

To: Renfrewshire Integration Joint Board

On: 31 March 2023

Report by: Head of Strategic Planning & Health Improvement

Heading: Delivering Sustainable Futures

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

1. Summary

- 1.1. A focus on Sustainable Futures is a core overarching theme within the IJB's Strategic Plan for 2022-25. This theme is focused on ensuring that available resources within the health and social care partnership (HSCP) are used effectively, whilst recognising that service reform and financial savings would be required to achieve this. This paper sets out the HSCP's proposed approach to achieving Sustainable Futures in the next financial year and future years within an extremely challenging financial context.
- 1.2. In doing so, further information is provided for the IJB on current financial pressures, and a range of savings proposals are set out, supported by proposed principles to guide the reform of HSCP services in coming months and beyond. The paper seeks the IJB's approval to proceed with the proposals outlined.

2. Recommendations

It is recommended that the IJB:

- Note the high-level financial context set out in section 3 of this report, and the approach which has been adopted by the HSCP to address the budget gap in 2023/24 and the projected gap in future financial years, in alignment with the IJB's Strategic Plan and Medium-Term Financial Plan (Sections 3 and 4);
- Approve the savings proposals set out within the context of the IJB's financial planning and budget setting for 2023/24 (Section 5); and
- Approve the direction of travel set out for the definition and implementation of service reform at the scale required (Section 6).

3. Background

3.1. The regular financial position reports presented to the IJB provide updates to members on the wider context for the IJB's financial planning and identify factors which can positively and negatively influence the IJB's financial position. Members will recognise a range of challenges which have been discussed on an ongoing basis:

- The impact of COVID on service provision over several years, and on service demand as we emerge from the pandemic.
- Recruitment and retention challenges, locally and nationally.
- Continuing pressures on health and social care services.
- The economic implications for national and local budget settlements as a result of:
 - The war in Ukraine coupled with Brexit and emergence from the pandemic.
 - The impact on supply chain availability and costs.
 - Energy price increases.
 - Inflation, interest rates and the cost-of-living crisis.

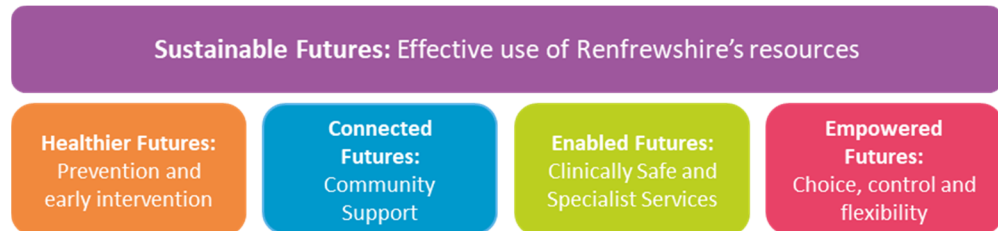
3.2. The update provided to the IJB in January 2023 set out a number of the budgetary pressures faced by the IJB. In many cases these pressures are driven or exacerbated by the contextual challenges set out above. They include but are not limited to:

- Contractual and cost pressures – relating for example to expected uplifts to the National Care Home Contract and contract renewals such as Supported Living.
- Significantly increasing prescribing costs; reflecting prescribing volumes now being on par with those experienced prior to the pandemic, as well as an unprecedented number of items being on short supply and a number of converging issues currently impacting on the price of drugs.
- The impact of nationally agreed pay awards.
- Maintaining leading performance in reducing delayed discharges, within the context of growing service demands.
- The Scottish Government's decision that PCIP reserves be drawn down prior to additional funding being provided, leaving a gap of £1.671m which required funding in 2022/23.

3.3. Reflecting the impact of the pressures set out above and those highlighted in the Chief Finance Officer's "**2023-24 Delegated Health and Social Care Budget**" (which follows this paper on the agenda) a significant budget gap is projected in 2023/24 and subsequent years. Planning is being undertaken based on a 'medium' case scenario, however high and worst-case scenarios have also been modelled to assess the potential extent of the budget funding gap for 23/24. Under the medium-case scenario, and prior to the agreement of any savings, a budget gap of **£9.452m** is projected for 2023-24.

