may lose its Living Wage Employer accreditation status.<br><br>**Impact Analysis and Risk Assessment**<br><br>**Workforce**: None<br>**Customer**: Anticipated to have a positive impact on recruitment and retention of the social care workforce.<br>**Equalities/Diversity**: Affects all client groups.<br>**Outcome and Performance**: This affects all client groups, and it is anticipated that the payment of a living wage should hopefully improve the quality and flexibility of Social Care services commissioned externally. | **451** | **0.0** |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Net Saving<br>17/18<br>£'000 | Staffing Implications<br>17/18<br>FTE |
|---|---|---|
| **Living Wage (National Care Home Contract) – Staff Costs Element to be funded by Scottish Government**<br><br>The National Care Home Contract is negotiated via a tripartite arrangement between COSLA, Scottish Government, and care providers and the negotiations are facilitated and led by Scotland Excel. At present there is no indication of the likely outcome of these negotiations but there is likely to be an element of an increase that relates to an inflationary uplift to the Living Wage (see pressure 5).<br><br>It is assumed that any such element of the final rates agreed via the national contract negotiations will be fully funded by the Scottish Government as implementation of the Living Wage is a national initiative. If this is not the case, then the Council will need to consider how to fund the increase in rates resulting from the negotiations.<br><br>**Impact Analysis and Risk Assessment**<br><br>**Workforce**: None<br>**Customer**: Anticipated to have a positive impact on recruitment and retention of the social care workforce.<br>**Equalities/Diversity**: Affects all client groups.<br>**Outcome and Performance**: This affects all client groups, and it is anticipated that the payment of a living wage should hopefully improve the quality and flexibility of Social Care services commissioned externally. | **311** | **0.0** |
| **Implementation of the Living Wage (Full Year Effect) - Income From Scottish Government**<br><br>Pressure 2 above sets out the full year cost effect of implementing the Living Wage in Perth & Kinross. The shortfall in Scottish Government funding for this initiative is expected to be fully | **316** | **0.0** |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Net Saving<br>17/18<br>£'000 | Staffing Implications<br>17/18<br>FTE |
|---|---|---|
| funded by the Scottish Government via the financial settlement. If this is not the case, then Council will need to consider how to fund the increase in rates as this is a commitment already agreed by the SP&R committee in September 2016.<br><br>**Impact Analysis and Risk Assessment**<br><br>**Workforce**: None<br><br>**Customer**: Anticipated to have a positive impact on recruitment and retention of the social care workforce.<br><br>**Equalities/Diversity**: Affects all client groups.<br><br>**Outcome and Performance**: This affects all client groups, and it is anticipated that the payment of a living wage should hopefully improve the quality and flexibility of Social Care services commissioned externally. | | |
| **Loss of income re Charges to War Veterans & Additional Responsibilities re new Carers Legislation**<br><br>The Scottish Government has recently announced changes to the charging regimes for social care services provided to War Veterans and to additional and new legislative responsibilities falling to Local Authorities in respect of service to Carers. They have made funding of £180,000 available to Perth & Kinross in the December 2016 Finance Settlement to fund these initiatives.<br><br>**Impact Analysis and Risk Assessment**<br><br>**Workforce**: None<br><br>**Customer**: Anticipated to have a positive impact on individuals and carers.<br><br>**Equalities/Diversity**: Affects all client groups. | **180** | **0.0** |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Net Saving<br>17/18<br>£'000 | Staffing Implications<br>17/18<br>FTE |
|---|---|---|
| **Outcome and Performance**: This affects all client groups, and carers. | | |
| **Scottish Government Health & Social Care Integration Fund**<br><br>The Scottish Government has provided an additional £100m nationally to meet a range of costs faced by Local Authorities. This will be used to fund priorities such as the Living Wage and other social care services. It will be used by the Integrated Joint Board to support transformation and redesign of services.<br>**Impact Analysis and Risk Assessment**<br><br>**Workforce**: None<br>**Customer**: None.<br>**Equalities/Diversity**: No identified equalities/diversity issues.<br>**Outcome and Performance**: None | **1,542** | **0.0** |
| **Free Personal Care funded by Scottish Government**<br><br>This is the sum expected to be received from the Scottish Government to fund the shared Scottish Government/COSLA policy on free personal and nursing care for all clients over 65 years of age.<br><br>**Impact Analysis and Risk Assessment**<br>**Workforce:** None<br>**Customer:** None | **92** | **0** |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Net Saving<br>17/18<br>£'000 | Staffing Implications<br>17/18<br>FTE |
|---|---|---|
| **Equalities/Diversity:** No identified equalities/diversity issues<br>**Outcome and Performance:** None | | |
| **Review of Learning Disabilities Shared Lives Scheme**<br><br>Review of Learning Disability Shared lives Scheme as the number of service users is less than previously anticipated.<br><br>**Impact Analysis and Risk Assessment**<br>**Workforce**: None<br>**Customer**: Future clients who could benefit from Shared Lives will be potentially affected.<br>**Equalities/Diversity**: No identified equalities/diversity issues.<br>**Outcome and Performance**: None | **20** | **0.0** |
| **Redesign of Drug and Alcohol Service**<br><br>NHS Tayside has indicated that, as a consequence of reduced Scottish Government funding for Alcohol and Drug Partnerships (ADP) nationally, funding will be cut by £225,000 over financial years 2016/17 -2018/19. As a consequence, it will be necessary to carry out a transformational review of all Drug and Alcohol services provided by Perth and Kinross Council to reflect this reduced level of funding. This review will cover both in-house services and externally commissioned services from the third Sector. (see pressure 9)<br><br>**Impact Analysis and Risk Assessment**<br><br>**Workforce**: Total Staff; 18.69 fte's, Vacancies 1.0 fte, Fixed term none, Known retirals, none **Customer**: There will be a reduction in service provision and support to some of the | **100** | **tbc** |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Net Saving<br>17/18<br>£'000 | Staffing Implications<br>17/18<br>FTE |
|---|---|---|
| most vulnerable people in our community and their families. There will be a reduction in strategic and service planning around the recovery approach which is central to local and national policy. **Equalities/Diversity**: No identified equalities/diversity issues<br><br>**Outcome and Performance**: It will be more difficult to meet targets around the drug and alcohol annual quality monitoring and the ADP annual report which need to be given to the Government annually. There is a risk around the timescales to deliver savings in 2017/18. | | |
| **Transformation of Procurement Reform**<br><br>Procurement savings generated from targeted reductions in price across a range of supplies, services and commodities.<br><br>- Integrated Joint Board<br><br>**Impact Analysis and Risk Assessment**<br>**Workforce**: No impact.<br>**Customer**: No impact.<br>**Equalities/Diversity**: No impact.<br>**Outcome and Performance**: No impact. | **205** | |
| **Transformation Project – Corporate Review of Workforce/Productivity Projects**<br><br>Workforce/productivity savings generated from mobile working and service review & redesign.<br><br>- Integrated Joint Board | **127** | |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Net Saving<br>17/18<br>£'000 | Staffing Implications<br>17/18<br>FTE |
|---|---|---|
| **Impact Analysis and Risk Assessment**<br>**Workforce**: Managed by efficient and effective workforce planning measures.<br>**Customer**: Minimal impact.<br>**Equalities/Diversity**: No impact.<br>**Outcome and Performance**: No impact. | | |
| **Occupational Therapy Integration (PKC Element)**<br><br>The Occupational Therapy service is moving to an integrated management structure and it is proposed that savings of £59,000 will be made by reducing the number of management posts in the integrated structure.<br>Total Saving £180k – NHS £121k, PKC £59k<br><br>**Impact Analysis and Risk Assessment**<br><br>**Workforce**: Reduction of 1.13 fte. Posts<br>Total Staff: 18.0 fte, Vacancies.0.0 fte, Fixed Term Contracts1.00 fte, Known Retirals 0.0 fte.<br>**Customer**: This would have a minimal impact on clients.<br>**Equalities/Diversity**: None<br>**Outcome and Performance**: There is some risk that the quality of the service may reduce due to less management/leadership support. This proposal will also affect a number of the posts in the new structure as the duties of the posts being deleted will need to be shared across the remaining posts. | **59** | **1.1** |
| **Mainstream Care at Home – Continuation of the Council's Previously Approved Commissioning Strategy** | **188** | **12.4** |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Net Saving<br>17/18<br>£'000 | Staffing Implications<br>17/18<br>FTE |
|---|---|---|
| This proposal will see the transfer of all remaining frontline mainstream care at home provision to external providers. The application of the Council's approved workforce management procedures over the 3 year budget period, and via the natural staff turnover in the in-house mainstream care at home service, will provide the opportunity to continue the existing strategy to redesign this service.<br><br>This will retain the capacity of hours of service available but will realise savings as a consequence of reduced commissioning rates compared to the cost of in-house provision. This saving also includes non-staff costs budgets associated with this service (e.g. transport, supplies & services, etc. £212,000).<br><br>**Impact Analysis and Risk Assessment**<br>**Workforce**: Frontline staff reduction of 53.72 fte.<br>Total Staff 53.72fte, Vacancies 0.0fte, Fixed term contracts 0.0fte, Known retirals – 0.0fte.<br>**Customer**: Careful management of the transition to new care providers will be necessary. The development of a new commissioning framework will support this transition and ongoing management of provision.<br>**Equalities/Diversity:** The Home Care workforce is predominately female.<br>**Outcome and Performance:** The potential lack of providers in specific geographic areas, and the capacity of providers generally to continue to pick up this additional workload. The current demand is already placing pressure on existing available resources, both internally and externally, and as demand increases this will intensify. The project team aims to address this through supporting external recruitment, identifying alternative service delivery options, and redefining existing contractual framework. | | |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Net Saving<br>17/18<br>£'000 | Staffing Implications<br>17/18<br>FTE |
|---|---|---|
| **Risk Assessment:-**<br>• There is a risk that, following the full commissioning of Care at Home, private providers continue to experience recruitment problems, contributing to delays in meeting homecare demand.<br>• There is a risk that, once services are fully commissioned to the private sector, private providers will endeavour to re-negotiate the cost of the current standardised rate.<br>• There is a risk that the identified levels of savings will not be achieved in the specified timescale due to the extent of service required to be recommissioned resulting in non-achievement of savings within the proposed time period.<br><br>The following actions, however, will serve to address the above risks, at least in part:-<br>• The convening of recruitment fairs and similar events in key localities across Perth & Kinross jointly with external providers.<br>• The revision of existing service level agreements in a manner which clearly stipulates the requirement that all providers will provide the level of staff necessary to deliver the level of service required. | | |
| **<u>Housing with Additional Support</u>**<br><br>The gradual introduction of Housing with Additional Support placements across the Perth & Kinross area will see a fall in the number of people who will require placement in a residential or nursing home each year.<br><br>**<u>Impact Analysis and Risk Assessment</u>** | **80** | |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Net Saving<br>17/18<br>£'000 | Staffing Implications<br>17/18<br>FTE |
|---|---|---|
| **Workforce:** None<br>**Customer:** People in the community who will require Housing with Additional Support to remain independent will be supported to live at home and prevent them being admitted to residential or nursing homes.<br>**Equalities/Diversity:** The greatest majority of people accessing Housing with Additional Support are older, frailer individuals that require a high level of support to enable them to retain their independence in their own home. Consideration will also be made for younger adults with identified disabilities or long term conditions if they wish to be assessed for Housing with Additional Support.<br>**Outcome and Performance:** To enable individuals to maintain their independence in their own home within a Housing with Additional Support complex. They will have a jointly agreed support package to meet their identified outcomes. | | |
| **Development of a Communities First Initiative**<br><br>Transformation Project No. 7<br><br>The strategic vision for Communities First is to work alongside our communities to co-produce and provide more choice and control for individuals in their localities. It will be necessary to ensure that the most vulnerable individuals receive responsive quality care that is delivered locally, and in a personalised way.<br><br>Councils face significant funding challenges over the next 5 years both in terms of reducing budgets and increasing demographics. In Perth & Kinross, it is anticipated that the number of older people aged 80+ will increase significantly over the next 5 | **322** | **tbc** |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Net Saving<br>17/18<br>£'000 | Staffing Implications<br>17/18<br>FTE |
|---|---|---|
| years resulting in greater demand for community care assessments and care & support packages. A transformed model of delivery for Health and Social Care Services needs to encourage an approach which is targeted, supports the development of Personalisation, and working within communities.<br><br>Communities First builds upon the principle that community resilience and empowerment are key to further developing and supporting people to live as independently as they can. It will enable a shift in public expectation from a needs led model to one which is preventative and asset based, resulting in individuals accessing services only when they need them.<br><br>There are three core aspects to Communities First:<br>1. Co-production<br>2. Self-service<br>3. Reshaping the market place<br><br>**<u>Impact Analysis and Risk Assessment</u>**<br><br>**Workforce:** Re-design of the current workforce across Community Care Services with a reduction of up to 19fte posts. The detailed staffing implications will not be known until the review is complete.<br><br>**Customer:** Members of communities who may require Community Care Services in the future and existing Community Care clients across all care groups.<br><br>**Equalities/Diversity:** Communities First strives to build community resilience and empowerment and will engage with all members of communities to ensure equity of access to care and support services. The review of the eligibility criteria will ensure that people with lower priority needs are supported to access alternative provision whilst ensuring that those people with more complex needs receive the support appropriate to | | |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Net Saving<br>17/18<br>£'000 | Staffing Implications<br>17/18<br>FTE |
|---|---|---|
| their circumstances.<br>**Outcome and Performance:** Individuals will be supported to access provision which is individualised to them, meets their outcomes, and focusses on prevention rather than crisis intervention. Therefore the outcomes for individuals will be in line with self-directed support legislation and will ensure a shift in the balance of care. Quality monitoring will be undertaken to ensure an appropriate quality and performance of service provision is maintained. | | |
| **Review of Community Care Day Services**<br><br>Transformation Project No. 40<br><br>The key objective identified within this proposal is to increase locally based service opportunities for individuals to access support relevant to their identified outcomes through the rationalisation of current day care provision and development of more community based models across localities.<br><br>New legislation such as Health and Social Care Integration and Self Directed Support creates the opportunity to review the provision of day services with partnership colleagues to provide greater choice and control, as well as achieving the identified savings through transformation. This review is necessary in order to manage the current and future financial constraints that we are faced with, whilst at the same time, enabling the Council to manage the shift in the balance of care. There is an increasing need to meet the demands of an increasing older population as well as those with more complex needs. | **239** | **tbc** |

