

To: Renfrewshire Integration Joint Board

On: 24 November 2023

Report by: Head of Strategic Planning & Health Improvement

Heading: Development of a Sustainable Futures Programme: Update

| Direction Required to Health Board, Council or Both | Direction to: | |
|---|---|----------|
| | 1. No Direction Required | X |
| | 2. NHS Greater Glasgow & Clyde | |
| | 3. Renfrewshire Council | |
| | 4. NHS Greater Glasgow & Clyde and Renfrewshire Council | |

1. Summary

- 1.1. In September 2023, the IJB received a further update on the implementation of the Sustainable Futures programme within the HSCP which, through a range of ongoing projects, is intended to identify savings options to contribute towards addressing the projected financial gap of £14.7m in 2024/25 which was presented to the IJB in March 2023 (noting that these projections will be refreshed as further details become available). As part of this update, the IJB approved the extension of the programme's scope to include additional projects focused on a review of health payroll budgets and avoiding additional costs within highly pressured prescribing budgets.
- 1.2. This paper provides further detail on the work undertaken since September to progress the programme and identify savings options. In addition, the update provided notes that savings identified to date are more limited than previously envisaged and provides further detail on the reasons for this position.
- 1.3. In response to the current position, the HSCP has developed a refined approach to addressing the financial gap, with complementary activity ongoing to identify mitigating actions alongside the ongoing development of savings options. Approval is sought from the IJB to proceed with this updated approach and savings options and related actions identified.

2. Recommendations

It is recommended that the IJB:

- Note the updates provided on the progress made in implementing the Sustainable Futures programme, including the issues and challenges identified (Section 5);

- Approve the updated approach set out to mitigating the projected financial gap (Section 6);
- Agree the actions set out in Section 7 of this paper, including that the IJB:
 - Note the proposals relating to Health payroll option 1; Contract Management and the non-recurring actions set out;
 - Approve the proposal to engage with key stakeholders as part of an options appraisal and impact assessment process for the related options set out for:
 - Residential Care
 - Day support (short term options)
 - Confirmation of stabilised Older People’s Day Support model
 - Approve the full application of eligibility criteria proposal; and
 - Approve the Health payroll option 2 proposal, to apply turnover of 4% to the payroll methodology.

3. Background

- 3.1. At its previous meeting in September 2023, the IJB considered the update provided on the HSCP’s implementation of the Sustainable Futures programme. This covered the design and implementation of the necessary governance for the programme and its constituent projects, supported by Programme Management Office (PMO) arrangements.
- 3.2. Over the summer and early Autumn, the HSCP has also undertaken a programme of engagement to raise awareness of the intent and scope of the programme with staff and with the SPG, Care Planning Groups and Carers Forum. These updates were necessarily broad, with further, more focused engagement to be undertaken with key stakeholders on specific savings proposals as part of an options appraisal and impact assessment process.
- 3.3. Work has continued to progress across the projects within scope of the programme, including those which were approved by the IJB for subsequent inclusion in September 2023. This paper provides an update on the progress which has been made to date, identifying specific savings options where these have been defined and setting out proposed next steps for engaging with stakeholders on these whilst concurrently confirming additional actions and savings to close the projected gap in 2024/25.
- 3.4. Within this context, it is important to note that the IJB will be required to make several difficult decisions on the following proposals set out within this paper. However, further difficult choices will be required to reach a balanced budget on a recurring basis. Renfrewshire is a high performing Partnership but given the financial challenges faced, the HSCP will not be able to continue to deliver the breadth of services that are currently provided. The IJB and HSCP must act to prioritise resources and protect statutory services and seek to resource and deliver fewer services as effectively as possible.

3.5. Continuing this work to deliver the savings required will enable the HSCP to focus available budgets on meeting increased demand and acuity of need and maintaining high performance – as far as possible – within core services.

4. The IJB’s projected financial position

4.1. In March 2023, the IJB approved savings proposals of £2.49m to be delivered within 2023/24 and a further £0.959m to be delivered within 2024/25. At the end of Period 7 of this financial year, a total of £2.265m (91%) of the 2023/24 savings target has been delivered. The remaining £0.225m is expected to be delivered during the remainder of the year.

4.2. Reflecting delivery of these savings, and the current projected overspend position for this year, it will be necessary to drawdown earmarked reserves and general reserves in order to deliver a breakeven position at 31 March 2024. This position is likely to change as the financial year progresses and is covered in further detail in Financial Reporting to the IJB. It is also projected that the remainder of general reserves will require to be drawn down in 2024/25 along with the repurposing and drawdown of a proportion of earmarked reserves. Indicative figures are provided for this in Section 7.1 however these figures will change and will be updated on an ongoing basis.