4. Addressing the gap through our Strategic and Medium-Term Financial Plans: The role of Sustainable Futures

- 4.1. The IJB approved their Strategic Plan and Medium-Term Financial Plans, both for 2022-25, at their meeting in March 2022. These Plans were closely aligned and underpinned by five key themes which set out the IJB's objectives within a challenging financial context. These are set out in the diagram below:



- 4.2. As can be seen in this diagram, the Sustainable Futures theme is essential to the delivery of the IJB's wider objectives which focus on (i) prevention and early intervention where possible; (ii) supporting the people of Renfrewshire within their communities; (iii) ensuring services are safe and effective and (iv) enabling choice and control.
- 4.3. Our Sustainable Futures theme was defined to ensure that available resources in the health and social care system across Renfrewshire are used effectively, whilst recognising that further reform of services would be required alongside an ongoing focus on the delivery of savings within a challenging financial context.
- 4.4. The Medium-Term Financial Plan (MTFP) was developed concurrently with the Strategic Plan so that the linkages and dependencies between the IJB's strategic objectives and available resources was clearly set out and considered. In doing so, the MTFP identified scenario-based projections which set out the financial challenges facing the IJB in coming years. As is set out in Section 3 of this paper, several factors have combined to deepen these challenges and widen the budget gap projected in FY 2023/24 and beyond. In common with the Strategic Plan, the MTFP recognised that both savings and service reform would be required and extended the two-tier approach which had been adopted in previous financial years.
- 4.5. The uncertain and changing financial context has been under ongoing review by the HSCP's Senior Management Team (SMT) throughout the year. In doing so, further consideration has been given to how services are assessed and opportunities for savings or change categorised. This has resulted in a refined approach which builds on the two-tier method previously utilised. Heads of Service and service management teams now consider three key categories:
- **Protect:** identifying statutory services which must be delivered, alongside continuing to meet the needs of the most vulnerable in Renfrewshire, whilst recognising that there may be opportunities to implement new service models and make these services more efficient.
 - **Reform:** focusing on areas where service delivery models can be adapted and developed to meet changing demand and expectations

arising from policy and the impact of the pandemic. In doing so it may be possible to deliver financial efficiencies; and

- **Deliver savings:** focusing on non-statutory activity and considering whether existing provision is still financially sustainable and where levels of provision can be safely reduced. This includes seeking efficiencies through process improvement, vacancy/post management, contract management and day-today overhead costs.

4.6. Section 5 of this paper sets out the nature of savings and reform proposals which have been identified to close a proportion of the projected budget gap in 2023/24. It is recognised that the nature of savings identified to date will not fully meet the scale of the financial challenge or deliver the intent of Sustainable Futures. Consequently, further savings proposals will be brought to the IJB throughout the financial year. Alongside this, there will need to be an ongoing focus on service reform and the SMT has agreed a set of core principles to guide the nature of this change activity. Further detail is provided in Section 6 of this paper.

5. **Overview of proposed savings**

5.1. A number of savings proposals were identified during the assessment process but were discounted following review by Finance, HR, Professional Leads, the Data Standards and Assurance team or during initial shortlisting by SMT. This included consideration of the deliverability and level of risk associated with each proposal. Examples of those discounted during the process included a reduction in Technology Enabled Care posts and stopping delivery of a Paediatric AHP service.

5.2. However, our assessment of areas to be protected is likely to change given current budget pressures and previously discounted proposals may be brought forward to future meetings of the IJB for further consideration, as well as more challenging proposals which will undoubtedly influence the services we can deliver in the future.

