
To: Renfrewshire Integration Joint Board

On: 26 March 2021

Report by: Interim Chief Officer

Heading: Strategic Financial Planning Update

1. Summary

1.1. This report updates IJB members on Renfrewshire Health and Social Care Partnership's (HSCP) financial planning approach for the 2021/22 financial year.

1.2. The report sets out proposals for savings to address short term financial pressures. It also provides an update on medium-term transformation, which will support financial sustainability. This approach was incorporated within the IJB's Medium-term Financial Plan (MTFP), approved by the IJB in November 2019.

2. Recommendation

It is recommended that the IJB:

1. Note the content of this report;
 2. Approve the savings proposals set out Section 8 of this report;
 3. Note that regular updates will continue to be brought to the IJB to report on financial planning and the development and evolution of the HSCP's approach to recovery and transformation.
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3. Financial Planning 2021/22

3.1. The IJB approved the Medium-Term Financial Plan for 2020/21 to 2025/26. This Plan set out the current assumptions and projected funding gap for the IJB over the next five years, including a range of potential outcomes based on potential future funding scenarios.

3.2. The Financial Plan also set out the IJB's two-tiered model for delivering the Medium-Term Financial Plan by addressing short-term financial pressures whilst in parallel introducing a more strategic approach,

focusing on the financial sustainability of the organisation in the medium term.

3.3. Tier 1 of the model focussed on initiatives designed to address short term-financial pressures. For 2020/21 this involved savings themed around general efficiencies, financial governance, payroll turnover, contract management, podiatry and integrated service redesign, to a value of £1.9m. These savings were to be delivered primarily by the end of FY 2020/21, with the remainder in FY 2021/22.

3.4. Tier 2 of the model was concerned with transforming how the HSCP delivers, in recognition of the need to make a step change in the way we work to ensure the sustainability of health and social care services in the future. A key element of this was the HSCP's transformation programme, which would enable a strategic approach to be take to the prioritisation of transformational activity, the review of current service provision and the design of future innovative service models.

4. COVID-19 Impact

4.1. The Medium-term Financial Plan and the two-tiered model for delivering this were developed prior to the COVID-19 pandemic. As a direct consequence of the pandemic, the progression of the transformation programme was severely disrupted. By necessity, in March 2020 the focus of the HSCP's activity shifted to emergency response and opportunities to move ahead with Tier 2 activity were significantly hampered.

4.2. Going into 2021/22 the challenges of responding to the pandemic remain with us. **Operationally**, the response to COVID-19 remains the organisational priority, with staff continuing to be deployed to other areas to support the emergency response and recovery where possible. **Strategically**, work to develop and implement a transformation programme, as set out in January 2020, has necessarily been paused. **Financially**, the significant level of service change required to respond to the pandemic has resulted in a substantial financial impact and created unprecedented financial complexities in the public sector as a result of new costs incurred through the response and additional funding streams from Scottish Government being created. These complexities are expected to continue over the medium term for at least the next few years and are further explored in the Financial Report submitted by the Chief Finance Officer to this session of the IJB.

5. Local and National Strategic Context

5.1. The ripple effect of COVID-19 will extend well beyond the active phase of the pandemic and the HSCP will continue to take steps to mitigate

this. Ongoing and future developments in the national and local strategic context will also have significant impact on the strategic and operational direction of health and social care services in Renfrewshire.

5.2. **Nationally**, the independent review of adult social care has set out wide-ranging recommendations for the future of integrated health and social care in future. A report outlining the recommendations from the review is provided to this IJB for consideration. The recommendations are focused on embedding a human rights approach to service provision and the improvement of outcomes for people who use services, their carers and families. These recommendations align with the principles of Self-directed Support (SdS), and the HSCP is committed to furthering the implementation of SdS locally, to ensure individuals have full choice and control over the services they receive.

5.3. **Locally**, the HSCP is committed to developing a new three year strategic plan which will align with the HSCP's guiding principles for transformation and underpin service transformation from 2022 onwards. In the short term, work has recommenced on change activity in the areas of learning disability, addictions and older people, proposals for which will be brought to a future IJB meeting. The proposals contained in this report have been produced with the above mentioned local and national strategic context in mind.