| HEALTH AND SOCIAL CARE PARTNERSHIP | Net Saving<br>17/18<br>£'000 | Staffing Implications<br>17/18<br>FTE |
|---|---|---|
| **Impact Analysis and Risk Assessment**<br>**Workforce:** The impact on the workforce will not be known until the conclusion of the review.<br>**Customer:** Health & Social Care Integration, SDS and a person centred approach will provide opportunities for the partnership to work together to create alternative solutions in local communities for those accessing services.<br>**Equalities/Diversity:** The proposed changes will enable a more equitable approach to be taken to the delivery of day services removing the barriers of access across client groups.<br>**Outcome and Performance:** Individuals will have greater choice and control around how, and what, their support package will look like; provide community groups with the opportunity to diversify and build their business; and enable individuals to achieve their identified outcomes in line with the Scottish Government Health & Wellbeing framework. | | |
| **TOTAL SAVINGS** | **4,232** | |

**PERTH & KINROSS INTEGRATION JOINT BOARD**

**24 MARCH 2017**

**PROPOSED RESERVES POLICY**

**REPORT BY CHIEF FINANCE OFFICER**

**PURPOSE OF REPORT**

This report sets out the proposed Reserves Policy for Perth & Kinross Integration Joint Board for consideration and approval and describes the purposes for which reserves may be held.

## 1. RECOMMENDATION

The Integration Joint Board is asked to:

- Approve the Reserves Policy of the Integration Joint Board.

## 2. BACKGROUND

The Integration Joint Board has the same legal status as a local authority under the Local Government (Scotland) Act 1973 and is classified as a local government body for Annual Accounts purposes by the Office of National Statistics (ONS). It is therefore able to hold reserves.

Reserves are required to be considered and managed to provide security against unexpected cost pressures and aid financial stability. To assist in this regard, the Chartered Institute of Public Finance and Accountancy (CIPFA) have issued guidance in the form of Local Authority Accounting Panel (LAAP) Bulletin 55 – Guidance Note on Local Authority Reserves and Balances. This guidance outlines the framework for reserves, the purpose of reserves and some key issues to be considered when determining the appropriate level of reserves.