5. Developing issues, challenges and a changing context

5.1. In the September update provided, a number of programme-related risks were identified for the IJB’s awareness and consideration. In particular, the following risks have now emerged as issues:

| Previously identified risk | Rationale for recording as an issue |
|--|--|
| The complexity of work involved in developing options for the areas within scope, combined with current and winter operational pressures on services, may impact on the achievable timelines of the programme. | <ul style="list-style-type: none"> • HSCP services remain under significant pressure and will do so throughout winter. • The development of projects across the HSCP are reliant on a small core of senior managers. • The HSCP’s SMT has experienced a range of challenges regarding Head of Service availability. |
| There is also a risk that the options identified through the programme do not fully bridge the projected financial gap in 2024/25. | <ul style="list-style-type: none"> • The scale of savings identified to date do not sufficiently close the financial gap (described further in following sections). |

5.2. The impact of these issues has been exacerbated by a number of ongoing challenges and wider changes in the IJB’s operating context which have influenced, and will influence, the scale of savings possible. These include but are not limited to the following points:

Associated Challenges

- A significant proportion of service budgets relate to staffing and payroll costs. Within our Health establishment, there is no option to consider Voluntary Redundancy (VR) and Voluntary Early Retirement (VER) and any staff affected by proposals would need to be successfully redeployed. Within our Council establishment VR and VER are not currently considerations within this process, and any decision to do so would have significant cost implications to implement. Any future consideration would be limited to those areas where redesign could not otherwise be effectively delivered, or for standalone posts where there is a strong rationale for deletion.
- Any changes to services which enables different or reduced use of existing buildings will not deliver any building savings from property-related costs beyond Soft FM costs such as cleaning (for example rent or energy costs) for the IJB, as the ownership of these buildings remains with partner bodies. However, in considering any related proposals, it should be noted that property-based savings could still be delivered for partner organisations.
- Some decisions are not within the IJB's gift as they require approvals which remain reserved to partner organisations. This may limit the extent of savings proposals achievable.

Changing circumstances impacting on programme assumptions

- The acuity of need for many service users has increased due to the pandemic, increasing staffing requirements which must also consider (i) changing expectations from the Care Inspectorate regarding required staffing models and (ii) the future impact of the Safe Staffing Act.
- Early analysis of the costs of externalised delivery of services has indicated higher base cost levels than previously expected, potentially reflecting the impact of inflation over the last 12 to 18 months.
- External providers are also facing staffing and sustainability issues, similar to those faced by the IJB and HSCP, impacting on the availability of services within the external market.
- Overspends in core service areas such as Care at Home means that focus must be on cost avoidance and reduction of these overspends. This however does not result in savings from the core budget.
- The availability of up-to-date data in prescribing has not been possible since April 2023 due to delays in the national roll out of a new system – the actual position may be better or worse than currently projected.

6. Refined approach to addressing 2024/25 financial gap

- 6.1. Upon reflection of the challenges and changing circumstances described in Section 5, the HSCP's approach to identifying measures to close the financial gap in 2024/25 has been reviewed and refined to capture the impact of a wider range of mitigating actions. An update on this position and the details following in the remainder of this paper was provided to the IJB through a development session in October 2023, and a further opportunity for discussion offered prior to this IJB meeting.

6.2. Approval is requested from the IJB to proceed with the elements of this approach set out below, and which is shown visually in Appendix 1. Further detail on specific options and proposals which require IJB approval are set out in Section 7.

| Approach Element | Project areas within scope |
|---|---|
| <p>1a. Recurring savings – November</p> <p><i>Proposals which could deliver recurring savings, including those for the IJB’s awareness and those requiring approval to proceed to engagement as part of options appraisal.</i></p> | <ul style="list-style-type: none"> • Health payroll budget • Contract management • Residential Care (incl. Soft FM savings) • Day services (short term) |
| <p>1b. Enabling proposals – November</p> <p><i>These proposals will enable further preparatory work to be undertaken on the development of further savings to be brought to the IJB in January and/or March, and/or later strategic reviews.</i></p> | <ul style="list-style-type: none"> • Full application of existing Eligibility Criteria • Permanent implementation of stabilised Older People’s Day Support Model |
| <p>2. Additional Savings and income generation – January and March</p> <p><i>Further proposals in addition to those presented in November, which could deliver recurring savings.</i></p> | <ul style="list-style-type: none"> • Non-Residential Charging Policy (income generation) • Eligibility criteria and SDS • Options for Community Meals provision • Future Soft FM model |
| <p>3. Cost Avoidance</p> <p><i>These proposals will be focused on addressing overspends within core services. They will not result in savings being delivered from core budgets.</i></p> | <ul style="list-style-type: none"> • Efficiencies within the Care at Home service model, including approach to internal and external provision • Continued focus on Prescribing, align with GGC-wide action plans • Increased monitoring of required enhanced observations in Mental Health Inpatient wards • Holding non-frontline vacancies on a case-by-case and risk assessed basis |
| <p>4. Non-recurring actions</p> <p><i>Actions which will close the financial gap in year but will not reduce the overall gap in future years as they are typically ‘one-off’.</i></p> | <ul style="list-style-type: none"> • Pensions contribution rebate • General reserves utilisation • Repurposing of earmarked reserves |
| <p>5. Strategic review savings in 24/25</p> | <ul style="list-style-type: none"> • Residential Respite • Extra Care |

