

# Midlothian Integration Joint Board



Thursday 11 January 2018, 2.00 pm

## Achieving Financial Balance in the IJB

### Executive summary

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#### Item number:

This paper sets out the current challenges to achieving financial balance in 2018/19 for Midlothian IJB and sets out some initial proposals for delivering efficiencies in support of a balanced budget. The report notes the challenging position and acknowledges that the scale, pace and quantum of savings that is required goes beyond what has been achieved in previous years within the Partner organisations.

#### **Board members are asked to:**

1. *Note the projected deficit of the 'do nothing' option as a result of the growth and demand pressures across health and social care.*
  2. *Note that the current projections are based on information provided by Midlothian Council and NHS Lothian in advance of the Scottish Government's announcement of their financial settlement for 2018/19.*
  3. *Discuss and comment on the proposed high-level areas for transformational change and disinvestment to achieve financial balance.*
  4. *Agree to receive detailed information on all efficiency programmes at the March 2018 meeting of the IJB.*
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## Achieving Financial Balance

### 1. Purpose

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- 1.1 This paper sets out the current challenges to achieving financial balance in 2018/19 for Midlothian IJB and sets out some initial proposals for delivering efficiencies in support of a balanced budget. The report notes the challenging position and acknowledges that the scale, pace and quantum of savings that is required goes beyond what has been achieved in previous years within the Partner organisations.

### 2. Recommendations

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- 2.1 Note the projected deficit of the 'do nothing' option as a result of the growth and demand pressures across health and social care.
- 2.2 Note that the current projections are based on information provided by Midlothian Council and NHS Lothian in advance of the Scottish Government's announcement of their financial settlement for 2018/19.
- 2.3 Discuss and comment on the proposed high-level areas for transformational change and disinvestment to achieve financial balance.
- 2.4 Agree to receive detailed information on all efficiency programmes at the March 2018 meeting of the IJB.

### 3. Background and main report

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- 3.1 As set out in the Financial Strategy that was presented to the IJB, demand for health and social care services is increasing and the financial resources to deliver health and social care services are decreasing. Demand is driven by improvements in medical technology, increased public expectation and demographic changes that are placing considerable pressures on services.
- 3.2 The current position for Midlothian IJB, which should be noted predates the recent Scottish Government financial settlement for 2018/19, is a projected gap of £4.5m in 2018/19 against an overall budget of c.£123m. This position may change following revision of the financial model based on the settlement from Scottish Government however it is unlikely to change significantly and remains the working position to achieve financial balance.
- 3.3 There are a number of factors that need to be taken into account, including:
- Savings need to be achieved against a backdrop of rising demand, rising costs and rising expectations
  - Challenging areas around delayed discharge, unscheduled admissions, quality issues within care home, workforce issues, etc.

- Some services not currently delivering on budget in-year
- Acceptance that some work and services will have to stop
- Some services are outwith the direct operational management of the Health & Social Care Partnership
- Opportunity to build on what has been achieved through Realistic Care, Realistic Expectations
- Many good things happening and a track record of service transformation

3.4 In taking forward the efficiency programme, there is a need to remain focused on the overall aim of Integration and to deliver new models of care that better supports the population of Midlothian and improves outcomes. The framework below continues to be at the centre of service redesign & service transformation:

<b>Current Model</b>	<b>New Model</b>
Geared towards acute / single condition	Designed around people with multiple conditions
Hospital - centred	Located in local communities and their assets
Doctor dependent	Multi-professional and team - based care
Episodic care	Continuous care and support when needed
Disjointed care	Coordinated and integrated health and care
Reactive care	Preventive and anticipatory care
Patient as passive recipient	Informed, empowered patients and clients
Self-care infrequent	Self-management / self-directed support
Low tech	Technology enables choice and control

3.5 There is also a need to ensure that data is used to drive forward service improvements and to benchmark activity both internally and externally to better understand the capacity and capability for change.

3.6 The table below sets out the high-level areas for transformational change within Midlothian and acute services:

<b>Service Area</b>	<b>Analysis of Issue</b>	<b>Proposed Saving</b>
Reablement Service	Significant time spent on travel resulting in reduced productivity	£277,000
Prescribing	Costs are £6 per patient higher than Scottish average	£940,000
Homecare/Care at Home	External providers not delivering to the full contract	£900,000
Learning Disability Services	Reviews and assessments outwith recommended review period	£200,000
Bank & Agency (NHS)	Ongoing use of bank staff beyond vacancy coverage	£75,000

Agency & Standby (MLC)	Usage has reduced but still scope for further improvement	£75,000
<b>Service Area</b>	<b>Analysis of Issue</b>	<b>Proposed Saving</b>
Mental Health	Opportunity to move beyond bed-based model of care	£50,000
Acute Services	Redesign services to reflect shift in the balance of care <ul style="list-style-type: none"> <li>- Frailty</li> <li>- Diabetes</li> <li>- Respiratory</li> <li>- End of life care</li> </ul>	£540,000
Charging for Services	Scope to introduce charging to bring in to line with other areas	£300,000
Operational Management	Review and reduction of travel, non-pay and other costs	£50,000
Service Delivery	Service reviews to reflect changing models of care	£80,000
		<b>£3,487,000</b>

- 3.7 Whilst still high-level provides, there remains a gap of £1m on the required levels of efficiencies within Midlothian to achieve financial balance and further work is required to provide a detailed breakdown on the proposed high-level savings. A full report will be brought to the Midlothian IJB meeting in March 2018. This will also have the details of the revised settlement from Midlothian Council and NHS Lothian, which may impact on the overall budget for the IJB.

## 4. Policy Implications

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- 4.1 Whilst the main aim will be to consider delivering services differently through a transformational approach that will maintain service provision, the size of the savings required may impact on the effective delivery of the Strategic Plan.

## 5. Equalities Implications

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- 5.1 A full integrated impact assessment will be produced as part of the detailed report for the IJB to consider at the March meeting.

## 6. Resource Implications

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- 6.1 There will be a need to consider what resources and staffing is available to support delivery of the efficiency plans given the scope and scale of the changes required. This will be particularly relevant in working with acute services to drive forward service improvements to support a shift in the balance of care.

## 7 Risks

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- 7.1 The level of proposed savings that are required, against a backdrop of increasing demand, will risk compromising delivery of the Midlothian IJB

Strategic Plan, including the shift to a preventative approach and community capacity building to support early intervention.

## 8 Involving People

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- 8.1 There has been some initial consultation with members of the public through the Midlothian Council budget consultation exercise and the future models of care in terms of care at home has been discussed within Hot Topics, carers and service users. As the plans are developed, further engagement will take place across the Midlothian population.

## 9 Background Papers

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None

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<b>DATE</b>	3 January 2018

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