Both usable and unusable reserves should be accounted for in the financial accounts and records of the IJB.

- Usable reserves include cash balances that can be utilized by the IJB as part of its financial strategy to ensure effective management of the IJB's operations. Usable reserves will take the form of the General Fund.
- Unusable reserves are kept in order to manage the accounting processes for non-current assets, financial instruments and retirement benefits. The IJB is not empowered to hold capital assets or to employ staff therefore unusable reserves will not be required in the short term.

## 3. PROPOSALS

The Chief Finance Officer is responsible for determining the appropriate accounting policies of the Integration Joint Board, and this includes its policy in relation to the holding and use of reserves. This policy will set out the level of reserves required and their purpose.

The Integration Joint Board will allocate the resources it receives from the partner Health Board and Local Authority in line with the Strategic Plan. In doing this it will be able to use its power to hold reserves so that in some years it may plan for a contribution to build up reserve balances, in others to break even, or to use a contribution from reserves in line with the reserve policy. This will be integral to the medium term rolling financial plan. The Integration Joint Board may also build up reserves year on year as a result of unanticipated underspends.

It is important for the long term financial stability of both the Integration Joint Board and of the parent bodies that sufficient usable funds are held in reserve to manage unanticipated pressures from year to year. Similarly, it is also important that in-year funding available for specific projects and government priorities is able to be earmarked and carried forward into the following financial year, either in whole or in part, to allow for the spend to be committed and managed in a way which represents best value for the Integration Joint Board in its achievement of the national outcomes.

Both usable and unusable reserves should be accounted for in the accounts of the Integration Joint Board.

The IJB are asked to approve the proposed Reserves Policy of the Integration Joint Board which is attached at Appendix 1.

## 4. CONCLUSION

It is important for the long term financial sustainability of both the IJB and the parent bodies that sufficient useable funds are held in reserve to manage unanticipated pressures from year to year.

Similarly, it is also important that in year funding available for specific projects and government priorities is able to be ear-marked and carried forward into the following financial year, either in whole or in part, to allow for spend to be committed and managed in a way that represents best value for the IJB in its achievement of its Strategic Plan outcomes.

The implementation of the proposed Reserves Policy will ensure compliance with the IJB's Financial Regulations and is integral to the financial strategy of the IJB.

| Name | Designation | Contact Details |
|---|---|---|
| Jane M Smith | Chief Finance Officer | janemsmith@nhs.net |

**APPENDIX 1**

## Integration Joint Board Reserves Policy

### 1. Background

1.1 To assist local government bodies, including Integration Joint Boards, in developing a framework for reserves, CIPFA have issued guidance in the form of the Local Authority Accounting Panel (LAAP) Bulletin 55 – Guidance Note on Local Authority Reserves and Balances. This guidance outlines the framework for reserves, the purpose of reserves and some key issues to be considered when determining the appropriate level of reserves.

### 2. Statutory/Regulatory Framework for Reserves

2.1 Local Government bodies may only hold reserves for which there is a statutory or regulatory power to do so. In Scotland, the legislative framework is as follows:

| Reserve | Powers |
|---|---|
| General Fund | Local Government Scotland Act 1973 |
| Repairs and Renewals Fund | Local Government Scotland Act 1975 |
| Insurance Fund | |

2.2 For each reserve there should be a clear protocol setting out:

- the reason / purpose of the reserve,
- how and when the reserve can be used,
- procedures for the reserves management and control,
- review timescale to ensure continuing relevance and adequacy.

2.3 An example of how the protocol could be applied is outlined at the end of this policy. Note that while within a local authority context all receipts and payments are made via the General Fund, in respect of the Integration Joint Board all receipts and payments will be administered through the ledgers of the respective partners.

In addition, over recent years the Local Authority Accounting Code of Practice has introduced a number of technical reserves in line with proper accounting practice associated with capital accounting and FRS17. These reserves are governed by specific accounting treatment and do not form part of general available reserves.

### 3. Operation of Reserves

3.1 Reserves are generally held to do three things:

- create a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
- create a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves; and
- create a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

3.2 The balance of the reserves normally comprises of three elements:-

- Funds that are earmarked or set aside for specific purposes. By definition these reserves retain approved resources that are intended to fund specific commitments at a relevant point in the future
- Funds which are not earmarked for specific purposes but are set aside to deal with unexpected events or emergencies; and
- Funds held in excess of the target level of reserves and identified earmarked sums. Reserves of this nature can be spent or earmarked at the discretion of the IJB.

## 4. Role of the Chief Finance Officer

4.1 The Chief Finance Officer is responsible for advising on the levels of reserves. The Integration Joint Board, based on this advice, should then approve the appropriate strategy as part of the budget process.

## 5. Adequacy of Reserves

5.1 There is no guidance on the minimum level of reserves that should be held. In determining reserve levels the Chief Finance Officer must take account of the strategic, operational and financial risks facing the IJB over the medium term and the Integration Joint Board's overall approach to risk management.

5.2 In determining the level of general reserves, the Chief Finance Officer should consider the Integration Joint Board's medium term financial strategy and the overall financial environment. Guidance also recommends that the Chief Finance Officer reviews any earmarked reserves as part of the annual budget process.

5.3 In light of the size and scale of the Integration Joint Board's operations, over the longer term it is considered that it would be an aspiration to achieve a level of general reserves which represent approximately 2% of net expenditure. The value of reserves must be reviewed annually as part of the Integration Joint Board's Budget and Service Plan strategy and in light of the financial environment at that time.

5.4 The level of other earmarked funds will be established as part of the annual budget process.

## 6. Reporting Framework

6.1 The Chief Finance Officer has a fiduciary duty to ensure proper stewardship of public funds.

6.2 The level and utilisation of reserves will be formally approved by the Integration Joint Board based on the advice of the Chief Finance Officer. To enable the IJB to reach a decision, the Chief Finance Officer should clearly state the factors that influenced this advice.

6.3 As part of the budget report the Chief Finance Officer should state:

- the current value of general reserves, the movement proposed movement during the year and the estimated year-end balance and the extent that balances are being used to fund recurrent expenditure.
- the adequacy of general reserves in light of the Integration Joint Board's medium term financial strategy.
- an assessment of earmarked reserves and advice on appropriate levels and movements during the year and over the medium term.

## Reserves Protocol

### 1. GENERAL FUND

| | |
|---|---|
| **Purpose of the Reserve** | The General Fund of the Integration Joint Board will be utilised to hold balances generated within the Income and Expenditure Account, net of any amounts transferred to the Repairs and Renewals Fund, and the Insurance Fund. |
| **Use of reserve** | This represents the general reserve of the Integration Joint Board and is used to manage the financial strategy of the Integration Joint Board. Any use of general fund reserves has to be approved by the Integration Joint Board through the appropriate committee framework. |
| **Management and Control** | Management and control is maintained through the established financial management frameworks and review though the year end and budget process. |

### 2. REPAIRS AND RENEWALS FUND

| | |
|---|---|
| **Purpose of the Reserve** | To defray expenditure to be incurred from time to time in repairing, maintaining, and renewing any buildings, works, plant, equipment or articles belonging to, or utilised by, the Integration Joint Board. |
| **Use of reserve** | This reserve would be used to manage investment in building and equipment. . |
| **Management and Control** | Management and control is maintained through the established financial management frameworks and review though the year end and budget process. |

**3. INSURANCE FUND**

| | |
|---|---|
| **Purpose of the Reserve** | An insurance fund may be operated for the following purposes:<br><br>a. where the Integration Joint Board could have insured against a risk but has not done so, defraying any loss or damage suffered, or expenses incurred, by the Integration Joint Board as a consequence of that risk;<br>b. paying premiums on a policy of insurance against a risk. |
| **Use of reserve** | This reserve would be used to manage insurance costs over the medium term. |
| **Management and Control** | The insurance fund is subject to dedicated accounting rules and procedures as approved by LASAAC (Local Authorities Scotland Accounts Advisory Committee). |

The adequacy and relevance of each fund is reviewed by the Chief Finance Officer at each year end and through the budget process. All recommendations for movements in balances will be reported to the Integration Joint Board either through the year-end report or as part of the budget and service plan strategy.