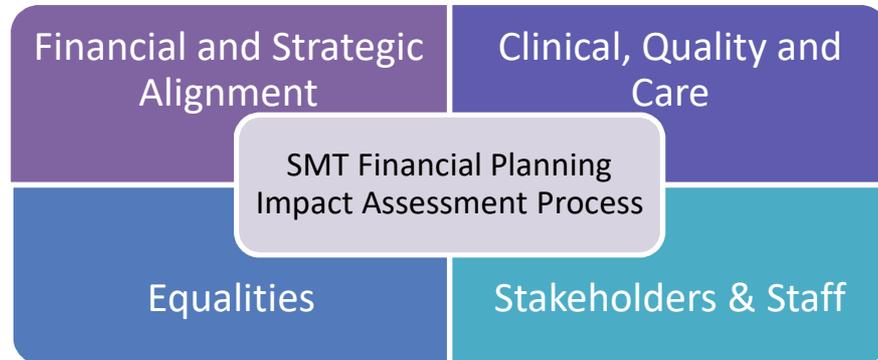
6. **Current Financial Position and the Importance of Transformation**

6.1. The projected year end outturn is a net underspend of £5m. This underspend is the result of multiple factors including ongoing challenges filling vacant posts during the pandemic, underspends in prescribing, and a reduction in care home placements reflecting the impact of the pandemic on this sector. Any underspend this year will be used to offset expected financial pressures in 2021/22 while the IJB develops and implements its transformation programme (when possible).

6.2. The proposals in this paper aim to contribute to addressing the 2021/22 financial pressures faced by the IJB and to ensure the IJB can meet its requirement to deliver financial balance. The savings identified for this year are necessarily of a smaller scale than would normally have been anticipated and proposed by the HSCP within the current financial context. This reflects both the need to pause transformational saving in March 2020 and the HSCP's ongoing focus on responding to COVID-19 across all service areas. However, it is expected that this will place greater pressure on future year savings targets, reinforcing the requirement to progress transformative activity and to carefully utilise unallocated reserves to balance the annual revenue budget position each year over the medium-term.

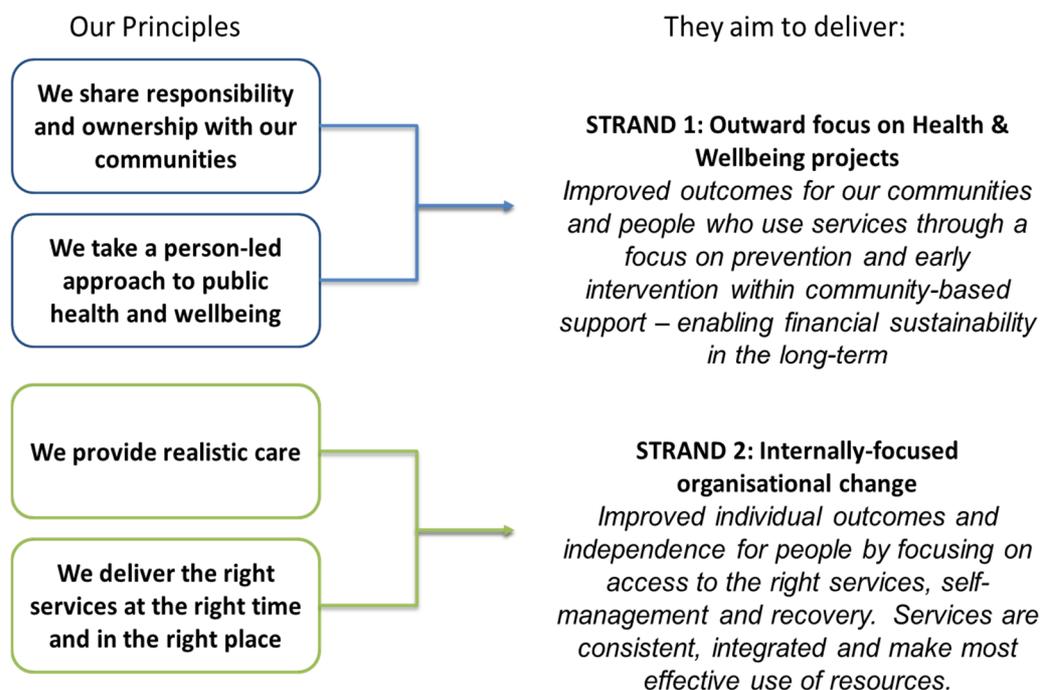
7. Development of Savings Proposals

7.1. A robust process has been undertaken in the development of these proposals and the assessment of each proposal has considered the potential impact across the four domains set out below:



7.2. Professional Leads have been consulted, where appropriate, and have agreed to the proposals put forward. Trade Unions and the Staff Partnership Forum have been appraised of the proposed savings, and the IJB has had prior sight and review of the proposals.