5.3. Following review and shortlisting, proposals to a combined value of **£3.45m** (£2.49m for delivery 23/24 and £0.96m for delivery in 24/25) are submitted to the IJB for consideration. The below table illustrates how these proposals are apportioned across the health and social care budgets:

		RAG Rating			Total
		Green	Amber	Red	
Reform		£540,270	£460,000	£0	£1,000,270
Savings	Vacancy/Post Management	£541,627	£81,994	£221,024	£844,645
	General Efficiencies	£140,520	£9,498	£0	£150,018
	Process Efficiencies	£460,000	£0	£0	£460,000
	Contract Management	£35,189	£0	£0	£35,189
Total Identified for 23/24		£1,717,606	£551,492	£221,024	£2,490,122
Reform		£0	£0	£0	£0
Savings	Vacancy/Post Management	£179,670	£59,800	£137,293	£376,763
	General Efficiencies	£0	£0	£0	£0
	Process Efficiencies	£510,000	£0	£71,377	£581,377
	Contract Management	£0	£0	£0	£0
Total Identified for 24/25		£689,670	£59,800	£208,670	£958,140
GRAND TOTAL		£2,407,276	£611,292	£429,694	£3,448,262

5.4. In terms of the **Reform** proposals submitted for the IJB's consideration, these include:

- Shifting the balance of care to better support people to live safely and independently in their own homes through a reduction in nursing and residential care placements (£460,000); and
- Redesigning frontline Care at Home services through the regrading of lower grade Care at Home staff and investment in the further rollout of the Care at Home monitoring and scheduling system. The estimated cost of this redesign (£506,991) would be funded by a reduction in 18.72 FTE Care at Home vacancies (£540,270), leaving a balance of £33,279 to fund other pressures.

5.5. As noted in Section 4, **Savings** proposals include consideration of areas of vacancy/post management, general efficiencies, process efficiencies, and contract management.

5.6. **Vacancy/Post Management:** As noted in our Strategic and Medium-Term Financial Plans and covered in detail in the IJB's Workforce Plan 2022-25, ongoing recruitment and retention challenges persist across several services. Whilst we will continue the implementation of our Workforce Plan to address these challenges, due to ongoing recruitment challenges (which have been highlighted to members in previous meetings) the SMT recognise that there are a number of vacancies which the HSCP will continue to struggle to fill. Therefore, it is proposed that a combination of some of these vacancies, as well as vacant posts which have been identified by the SMT as low risk, can be removed from the current establishment. Additionally, the HSCP will consolidate posts where opportunities arise. Staff side and Trade Unions from NHSGGC and Renfrewshire Council have been updated on all vacancy / post proposals for their respective areas.

5.7. In addition to the Care at Home posts previously noted at Section 5.4, we anticipate the deletion of a further 29.22 FTE posts over the next two financial years, spanning both Health and Social Care. This equates to **1.2%** of the 2022/23 establishment. A summary of the posts to be deleted is below:

Category	FTE	Value
Health		
Nursing & AHP	10.50	£395,530
Business Support	5.00	£289,630
Social Care		
Social Care & Social Work	10.22	£379,095
Business Support	3.50	£157,153
TOTAL	29.22	£1,221,408

5.8. **General Efficiencies:** We anticipate making savings of approximately **£0.15m** through General Efficiencies over the next two years. These efficiencies will be generated from a number of budget lines including staff travel costs; patient transport costs; supplies and services, and capital minor works.

5.9. **Process Efficiencies:** Savings of **£1.04m** have also been identified through Process Efficiencies over the next two years. This includes:

- **£841k** relating to the continuation of the rolling review of adult care packages, to ensure support provided best meets the needs of individuals and adopts a strengths-based focus.
- **£200k** relating to the review of out of area placements, to ensure that all supported individuals receive the most appropriate care in their local area, consistent with priority of need and eligibility and inclusive of economies of scale, where possible.

5.10. **Contract Management:** Acknowledging the value and importance of third sector support in early intervention and prevention, we have sought to **Protect** these areas wherever possible. Notwithstanding, as part of our continuous review of existing contract arrangements, efficiency savings of **£35k** have been identified for delivery across the next two financial years.