PERTH & KINROSS INTEGRATION JOINT BOARD

FRIDAY 24th MARCH 2017

# STRATEGIC COMMISSIONING PLAN - UPDATE

**Report by Chief Officer**

**PURPOSE OF REPORT**

This report provides an update on key actions within the Strategic Commissioning Plan 2016-2019, as part of the regular progress reports to the Board. It also summarises and links this to the national Health and Social Care Delivery Plan which outlines key priorities for 2017-2021.

## 1. BACKGROUND

1.1 The Board approved the health and social care Strategic Commissioning Plan at the meeting of 23rd March 2016 and agreed that the Chief Officer would provide regular updates on progress.

1.2 The plan has a number of actions based around its 5 priority areas:

1. Prevention and early intervention
2. Person centred health, care and support
3. Work together with communities
4. Inequality, unequal health outcomes and healthy living
5. Making the best use of available facilities, people and resource

1.3 For the purposes of monitoring, the detailed actions have been condensed and prioritised so that the critical areas for 2016/17 in particular are monitored by the Chief Officer Group and reported to the Board. There are 17 of these and they are reported on a cyclical basis to the Board.

## 2. PROPOSALS

2.1 This report gives an update on the key priorities and achievements of aspects for 2016/17 included in Appendix 1 and links these to the priorities outlined in the Government's Health and Social Care Delivery Plan. It indicates progress against key activities and performance, as well as on the development of key initiatives.

## 3. CONCLUSION AND RECOMMENDATION

3.1 The strategic plan has a clear vision and an aspiration to transform services to meet future needs and challenges. It emphasises the need for services and support to intervene early to prevent later, longer term issues arising, and enabling people to manage their own care and support by taking control and being empowered to manage their situation. Where this is not possible, resources should be targeted

where they are needed most, reducing ill health and deterioration and ultimately reducing health inequalities.

3.2 This report focuses on a progress against a number of key priorities, including developing our future health and social care system and supporting staff to deliver integrated services across the whole system.

3.3 It is recommended that the Board:

(i) Note the content of this report and progress in meeting the priorities of the Strategic Plan in Appendix 1
(ii) Requests the Chief Officer to bring further updates to the Board meeting in June 2017.

**Contact Officer:** Lorna Cameron
Head of Housing and Strategic Commissioning
Email: LECameron@pkc.gov.uk

**Address of Service:** Pullar House, 35 Kinnoull Street Perth PH1 5GD

**Appendix 1**

**National Health and Social Care Local Delivery Plan 2017/21 and links to Perth and Kinross Strategic Commissioning Plan**

The Scottish Government published its national Delivery Plan for Health and Social Care in December 2016 which sets out its key aims and priorities to 2021. This paper summarises these aims and priorities and cross references them with the Perth and Kinross Strategic Commissioning Plan.

**1. Scotland's health and social care delivery plan – Dec 2016**

1.1 The **aim** of this is that people of Scotland can live longer, healthier lives at home or in a homely setting and we have a health and social care system that:

- is **integrated**
- focuses on **prevention, anticipation and supported self-management**
- will make day-case treatment the norm, where hospital treatment is required and cannot be provided in a community setting
- focuses on care being provided to **the highest standards of quality and safety**, whatever the setting, with the person at the centre of all decisions
- ensures **people get back into their home or community** environment as soon as appropriate, with minimal risk of re-admission

1.2 All services must be sensitive to individual health and care needs, with a clear focus:

- on early intervention
- what individuals themselves want and what those around them – not least families and carers – can provide with support
- services need to be designed around how best to support individuals, families and their communities
- promote and maintain health and healthy living.

**1.3 Perth and Kinross Strategic Commissioning Plan (2016-19)**

Similarly, the Perth and Kinross partnership's vision, aim and focus reflect those of the Government's delivery plan, emphasising the need for services and support to:

- intervene early to prevent later, longer term issues arising
- enable people to manage their own care and support by taking control and being empowered to manage their situation
- target resources where they are needed most, reducing ill health and deterioration and ultimately reducing health inequalities.

These are supported by the plans 5 key themes

1. Prevention and early intervention
2. Person-centred health, care and support
3. Working together with our communities
4. Reducing inequalities and unequal health outcomes and promoting healthy living
5. Making best use of available facilities, people and other resources

**1.4 How will the national delivery plan be delivered?**

Actions which will have the greatest impact on delivery must be prioritised (the 'triple aim'):

- **targeting investment at improving services**, which will be organised and delivered to provide the best, most effective support for all ('better care');
- we will improve everyone's health and wellbeing by promoting and supporting healthier lives from the earliest years, **reducing health inequalities** and adopting an approach based on anticipation, prevention and self-management ('better health'); and
- **we will increase the value from, and financial sustainability of, care by making the most effective use of the resources available to us** and the most efficient and consistent delivery, ensuring that the balance of resource is spent where it achieves the most and focusing on prevention and early intervention ('better value)

1.5 Critical to this will be **shifting the balance** of where care and support is delivered:

- from hospital to community care settings, and to individual homes when appropriate
- resulting in less unscheduled care in hospitals, and people staying in hospitals only for as long as they need specific treatment.
- All partners working together to reduce the levels of delayed discharges, ensure services are in place to facilitate early discharge and avoid preventable admissions
- Redesigning those services around communities, ensuring they have the right capacity, resources and workforce.

- Rooted in a widespread culture of improvement. Sustainable improvements in care, health and value will only be achieved by a strong and continued focus on innovation, improvement and accountability across the whole health and social care workforce.

It is clear from the above section that the aims, aspirations and priorities of the national delivery plan fit with and reflect those of the Perth and Kinross Strategic Commissioning Plan summarised below.

**2. Perth and Kinross Strategic Commissioning Plan: achieving our vision and aspirations.**
*What a successful Perth and Kinross health and social care model will look like – what have we achieved so far?*

2.1 The early sections of the strategic plan describe what we see as our future health and social care system which will include:

- Varied and responsive community-based health, care and support services that enable people to live as independently at home as possible with a better quality of life
- High numbers of people supported through re-ablement and recovery, with no further need for care
- Better use inpatient hospital facilities
- Fewer unnecessary unplanned hospital admissions
- Fewer admissions to residential care, and none from acute hospitals
- Reduced health inequity and increased health and well being

Progress against these have been summarised in the table below.

3. Our future health and social care system: what we achieved so far. This section summarises the key objectives set out in the early sections of the strategic commissioning plan which highlighted key aspects of our future health and care system and model. Targets will be set for a range of these areas as part of our local delivery plan.

| Our future health and social care system: what we want: | What we achieved so far | Comment | National Delivery Plan reference |
|---|---|---|---|
| o Varied and responsive community-based health, care and support services that enable people to live as independently at home as possible with a better quality of life | In 2016/17 we spent £37.1m (60.6%) on community based services and £24.1m (39.4%) on care home placements.*<br><br>This compares to £36.9m (61.9%) on community and £22.7m on placements (38.1%) in 2015/16.<br><br>*(based on 2016/17 projected expenditure at Feb 17 - *for all client groups. It is expenditure and doesn't allow for the £12m income received in Resource Transfer and social care allocation.*<br>• *Figures include social care assessment teams etc.*<br><br><u>People receiving care at home (65+):</u><br>• at Mar 16: 1,448<br>• at Feb 17: 1,631 (+183)<br>(figures include self directed support options, rapid response)<br><br><u>People placed in care homes (65+):</u><br>• at Mar 16: 854<br>• at Jan 17: 959 (+105)<br><br><u>Balance Care At Home : Care Homes</u><br>• at Mar 16: 57%: 43%<br>• at Jan 17: 63*%: 37%* | <u>Actions:</u> development of plan with targets to shift expenditure from acute and residential to community based as part of local delivery plan.<br><br>Analysis:<br>Steady increase in numbers of people receiving care at home, with 183 more people receiving care during the year.<br><br>In addition, people receiving care are becoming more complex: the average hours they receive has increased from 7.8 per week to 8.2 hours.<br><br>Work continues to develop care at home with external providers to meet capacity and a new marketing campaign will be launched in early April.<br><br>Bids for new care at home contract (15 providers) being evaluated, interviews end March; new contract in place May 17.<br><br>Other work to support shifting balance of care includes<br>- Restructure and redesign of social work and social care teams<br>- implementation of TEC strategy (technology | **Shifting the balance** of where care and support is delivered:<br><br>• from hospital to community care settings, and to individual homes when that is the best thing to do. |