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| <p><i>Recognising the need to identify additional recurring savings to replace the non-recurring actions set out above, these proposals relate to strategic reviews of current service models, considering transformative action that can support delivery of savings alongside alignment with policy and good practice. Additional areas will be required and are expected to be added as the programme progresses.</i></p> | <ul style="list-style-type: none"> • Longer-term model of day support |
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6.3. Further detail on the above approach is provided within Section 7 of this paper, with a particular focus on 1a Recurring Savings for November; 1b Enabling Proposals for November; and 4 Non-recurring actions.

6.4. The savings presented in Section 7 will fall into three broad categories, (i) those which are primarily decisions reserved to operational management and are provided as information for the IJB to give a full view of the work undertaken to date; (ii) those options which impact on service provision and have been identified as deliverable with the potential to deliver savings, on which approval from the IJB is sought to proceed to further appraisal and impact assessment; and (iii) further proposals requesting IJB approval for enabling actions to be taken to support future savings identification and strategic reviews.

6.5. Should the IJB provide approval, the HSCP will move into a period of analysis of those options under category (ii) using consistent options appraisal criteria agreed by the Sustainable Futures Programme Board. A period of engagement with key stakeholders, staff, staff-side and trade union representatives will also commence and be reflected within the impact assessments. A set of final options will be brought to the IJB for review and decision-making in March 2024.

7. Proposals for the IJB’s consideration

7.1. Further details on the proposals for the IJB’s consideration, set out in summary in Section 5, are provided in this section of the report. Additional details on indicative savings values are provided, subject to further analysis, testing and the completion of the next steps set out (as such these figures may potentially change). The HSCP’s requested action from the IJB is also set out for clarity to align with the recommendations of this paper.

| Option | Indicative value | IJB Action Requested |
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| 1a. Recurring Savings | | |
| Health payroll budget: Review of the current health payroll budget methodology which currently budgets | £2.15m | <ul style="list-style-type: none"> • Note proposal 1 (mid-point budgeting) |

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| <p>vacancies at the top of scale and has no allowance built-in for turnover. The following changes are proposed to bring the methodology into line with neighbouring HSCPs and the Adult Social Care Pay Budget:</p> <ol style="list-style-type: none"> 1. Vacancies budgeted at mid-point. 2. Turnover of 4% built into annual budget setting cycle. | | <ul style="list-style-type: none"> • Approve proposal 2 (turnover of 4%) |
| <p>Contract Management:</p> <p>Efficiencies identified through ongoing review, monitoring and audit of commissioned services to ensure arrangements in place provide value for money and align with future commissioning strategies.</p> <p>The requirement for EQIAs for changes identified will be assessed and undertaken on a case-by-case basis.</p> | <p>Circa £0.1m</p> | <p>Note the efficiencies identified</p> |
| <p>Residential Care:</p> <p>Following review of the HSCP's residential care model, a proposed reduction in the current internal Residential Care Home estate from 3 to 2 homes. Units within the HSCP's remaining Care Homes which are currently not utilised would be reopened to support this proposal and staffing would be enhanced in these homes to reflect residents' increased acuity of need.</p> <p>The development of this proposal reflects:</p> <ul style="list-style-type: none"> • Changes in demand and preferences for support at home and within the community, which are also mirrored in national policy for older people. • The changing complexity of need meaning individuals are more likely to require nursing care rather than residential care. • The availability of spare capacity within internal care homes of 48 beds in units currently not utilised. • Alignment with proposals having previously been considered, or are being considered, by IJBs across Scotland focused on reducing | <p>£0.329m</p> | <p>Approve progression to options appraisal and impact assessment, including stakeholder engagement</p> |