5.11. The IJB is asked to approve the above noted proposals.

6. **Service reform: developing new ways of working to enable Sustainable Futures**

6.1. As is highlighted in Section 4 and 5 of this paper, both a rolling programme of savings and a process of ongoing service reform will be required to deliver 'Sustainable Futures' as set out in the IJB's Strategic Plan.

6.2. The HSCP's SMT have been working to consider the nature of reform which will be required, alongside ongoing prioritisation of existing change activity being carried out by the partnership. Critical to taking this forward will be the development of a consistent approach to determining and assessing the scope of reform and the development and testing of business cases for emerging proposals. The specific nature of reform taken forward will

necessarily vary between services and is subject to the IJB's approval of a budget for 2023/24 and the requirements of a supporting financial recovery plan. SMT have identified a number of core areas which will form the basis of these considerations. These are set out below, and the IJB is asked to approve this direction of travel:

- **Reviewing what accommodation we use, and how we use it**, reflecting changing demands and expectations of services and the importance of flexibly supporting people to live independently within their communities, as set out in the IJB's Strategic Plan. This also reflects (i) the models of care for day support paper agreed by the IJB in June 2021; and (ii) how changes in the demand for, and the balance between, care home and care at home provision have accelerated in recent years.
- **Reviewing existing eligibility criteria**, and assessing the need for, and impact of, updating eligibility to critical only from the current position of substantial and critical.
- **Focusing on the provision of statutory services**, working with partners to continue to support the most vulnerable in Renfrewshire and assessing where it is appropriate and necessary for provision to extend beyond this. Within the current and projected financial context, the breadth of services within scope of potential reform activity will be necessarily wide.
- **Assessing all elements of 'support' services** to ensure value for money is achieved and costs are reduced where possible, for example considering current demand for transport and the nature of provision of services such as facilities management.

- 6.3. Previous reports to the IJB have set out the important role of the HSCP's Care Planning Groups (CPG) in the strategic planning process. The CPGs facilitate and provide a forum for sharing information between service users, unpaid carers and services, and will provide opportunity for engagement on emerging proposals.
- 6.4. Section 5 above also notes that EQIA screening has been undertaken for the savings presented for the IJB's approval at this meeting. As further detail on the scope of service reform activity is developed, EQIA screening and full EQIA assessments will be carried out at the appropriate point within the reform process.
- 6.5. A further update on related activity will be brought the next meeting of the IJB in June 2023.
- 6.6. As highlighted throughout this report the IJB is operating in an increasingly challenging environment with the funding available insufficient to fund the levels of increasing demand and increasing costs of service delivery we are now facing. This therefore will have an impact on our ability to deliver on our Strategic Plan, what can be delivered and when. While Renfrewshire IJB and the SMT have committed to delivering on our Strategic Plan, it is imperative that we agree a realistic way forward ensuring that what we aspire to deliver is within the funding envelope available. This will require the IJB to prioritise

decisions for investment and disinvestment in order to deliver on our priority of a sustainable future.

Implications of the Report

1. **Financial** – The savings proposals identified in this paper have been assessed and quantified by the HSCP's finance team. The financial impact is set out in Section 5 and should be considered in conjunction with the Financial Reporting and Budget 2023/24 papers also provided at this meeting.
2. **HR & Organisational Development** – HR advice has been sought in the development of the savings proposals presented. In addition, the proposed approach to service reform will have HR and OD implications and these will be reflected in service design and implementation planning at the appropriate time.
3. **Strategic Plan and Community Planning** – This paper aligns with the key themes 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** – No implications from this report.
7. **Information Technology** – No implications from this report.
8. **Equality & Human Rights** – The recommendations contained within this report have been subject to EQIA screening in relation to their impact on equalities and human rights. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
9. **Fairer Duty Scotland** - No implications from this report.
10. **Health & Safety** – No implications from this report.
11. **Procurement** – No implications from this report.
12. **Risk** – Risks and issues arising from the contents of this report and 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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