| Our future health and social care system: what we want: | What we achieved so far | Comment | National Delivery Plan reference |
|---|---|---|---|
| | | enabled care) to support more people at home<br>- enhanced community support roll out<br>- recommissioning of care at home | |
| o High numbers of people supported through re-ablement and recovery, with no further need for care | % people aged 65+ requiring no further service following Reablement:<br>• 51% (2015/16)<br>• 44% (year to date Feb 17)<br><br>Reablement users 65+<br>• At Apr 16: 219 people<br>• At Feb 17: 263 people | Actions: an integrated care model is being developed an element of which will be discussed as part of the 3 day business improvement (care at home) event in mid March. | Enabling people to manage their own care and support by taking control and being empowered to manage their situation. |
| o Make better use inpatient hospital facilities | Examples included in section 5 below. | | Will make day-case treatment the norm where hospital treatment is required and cannot be provided in a community setting. |
| o Fewer unnecessary unplanned hospital admissions | • Unplanned admissions 65+ at Mar16: 147<br>• Unplanned admissions 65+ at Oct 16: 148 | Actions:<br>Rolling out Enhanced Community Support to north and south Perthshire/Kinross by June.<br><br>Rolling out performance resource panels in each of the 3 localities to target people who are frail and at risk of hospital admissions.<br><br>New locality team model and structure in place across social work and social care which will support prevention and early intervention. | Focuses on prevention, anticipation and supported self-management. |

| Our future health and social care system: what we want: | What we achieved so far | Comment | National Delivery Plan reference |
|---|---|---|---|
| o Fewer people delayed unnecessarily from hospital | • No. beds days lost due to delayed discharge<br>• 2015/16: 15,697<br>• 2016/17 to date: 11,049 | Actions (see above.)<br><br>Also developing models such as 'front door' leading to discharge hub, leading to discharge to assess. Next stage is development of intermediate care service which will integrate Allied Health Professional teams (AHPs) with social work intervention teams.<br><br>Discharge hub will go live in April and discharge to assess live by October depending on options' appraisal in relation to the review of internal care at home.<br>Intermediate care service in place by October but may have earlier access to intermediate care beds. | Ensuring people get back into their home or community as soon as appropriate. |
| o Fewer admissions to residential care, and none from acute hospitals | • 2015/16 admissions (65+): 643<br>• 2016/17 admissions (65+) : 607 (Apr-Feb 17)<br><br>If aggregated to 12 months, 16/17 would be 662 (+19)<br><br>Average age on admission increasing:<br>• 2015/16: 85.9 yrs<br>• 2016/17: 86.6 yrs<br><br>Length of stay in care homes reducing:<br>• 2015/16: 1.7 years<br>• 2016/17: 1.5 years | NB. An additional 126 people were funded and placed in care homes in Mar, May, June 16 to reduce delayed discharges. However, the plan is to reduce overall places and people's length of stay as alternative options are developed in the community.<br><br>Increasingly older people are being admitted to care homes, with average age now 86.6 years and people are there for shorter period (1.5 years). | Services designed around how best to support individuals, families and their communities. |
| o Reduced health inequity and increased health and well being | We have a local health inequalities strategy which focuses on key areas of obesity, mental illness, | <u>Actions:</u><br>Ensure the actions of the Health Inequalities | Improving everyone's health and wellbeing |

| Our future health and social care system: what we want: | What we achieved so far | Comment | National Delivery Plan reference |
|---|---|---|---|
| | drug and alcohol.<br><br>Some wider health inequalities are included below:<br><br>• Premature Mortality Rate per 100,000: 352 (15/16) Scotland 441<br>• No. people involved in Employability Network: 1,815 (15/16); 1,418 (14/15)<br>• % households in fuel poverty 22% (38% 13/15)<br>• No. people supported by digital inclusion project: 134 (against target of 50) | Strategy are included in the 3 HSCP locality action plans to be implemented locally.<br><br>Update the local indicators with 2016/17 data | and reducing health inequalities. |



The Scottish Government has identified a number of indicators as priorities as part of their measurement of performance under integration. Some of these are included in the table above and the list is included below:

1. Unplanned admissions
2. Occupied bed days for unscheduled care
3. A+E performance
4. Delayed discharges
5. End of life
6. Balance of spend across institutional and community services

These were included in the performance report to the Integration Joint Board on 3nd February (Report G/17/18) and are summarised below.

| Ref | Indicator | 15/16 figure | *2016 figures (reported to IJB in Feb)* | Most recent figures 2016/17 | Performance |
|---|---|---|---|---|---|
| NO 5 & 9<br>PI 12 | Rate of emergency admissions for adults per 100,000 persons | 11,023 | *11,115 estimated (Nov 2015 – Oct 2016)* | 11,246<br>(Jan-Dec 16)<br>Source: ISD | Similar |
| NO 9 | No. days people aged 75+ spend in hospital | 1,005 | *1,015* | 943 | Improving |

| Ref | Indicator | 15/16 figure | *2016 figures (reported to IJB in Feb)* | Most recent figures 2016/17 | Performance |
|---|---|---|---|---|---|
| PI 19 | when they are ready to be discharged per 1,000 pop | | *(Nov 2015 – Oct 2016)* | (Feb 2016 - Jan 2017) Source: ISD | |
| NO 7 PI 14 | % readmissions to hospital within 28 days of discharge per 1000 admissions | 115 | *121* *(Apr 2016 to Sept 2016)* | 115 (Dec 2015 - Nov 2016) Source ISD | Static |
| BMIP | No. bed days lost to delayed discharge (excluding complex cases) | 15,697 | *7,679* *(Apr 2016 - Sept 2016)* | 11,049 Source ISD | Improving |
| BMIP | No. people delayed in hospital for more than 14 days (reducing) | 191 Census data *Amended from 184* | *134 census data (Apr 16 – Dec 16)* | 145 (Projected to end March = 174) Source ISD, Apr 16-Jan 17) | Improving |

Targets to be confirmed for these.



## 4. Supporting staff to deliver integrated Services - what have we achieved so far?

Our strategic commissioning plan states the need for a **confident, competent professional workforce** who feel supported, valued and equipped to deliver the Partnership's vision and challenging priorities and actions. It is also aimed at addressing some key issues, including **the high turnover and shortages of suitably skilled staff in key areas and** recruitment and retention of high quality health and social care staff across the sector.

These issues are being addressed through promoting a positive culture and encouraging integrated working to deliver the best possible outcomes with communities.

| Supporting staff to deliver integrated services: what we want: | What we achieved so far | Comment |
|---|---|---|
| Providing accessible information, and raising awareness, understanding and participation around integrated working | Workforce plan drafted with key focus, including:<br>• Shifting the workforce to support the shift in balance of care into community settings and expanding Third sector involvement/provision of health and social care services. | Workforce plan being finalised with key priorities and timescales. |

| Supporting staff to deliver integrated services: what we want: | What we achieved so far | Comment |
|---|---|---|
| | • Supporting staff to focus on early intervention and prevention<br>• Develop skills and initiatives around dementia to meet future needs and demands<br>• Consider opportunities for more flexible working arrangements, possibly managing a 'rotational workforce'<br>• Consider use of apprenticeships and development of virtual health and social care academy<br><br>New locality service review and model implemented for community care managers and teams leaders in Dec 16. This new way of working means that the Early Intervention and Prevention service is a single point of contact for service users and carers. Early Intervention and Prevention staff work with people for a maximum of 12 weeks.<br><br>The health and social care Communication and Engagement Sub Group is supporting the transformation of health and social care services and staff in the delivery of standards for community engagement and participation.<br><br>Locality roadshows chaired by the Chief Officer underway during Feb-Mar 17 across all partnership staff.<br><br>Communication strategy being implemented for staff including regular bulletins including 'Your Community Perth and Kinross/PK'.<br><br>A workforce development workshop was held in February with health, social care, housing and community capacity staff to support the development of workforce plan. | Locality Steering Groups led by health, community care and housing managers. Groups leading on local action plans to deliver local integrated services.<br><br>Ongoing engagement with GPs<br><br>Local communities supported to be involved in range of participatory budgeting initiatives. |
| Providing access across the Health & Social Care workforce to the development programmes of partner organisations in the | Joint development session held in December with PKAVS managers to do scenario and forward planning | |