7.3. All proposals have been subject to an initial Equality Impact Assessment Screening (EQIA) by an Equality Officer and further work will be completed, where required, to ensure equality of opportunity continues to be core to service delivery. Furthermore, each of the proposed savings is aligned to one or more of the Guiding Principles formerly approved by the IJB in March 2020:



8. 2021/22 Savings Proposals

8.1. Section 3.3 above describes the Tier 1 approach set out in the Medium-Term Financial Plan, which focuses on identifying in year savings to address the budget gap. As has also been noted, Tier 2 of the plan was focused on delivering financial sustainability through transformational activity. As this work has been paused during the pandemic, the proposed 2021/22 savings represent a continuation of the Tier 1 savings approach. These savings are summarised in the following table. In total circa £885k savings have been identified:

Savings Theme	Proposed Saving 2021/22
Contract Management	£10,000
Service Redesign	£148,119
General Efficiencies	£527,650
Vacancy Management	£198,839
TOTAL	£884,608

8.2. The above categories:

Contract Management (£10k) – As part of our continuous review of existing contracting arrangements, efficiency savings have been identified with no direct impact to the level of care service users receive.

Service Redesign (£148k) – A range of proposals which will contribute to establishing more effective delivery models within services, reflecting current demands and objectives. This includes the remodelling of skill and grade level posts within service requirements. Where relevant, these proposals also reflect the continued implementation of recommendations arising from previous service review processes, for example through the development of existing Alcohol Day Support provision in line with the recommendations of the whole system review of Addiction Services.

General Efficiencies (£528k) – A range of proposals including the reduction of non-pay budgets due to efficiencies resulting from new blended ways of working implemented in response to COVID-19 and which are expected to remain in place.

These proposals also include the continuation of the rolling review of care packages to ensure support provided best meets the needs of individuals and adopts a strengths-based focus. In doing so, there is an opportunity to match operational activity to available resources more effectively whilst continuing to meet service user needs.

The rollout of our electronic Care at Home scheduling and case management system (Totalmobile) will also enable efficiencies to be

delivered, drawing on the experience and lessons learned through a previous pilot of the system

Vacancy Management (£199k) – taken together, the impact of COVID-19, and the continued implementation of Self-directed Support, have changed existing service delivery models. Ongoing assessment of these impacts has identified that a number of existing vacant posts will not be required in future, enabling the deletion of these from the establishment. This approach will also be used in support of ongoing work to maximise the focus on Health Improvement on capacity building and the provision of specialist advice.

8.3. Should it not be possible to agree necessary savings with the IJB which deliver a balanced budget in FY 2021/22 the Chief Officer, working with the Chief Finance Officer and the Senior Management Team, will require to effect the necessary management action to implement a financial recovery plan with immediate effect to manage the budget shortfall. These programme actions would include:

- The Chief Officer requiring to make all discretionary spend decisions in partnership with the relevant Head of Service;
- Suspension, where necessary, of ongoing development initiatives;
- Holding, on a temporary basis, any ‘non-frontline’ service vacancies. In doing so, only appointing to those posts which the Chief Officer considers to be a service priority. These decisions would be taken on an individual and fully risk assessed basis; and
- Review of all non-recurring monies and other budgets to determine where these can be used in-year to fund the budget shortfall.

Implications of the Report

1. **Financial** – the report outlines the continuation of Tier 1 savings and recommencement, when possible, of the Tier 2 Transformation Programme support the delivery of the Financial Plan 2020/21 to 2025/26.
2. **HR & Organisational Development** – there are implications for NHS and Council posts. HR, OD and Staff-side representatives have been engaged during the development of these proposals and will continue to work in close liaison with services throughout their implementation, and in the development of the transformation programme.
3. **Community Planning** – No implications from this report.

4. **Legal** – supports the implementation of the provisions of the Public Bodies (Joint Working) (Scotland) Act 2014. Legal guidance will be sought at appropriate junctures throughout the delivery of the Transformation Programme.
5. **Property/Assets** – property remains in the ownership of the parent bodies.
6. **Information Technology** – Digital has been identified as a key enabler of the required transformational activity. The implementation of Totalmobile aligns with this objective.
7. **Equality & Human Rights** – the proposals contained within this report place due regard on equality requirements and have been through the Equality Impact Assessment (EQIA) process.
8. **Health & Safety** – health and safety procedures will continue to be reviewed to ensure safe and effective joint working as integration progresses and service models develop.
9. **Procurement** – procurement activity will remain within the operational arrangements of the parent bodies.
10. **Risk** – any risks associated with proposals presented will continue to be monitored and managed through appropriate governance mechanism.
11. **Privacy Impact** – No implications from this report.

List of Background Papers – none.

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