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| <p>internally managed residential care services.</p> <p><i>*This proposal would deliver a net saving of £0.329m following the investments to reopen unutilised units and service staffing outlined above. The proposal would also deliver a saving to Renfrewshire Council budgets.</i></p> | | |
| <p>Day Support Models – short term options:</p> <p>Review of the current building-based element of the day support model to identify possible efficiencies prior to a strategic review of the longer-term model for day support, reflecting the ‘Models of Care’ paper considered by the IJB in June 2021. Proposals identified are:</p> <p>Combine Mirin and Milldale: merge the Mirin and Milldale services, which will support the evolution of services towards a community delivery outreach model whilst maintaining a building-based provision strand. The revised service would focus on eligibility only for people who have family-based support, with a flexible, personalised approach for people who have Supported Living care packages.</p> <p>Close the Flexicare Service: this service is a non-statutory and highly informal service which provides short-term support (1 to 3 hours per week for up to 12 weeks). Not all service registered service users currently engage with the provision available. Other service options are currently available for individuals to access.</p> <p>DRC occupancy alignment: Occupancy levels within the Disability Resource Centre have been 80%, on average, over the last 12 months. The HSCP is seeking approval to engage with the Care Inspectorate to formally reduce service capacity to align with the occupancy levels evidenced over this period. In total, this will enable 2.04 FTE to be removed from the establishment through vacancy management.</p> | <p>£0.695m</p> | <p>Approve progression to options appraisal and impact assessment, including stakeholder engagement</p> |
| <p>INDICATIVE VALUE SUB-TOTAL</p> | <p>£3.273m</p> | |
| <p>1b. Enabling Proposals</p> | | |

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| <p>Full application of existing Eligibility Criteria: To ensure equity across all services, it is proposed that current critical and substantial only eligibility criteria are fully applied to the following services:</p> <ul style="list-style-type: none"> • Community meals • Community alarms <p>This proposal reflects agreement from the IJB in January 2020 for the consistent application of eligibility criteria across all service user packages, implementation of which, in the areas above, was paused due to the emergence of the COVID pandemic.</p> <p>It is proposed that the application of this proposal will apply to new service users with existing service users support assessed on an ongoing basis as part of package reviews to ensure equity of provision. The HSCP will continue to offer advice and support to individuals who do not meet the criteria to access assistance from community partners within the wider health and social care system.</p> <p>The implementation of this change is expected to inform the identification of additional savings proposals which will be brought to the IJB for consideration at a future meeting.</p> | <p>N/A</p> | <p>Approve full application of eligibility criteria</p> |
| <p>Permanent implementation of stabilised Older People’s Day Support Model – confirmed closure of Falcon and Montrose day services:</p> <p>As part of the HSCP’s recovery from Covid, a stabilised model for Older People’s Day Services has been implemented through which Johnstone, Renfrew, and Ralston Day Services are open serving the geographical areas of Renfrewshire. These services operate alongside community outreach and digital support.</p> <p>Demands on staffing have also increased due to those attending day services requiring more care and support and an increased staff to client ratio, and staff previously</p> | <p>N/A</p> | <p>Approve progression to options appraisal and impact assessment, including stakeholder engagement</p> |

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| <p>working in Falcon and Montrose Day Centres have moved to support this updated model.</p> <p>Current building-based service occupancy is 49%, underlining the need for a wider strategic review of services which will be enabled by this option.</p> <p>It is proposed that the ongoing closure of Falcon Day Centre is permanently confirmed, and the closure of Montrose Day Centre is maintained pending the final outcome of the Residential Care proposal. The remaining 3 building-based services will continue to operate alongside the community outreach and digital support models currently in place.</p> | | |
| 4. Non-recurring actions | | |
| Utilisation of a non-recurring reduction in employer contributions to the Strathclyde Pension Fund (agreed by the Strathclyde Pension Fund Board for all contributing Local Authorities) | £3.185m | Note proposals, with further detail to be brought to future IJB meeting as figures will be subject to change in line with financial position. |
| Utilisation of general reserves | £4.105m | |
| Utilisation and repurposing of earmarked reserves | £4.154m | |
| INDICATIVE VALUE SUB-TOTAL | £11.444m | |
| TOTAL INDICATIVE VALUE OF PROPOSALS | £14.717m | |

- 7.2. Should the IJB approve the proposals set out above, where the HSCP has identified the need for further options appraisal and assessment of potential impact, full Equality Impact Assessments (EQIAs) will be carried out and reflected in any final proposals which will be brought to the IJB for consideration in March 2024.
- 7.3. The HSCP will carry out further scoping to identify any further potential savings or income generation options arising from those areas within scope of the programme and set out within Stage 2 of the refined approach set out in this paper. These include:
- A review of the non-residential charging policy
 - Eligibility Criteria and SDS
 - Options for the provision of Community Meals
 - Options for the provision of Soft Facilities Management services within HSCP services.