| Supporting staff to deliver integrated services: what we want: | What we achieved so far | Comment |
|---|---|---|
| statutory, third and independent sector. | 'Imagine the future' sessions held with independent sector care home in April.<br><br>Initial work underway with 3rd Sector Forum to integrate training opportunities. A joint training calendar has been produced, including third and independent sector training provision, and will be shared across partners and online shortly.<br><br>Extensive marketing campaign being finalised with the independent care at home providers for implementation in early April to promote care at home as a career option. | |
| Creating specific development opportunities which support Health & Social Care Integration. | Rapid Improvement Event organised with 29 partnership staff over 5 days to improve capacity and flow and reduce delayed discharges.<br><br>Bill Lucas 'improver' session held in Sept with service managers and Chief Officer Group.<br><br>Workshop with senior managers to progress key actions around hospital capacity and flow (23 managers attended and specific actions agreed for implementation).<br><br>Development sessions held in localities to support integrated working (e.g. on Self Directed Support).<br><br>Workshop on Participation and Engagement held on 23 Jan 17 for engagement and communications staff, IJB Public partners, locality managers and those involved in leading transformation projects.<br><br>3 day BITE (Business Management & Improvement Event) held 15-17 March to develop new model for internal care at home. Key staff | Proposal with NHS Tayside for Aston Team Coaching for all managers across HSCI<br><br>Bid in with NES (NHS Education for Scotland) to do appreciative enquiry with HSCI staff in localities |

| Supporting staff to deliver integrated services: what we want: | What we achieved so far | Comment |
|---|---|---|
| | involved over the three days and challengers invited at key stages.<br><br>Integrated Performance & Resources Group established for weekly meetings to range of issues around delayed discharges and these are to be/being replicated in locality teams.<br><br>Integrated Management Team established with health and social care service managers | |

**5. Preparing for the future – looking at the whole system**

We want to improve outcomes make sure people get the health and care services they need by providing support and services in local communities, empowering people to have greater control over their lives and managing their own health and care where appropriate. This means looking at the **whole system:**

- ✓ Locality based planning and commissioning
- ✓ Allocating resources to support prevention and early intervention.
- ✓ More effective planning with acute (hospital services) to support new ways of working
- ✓ Citizen and community empowerment and capacity building
- ✓ Workforce planning and development
- ✓ Partnership with the voluntary and independent sectors
- ✓ Developing locally based integrated teams to drive and manage health and social care locally
- ✓ Bringing GP practices together in locality based clusters
- ✓ Working with primary care colleagues to integrate community health services that work with GP practices, community pharmacists, dental practitioners and optometrists
- ✓ Expanding our use of technology, particularly in rural areas
- ✓ Using local community hospitals to provide planned care
- ✓ Tackling the rise in unplanned hospital admissions.
- ✓ Reducing delayed discharges from hospital

- ✓ Ensuring equitable access to services from all sections of the community

We will do this by:

| Preparing for the future | What have we achieved so far | Comment |
|---|---|---|
| Developing integrated locality teams, so that all clinical, professional and non-clinical staff can work together in a coordinated way to improve access and the quality of services. | Health managers and adult social work managers allocated to 3 localities: Perth City, North and South localities.<br><br>Community care/adult social work management structure in place with team leaders and service managers allocated to new teams focusing on early intervention/prevention; and complex cases and this will be integrated with health realignment as staff are disaggregated into localities. | GP clusters are developing their workplans some of which include key primary and enhanced care services. This will result in key partnership staff being linked into clusters to target individuals and enable quicker, coordinated access to services and support. |
| Ensuring that people are at the centre of all decisions, including carers and families | The revised Carers' Strategy will support the implementation of the new legislation.<br><br>Some good examples of person-centred care include a new model for carers' support (particularly for older people) which will offer alternatives to crisis care, overnight support, and use of technology to support people. This will be a full partnership response, with third sector as an integral part. It will enhance carers' respite as well as support for individuals.<br><br>Service managers developing person-centred framework for the partnership to support person centred planning. | |
| Combining staff and resources to deliver a wider range of care within communities and supporting | The partnership's transformation projects are supporting a range of initiatives to integrate services to keep people at home and in their | |

| Preparing for the future | What have we achieved so far | Comment |
|---|---|---|
| people to be cared for at home. | communities. These include Communities First, the reviews of district nursing and allied health professionals, review of day care and day opportunities and residential care and community hospitals. They also support the capacity and flow/intermediate care transformation | |
| Improving the health of communities through wider partnership working to:<br>• identify the health and care needs,<br>• focus on health promoting activity;<br>• taking action to improve well-being, life circumstances and lifestyles and actively addressing health and care inequalities | Specific initiatives include:<br>- Participatory budgeting, including through Communities First and 'seed the path'<br>- Community engagement activity<br>- Letham wellbeing hub being developed which will give local people easy access to a range of services, including child care provision, NHS drop-in clinics, adult learning, therapies)<br>- Key actions and priorities in Health Inequalities Strategy to be rolled out to localities<br>- Integrated Care Fund projects supporting community activities and support, social enterprise, health and wellbeing and recovery. | |
| Future work on general **acute hospital and hosted services** in Perth and Kinross will include:<br>• A review of hospital activity to establish a programme of transformation over the longer term | Review of dementia services underway (2 phases) with conclusion of Phase 1 by July 2017 and Phase 2 by 2018. The focus is on early intervention and improving support after people have been diagnosed with dementia. Looking also at creating 'dementia friendly communities' as part of wider review.<br><br>Medicine for the Elderly beds being reviewed. Scope of the review being prepared and engagement with clinicians to be held mid March.<br><br>In addition, extensive redesign is underway of Perth Royal Infirmary site looking at accommodation, reshaping surgical services and redesign of the medical floor. Consultation and engagement to be finalised. Timescale for delivery March 2018. | |

| Preparing for the future | What have we achieved so far | Comment |
|---|---|---|
| • Review and evaluation of all services hosted by the Perth and Kinross Partnership including:<br>▪ Delivery of an improvement plan for mental health services | The Mental Health Service Redesign Transformation Programme has completed the Option Appraisal Process in line with CEL04 guidance and undertook 2 further Option Modelling events for General Adult Psychiatry (GAP) and Learning Disability (LD) services in Sept and Dec 2016. These additional option modelling events (attended by a range of stakeholders) enabled further discussion and a detailed review of the top four options identified from the Option Appraisals events held in June 16.<br><br>The Option Review Report will provide a detailed review of each of the top four options being considered, each one of which will be compared for clinical safety and sustainability, workforce availability and financial affordability to identify a preferred option.<br><br>Information being gathered from the 3 HSCPs to capture a current service map of all community service provision and to assist in the identification of any additional community services which may be required to support the options being considered.<br><br>Consultation materials and a supporting website are being developed to begin the formal consultation and the consultation plan and materials will be shared with Boards, along with the Option Review Report. During consultation all stakeholder views will be gathered and collated into the Initial Agreement report.<br><br>This report will then be presented to Tayside NHS Board and the three Integration Joint Boards for a final decision before being presented to the Capital Investment Group at the Scottish Government for approval.<br><br>If approved, a Full Business Case will be developed following the more detailed design and planning stages. | |
| | | |

**Appendix 2: Scotland's health and social care delivery plan – Dec 2016 – Some key actions**

The section below summarises the key areas of the Government's national delivery plan across the key themes of

- Health and social care integration
- Primary and community care
- Secondary and acute care
- Realistic medicines
- Public health

| Key area | Specific action | How |
|---|---|---|
| **1. Health and social care integration actions** | | |
| Reduce inappropriate use of hospital services | | |
| | • shift investment into community provision and reduce inappropriate use of hospital care | • support individuals, families and carers to understand fully and manage their health and wellbeing, with a **sharper focus on prevention, rehabilitation and independence**<br>• expand multi-disciplinary community care team with extended roles for a range of professionals and a clearer leadership role for GPs<br>• develop and roll out new models of care that are person- and relationship-centred and not focused on conditions alone<br>• enable those waiting for routine check-up or test results to be seen closer to home by a team of community health care professionals<br>• ensure problems of multiple longer-term conditions are addressed by social rather than medical responses, where appropriate<br>• reduce the risk of admission to hospital through evidence-based interventions, particularly for older people and those with longer-term conditions. |

| Key area | Specific action | How |
|---|---|---|
| | • redesign the shape of service provision across hospital, care home and community settings. | |
| Raise the performance on **delayed discharges** from hospitals to the performance of the top quartile of local areas | • eliminate delayed discharges<br>  • reduce unscheduled hospital care (bed days<br>  • shift resources into primary and community care | • Improve links between secondary, primary and community care under integration<br>• Analyse, understand (& act on) extent to which emergency admissions are currently inappropriate and avoidable<br>• Reduce growth in use of hospital resources |
| Ensure that everyone who needs **palliative care** will get hospice, palliative or end of life care | • Double palliative and end of life provision in the community, so fewer people die in a hospital setting. | • Shift resources to the community |
| **Shifting resources** to the community | • increase spending on primary care services, so that spending on primary care increases to 11% of frontline NHS budget | |
| **Supporting the capacity of community care** | Continue to reform<br>• National Care Home Contract,<br>• social care workforce issues<br>• new models of care and support in home care<br>• progress delivery of chance in adult social care sector | |
| 2. **Primary and community care actions** | | |
| | Continue to invest in recruitment and expansion of primary care workforce | |
| | Support more sustainable GP practices and build stronger links to HSCPs for effective & sustainable changes | |
| | Increase spending on primary care & GP services so that it represents 11% of frontline budget. This is a fundamental change in how health resources are directed and will enable the critical shift in balance to primary and community care. | |
| **Supporting new models of care** | Test and evaluate the new models of primary care including developing new, effective approaches to | |

| Key area | Specific action | How |
|---|---|---|
| | • out-of-hours services<br>• mental health support<br>• more person- and relationship-centred approach to individual care | |
| | • Modernise dentistry and improve the oral health of the population through a prevention and early intervention approach. | |
| 3. **Secondary and acute care actions** | | |
| Reducing unscheduled care | Roll out of the Unscheduled Care Six Essential Actions9 across the whole of acute care | • Improve the time-of-day of discharge<br>• Increase weekend emergency discharges<br>• Introduce more effective use of electronic information in hospitals<br>• Undertake a survey on admission and referral avoidance opportunities and use to target modelling to reduce unscheduled care through integrated primary and secondary care services. |
| Improving scheduled care | Reduce cancellations and private care spend in scheduled care | • Roll out Patient Flow Programme. Learn from four pilot boards implementing improvement projects covering emergency and elective theatre operations, elective surgery planning and emergency medical patient flow. Expansion will introduce more responsive and efficient secondary care and reduce wastage and the unnecessary use of resources. |
| | Improve cancer care and treatment | • earlier detection with more rapid diagnosis and treatment; more and better care during and after treatment, taking account of what matters most to people with cancer |
| 4. **Realistic medicines** | | |
| Strengthening relationships between professionals and individuals | Refresh Health Literacy Plan, Making It Easy10, to give people confidence, knowledge, understanding and skills needed to live well with any health condition we have.<br>• *Review consent process for patients in Scotland with the General* | |

| Key area | Specific action | How |
|---|---|---|
| | *Medical Council and Academy of Medical Royal Colleges and make recommendations for implementation from 2018 onwards.* | |
| | Commission collaborative training programme for clinicians to help them to reduce unwarranted variation. | |
| | Incorporate principles of realistic medicine as core component of lifelong learning in medical education and mainstream the principles of realistic medicine into medical professionals' working lives at an early stage. | |
| | • Develop a Single National Formulary to further tackle health inequalities by reducing inappropriate variation in medicine use and cost and reduce the overall cost of medicine. | |
| 5. **Public health improvement** | | |
| | Create Tobacco Free Generation including reducing smoking rate, to less than 5 percent by 2034. | |
| | Refresh the Alcohol Framework | • Reduce harms of consumption<br>• Support families and communities<br>• Encourage positive attitudes and choices<br>• Support effective treatment |
| | Consult on a new strategy on diet and obesity | Adopt different approach to diet and obesity - |
| | Introduce the Active and Independent Living Improvement Programme | Support people of all ages and abilities to<br>• live well, be physically active<br>• manage their own health conditions<br>• remain in or return to employment<br>• live independently at home or in a homely setting. |
| | Deliver Maternal and Infant Nutrition Framework. | • Roll out universal vitamins to all pregnant women<br>• Consolidate best practice and evidence on nutritional guidance for pregnancy up to when children are aged 3<br>• Develop competency framework to promote and support breastfeeding |

| Key area | Specific action | How |
|---|---|---|
| | | |
| | Supporting mental health | Improve access to mental health support by rolling out computerised cognitive behavioural therapy services nationally. |
| | | • Evaluate most effective and sustainable models of supporting mental health in primary care |
| | | • Have improved access to mental health services, increased capacity and reduced waiting times by improving support for greater efficiency and effectiveness of services, including Child and Adolescent Mental Health Services and psychological therapies. |
| **Supporting a More Active Scotland** | | • Publish delivery plan and vision to address inequalities in physical activity and refocus resources. |
| | Ensure that:<br>– hospitals routinely support patients and staff to be more physically active<br>– Create culture of being active within children and young people. This will include rolling out the Daily Mile, extending the number of school sports awards, strengthening the Active Schools network creating more quality opportunities and supporting more active travel to and from school | Deliver Community Sports Hubs, providing local places for communities to be active designed by themselves around their own needs |

**PERTH AND KINROSS HEALTH AND SOCIAL CARE PARTNERSHIP**

**Integration Joint Board**

**24th March 2017**

**Chief Officer Update**

**Chief Officer**

**PURPOSE OF REPORT**

*This report provides an overview and update of work across the Health and Social Care Partnership. The report is intended for information and to allow Board members to remain aware of the progress of the major projects and any issues arising in between formal reports. Comments and advice from board members will be noted and fed back to Lead Officers.*

## 1. RECOMMENDATION

The Board is asked to note progress on governance and operational matters and on the range of projects described under the following Strategic Planning Themes

- **Prevention and early intervention**
- **Person centred health, care and support**
- **Work together with communities**
- **Addressing Inequality, inequity and promoting healthy living**
- **Making the best use of available facilities, people and resources**
- **Operational Matters**

**The Board is asked to note progress on**

## 2 Prevention and Early Intervention

2.1 Update on progress - Patient Flow across Perth and Kinross

Further pressures have been seen across unscheduled care in the months of January and February. The last weeks of February and early March has seen a moderate increase in delays. However, compared with last year, the length of delays and the numbers of people in delay are both reduced. Social Care undertook twice as many assessments in January 2017 when compared with January 2016.

We now far better understand factors that remain at the root of the problem. A shortfall of Care at Home provision through private providers continues to limit the immediate discharge of patients from hospital. Reluctance to see people moved to an interim placement because of the potential detrimental impact on frail elderly people. A number of delays are related to legal process and there have been some significant delays for people with complex needs. In March, a three day workshop will concentrate on methods to address the remaining shortfall in provision of home care and will seek to redefine the most appropriate deployment of the remaining in-house provision of home care.

Hospital related delays should be seen in the context of the Care at Home providers' also managing people referred to the service in the community. Whilst people are supported in their homes, the likelihood of them requiring hospital care is reduced. Prioritisation of community based care at home support has to be balanced against the requirement to support more rapid discharge from hospital.

The south locality has been the first to appoint both its Social Care Service manager and NHS Locality manager. Already, significant change is evident. The philosophy of care has begun to change with increasingly evident pull from the locality. Residents are identified and between health, care and private providers, local meetings are beginning to better coordinate care delivery. The final two locality managers have now been appointed.

A discharge hub is at the stage of final preparations and once up and running in April, will test implementation on one area followed by rapid roll-out of the model to other parts of PRI. Further work is to be done to apply equal rigour to people in delay in other hospitals across P&K.

The Chief Officer's team are working with PKC and NHST to arrange a repeat visit from Brian Slater and Jacqueline Campbell of the Scottish Government.

## 3 Person Centred Health, Care and Support

### 3.1 Staffing pressures in PRI

For some time, it has been difficult to sustain full staffing on both Tay and Stroke wards in PRI. NHS Tayside recently organised a meeting of senior clinical staff and managers to discuss an emerging yet similar problem with Wards 3 and 6 in PRI. Several factors lie at the root of this problem. There is a national shortage of registered nurses. Newly qualified practitioners can choose where they want to work and few are staying in Perth when an opportunity for experience in a major teaching hospital arises. There is only one graduation class in each calendar year and a large proportion of Foreign Graduates from Dundee return home at the end of their training.