7.4. Options identified will be brought to the IJB at its next meeting in January 2024 or subsequently to March 2024. However, it should be noted that charging policy and associated decisions on any changes to this policy remain reserved to Renfrewshire Council. Consequently, identified proposals for changes to non-residential charging will be brought to the IJB for agreement prior to being taken forward to the Council for consideration and approval (or otherwise) as part of budget setting meetings. A final position will subsequently be reported to the IJB.

8. Next steps – progression of options

8.1. Subject to the IJB's approval for the options identified for Residential Care and Day Support, the HSCP will progress to a process of further detailed assessment of the potential impact of the proposals.

8.2. This will be undertaken using an agreed options appraisal methodology and supporting criteria to ensure that impact on service users, staff, families and unpaid carers and any other key stakeholders (such as partner organisations, the third sector and independent providers) are consistently considered and that final assessments reflect the findings of the necessary Equality Impact Assessments (EQIAs) to be undertaken. The methodology will also capture any impact from options on the HSCP's ability to deliver against the IJB's Strategic and Workforce Plans and national policy expectations. The criteria and approach which will be used have been tested, refined, and agreed by the Sustainable Futures Programme Board.

8.3. The process for the development of the EQIAs and final options appraisal outlined above will reflect feedback received through engagement with key stakeholders. As set out in previous updates to the IJB, communication will reflect both programme and project level considerations (with tailored engagement plans developed for specific proposals). The HSCP will adopt a structured approach to engagement, providing a range of specifically arranged opportunities for stakeholders to engage, commencing in early December and running until the end of January 2024.

8.4. The above approach will be undertaken separately to existing fora to ensure clarity of purpose and will include, but not be limited to:

- Communication with service users, their families and carers potentially affected by the options outlined immediately following this meeting, reflecting the decisions made.
- Planned engagement sessions with service users, their families and carers on the proposed changes set out within the options identified, gathering feedback and understanding additional considerations which may influence implementation considerations.
- Focused engagement with staff teams within the services impacted by the options identified, supported by wider organisational updates to the HSCP's staff group through the Extended SMT, Leadership Network and wider communications.

- Engagement on proposals with Trade Union colleagues and Staff-side colleagues, in addition to oversight discussions held through Programme Board arrangements.
- Engagement with the IJB's Strategic Planning Group, through provision of an update on the programme position and engagement plans in December 2023, and a session with statutory members of the SPG in January 2024.
- An invite to members of the HSCP's Care Planning Groups to attend and participate in the formally planned engagement sessions noted above.

8.5. As noted above, further proposals and progress updates will be brought to the IJB for consideration from January 2024 onwards.

Implications of the Report

1. **Financial** – The financial implications of the options identified are set out within this paper. Subject to the IJB's approval to proceed with further assessment, updates on these options will be brought to the IJB in March 2024 for further consideration.
2. **HR & Organisational Development** – HR colleagues, alongside Staff-side and Trade Union colleagues are members of the Sustainable Futures Programme Board and forthcoming engagement on the options set out in this paper will include further discussion with these and wider representatives as required.
3. **Strategic Plan and Community Planning** – This paper aligns with the Sustainable Futures theme set out within the IJB's Strategic Plan 2022-25.
4. **Wider Strategic Alignment** – This paper also aligns with the IJB's Medium Term Financial Plan 2022-25.
5. **Legal** – All updates in this report are consistent with the HSCP's statutory duties and support delivery of the Public Bodies (Joint Working) (Scotland) Act 2014.
6. **Property/Assets** – Options set out have the potential to impact on the HSCP's existing use of property. Ownership of property currently utilised remains reserved to NHS GGC and Renfrewshire Council and engagement with these partners will remain ongoing.
7. **Information Technology** – No implications from this report.
8. **Equality & Human Rights** – Subject to the IJB's approval to proceed, options where appropriate and necessary will have a full EQIA undertaken.
9. **Fairer Scotland Duty** – Any implications on the Fairer Scotland Duty from the options identified will be captured and assessed as part of the EQIA process.
10. **Health & Safety** – No implications from this report.
11. **Procurement** – The options relating to contract management have been identified through ongoing application of commissioning good practice, including the regular audit review of existing commissioning arrangements.
12. **Risk** – Risks and issues arising from the contents of this report are tracked and managed on an ongoing basis and incorporated into reports to the IJB Audit, Risk and Scrutiny Committee as appropriate.
13. **Privacy Impact** – None from this report.

List of Background Papers: None

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Appendix 1: Visual Representation of refined approach