Short term contingency plans are in progress and a team of clinical staff, managers and staff partnership representatives from NHS Tayside and Perth and Kinross HSCP are working jointly to address the issues.

3.2 Crieff Ward 1

Over Christmas the number of patients in Crieff Ward 1 (Psychiatry of Old Age) reduced to two. Shortages of staff in other parts of Perth and Kinross hospitals led to a decision to temporarily close the ward over the Christmas period with a plan to reopen on the 9th January 2017. Some concerns were expressed in the community after staff engagement events, through press and directly to the HSCP. Senior managers communicated directly with local elected members, the Community Council, patient and staff groups to deliver clear messages about the temporary nature of the move. By early February, the last remaining patient was discharged from Crieff Ward 1. The change in occupancy reflects the greater prevalence of care for people living with dementia in their own homes. A similar pattern of change was experienced in North Perthshire 3 years ago. Staff from the ward were transferred to other duties while we plan to start a consultation process about the future use of the space. Any person requiring inpatient care as a direct result of their dementia will still be seen in a specialist ward.

## 4 Working together with communities

4.1 Developing Public Engagement

Questions about community health provision were raised at the Scottish Government Cabinet meeting in Pitlochry on the 6th February. The Chief Officer met with the representatives of Pitlochry and Moulin Community Council to discuss their concerns at the meeting and subsequently arranged a meeting with them to explore their concerns further. Three issues were raised, Ambulance Services, Out of Hours GP Services and the future use of community hospitals.

4.2 Dalweem Community Health and Care Facility

Six rounds of recruitment have failed to secure the complement of nursing staff required to staff community hospital beds in Dalweem. The project build nears completion at the time of writing. As stated in relation to PRI, there are significant challenges recruiting Nursing staff across Scotland and in Perth and Kinross in particular. Issues such as long distances to travel, particularly in the winter and the cost of housing are known factors in creating a challenging situation. The Head of Health and the Locality Management team continue to work with the Nursing Directorate to develop new models of care. Recruitment will continue in the interim and it may be necessary to curtail the use of the facility during this period. A range of community based services will operate from the new facilities once building works are complete.

## 5 Addressing Inequality, Inequity and Promoting Healthy Living

5.1 The Chief Officer reported to the Fairness Commission on its plans to address inequalities across Perth and Kinross.

5.2 The Chief Officer and Senior Social Work Officers contributed to the recent Audit Scotland review of implementation of Self Directed Support as a means of supporting people with care needs in the community.

## 6 Making the best use of available facilities, people and resources

6.1 Contingency Planning for Mental Health Services

At the last IJB meeting on February, the Chief Officer report outlined the plans for implementation of the Mental Health Contingency Plan.

On the 1st February 2017, 9 patients were transferred to the refurbished Mulberry Ward in Carseview Centre, Dundee. Staff from Mulberry transferred with their patients to facilitate continuity of care. Mulberry ward when part of the Susan Carnegie Centre had 25 beds and in the weeks prior to the move, patients who needed care for complex problems were admitted to Carseview directly to save them having to be moved. Those patients who could be discharged were transferred to community care and additional medical staffing was made available in the event there would be an increase in complexity or in the level of demand upon community services. In the first weeks following the move, operational staff has continued to meet to monitor issues of buildings and facilities, workforce and partnership, clinical pathways, logistics and communications. A senior governance group initially met twice weekly to track progress. After two weeks this dropped to weekly and in the past week have been reduced further to meet fortnightly. To date, there have been no significant issues to report. The contingency plan has been implemented as anticipated and all minor issues have been addressed in real time.

Within a week of the move, Angus residents in Carseview were moved into the relocated Mulberry ward. This allows them to be looked after by the staff from Angus and to maintain the important links to community services in Angus.

A second phase of building works is planned after the successful refurbishment of the Mulberry ward in Carseview. This work will reflect the latest best advice to be applied across NHS Tayside estate in removing risks associated with the fabric and design of buildings, their fixtures, fittings and equipment.

At the same time, the out of hours crisis response team moved from Murray Royal to Carseview. A degree of public concern has been expressed; however, appropriately honest communications with interested parties have moderated those concerns. Once again, the operational managers and senior governance meetings continue to track progress and seek to address any issues in real time.

Evidence of benefit is already seen. Patients moving between wards where clinical need determines the need for a change is now arranged in hours rather than days. The strength of numbers created by co-location of the

General Adult Psychiatry wards has allowed for improved communications and cross cover between staff. A careful record is being kept to facilitate the learning required to support the longer term change expected once a preferred option is announced in the Mental Health Service Redesign Transformation Programme

6.2 Mental Health Service Redesign Transformation Programme (MHSRT)

The MHSRT programme continues with detailed appraisal of the four options. Two important processes remain to be concluded before the Programme management team will be ready to proceed through a series of approvals in preparation for formal public consultation on a preferred option. These processes will scrutinise the process of option appraisal itself to ensure transparency and probity. It will also make provision for the future connection between acute and community based mental health services. The consultation is expected to run over the second half of 2017.

## 7. Operational Matters

7.1 Proxy Members – Perth & Kinross Council

In terms of relevant legislation, if a voting member is unable to attend a meeting of the Integration Joint Board the Council and Health Board are to use their best endeavours to arrange a suitably experienced proxy to attend the meeting in place of the voting member.

At its meeting of 22 February 2017, The Council agreed to appoint Councillors Henry Anderson, Dave Cuthbert, Caroline Shiers and Mike Williamson as proxy members for the four current voting board members from the Council.

7.2 Changes to Board Membership

Two changes to IJB membership have been made to the membership since the last meeting. Morag Martindale will be replaced as GP representative by Dr Neil McLeod. Mr Grant Mackie is retiring and will be replaced by Fiona Fraser as the union representative for Perth and Kinross Council. The membership changes are noted in the updated IJB membership list.

7.3 Catering and refreshment availability at Kings Cross PCEC

Public Partners presented to the IJB at the February 4th meeting a request that catering and refreshment facilities at the Kings Cross PCEC be investigated to ensure adequate provision for people travelling long distances, often at short notice. The Chief Officer has raised this matter with the Head of Property for NHS Tayside who will work with Facilities Management to explore potential solutions.

7.4 Performance Indicators

A national suite of performance measures has been determined for benchmarking across IJBs in Scotland. Considering the scale of the policy

agenda and the intention to transform health and care services, the Integration Division of the Scottish Government is keen to create a national overview of impact.

At the February 2017 Chief Officer's meeting, Geoff Huggins, Director of Integration, emphasised this is to be used to demonstrate the impact of Health and Social Care Partnerships on transformation and to demonstrate within Partnerships our ability to measure progress against the ambitions set out in the recently published Health and Social Care Delivery Plan (December 2016) Perth and Kinross HSCP has access to the measures requested for benchmarking. In this first iteration, Chief Officers were asked to submit evidence of ability to fulfil this request. The information submitted is acknowledged not to be at a level of reliability for immediate use. Partnerships across Scotland have responded differently. Perth and Kinross, submitted our raw data, however we seek to move towards a method of reporting that describes the connection between our performance and the ambitions set out in our Strategic Commissioning Plan. Further updates will be brought to the attention of the IJB as this work develops

Six measures are to be considered at this stage.

- Number of emergency admissions
- Number of unscheduled hospital bed days; acute specialties
- A&E attendances
- Delayed discharge bed days: All reasons
- Percentage of last six months of life: Community
- Balance of care: Percentage of population: Home

7.5 Governance and Assurance

The Chief Officer and Chief Finance Officer have been exploring the opportunity to commission support for board members, and senior managers in developing good governance principles and assurance structures, skills and expertise to operate with authority and confidence as a Partnership team. The governance landscape for IJBs is complex and we are learning from the experience of other partnerships across Scotland in preparing a proposal for Perth and Kinross IJB. The Chief Finance Officer is exploring potential suppliers of this expertise with the intention of bringing a formal proposal to the IJB in June 2017.

## 8. CONCLUSION

Further updates will be presented at each meeting of the Integration Joint Board

**Author(s)**

| Name | Designation | Contact Details |
|---|---|---|
| Robert Packham | Chief Officer | 2 High Street<br>robertpackham@nhs.nst |
| | | 07816 855097 |

**NOTE:** No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this report.