RISK, AUDIT AND PERFORMANCE COMMITTEE

Date of Meeting	25 February 2020
Report Title	NHS In Scotland 2019 – Audit Scotland October 2019
Report Number	*HSCP.19.104*
Lead Officer	*Sandra Macleod, Chief Officer*
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Consultation Checklist Completed	*Yes*
Appendices	a. *NHS in Scotland 2019 – Audit Scotland*

1. Purpose of the Report

1.2 The report published in October 2019 provides an overview of the NHS in Scotland and the realities and challenges of delivering healthcare in Scotland. The report sets out some of the key building blocks to underpin health and social care reform.

1.3 It also provides an assessment of the progress towards achieving the objectives of the five year Health and Social Care Delivery Plan (2016), some of the key aims being to shift care from hospital to the community, expand multidisciplinary working and improve access to care and treatment.

RISK, AUDIT AND PERFORMANCE COMMITTEE

1.4 The report includes a number of case study examples of good practice throughout and makes a number of specific recommendations for the Scottish Government, NHS boards and Integration Authorities (IAs).

2. Recommendations

2.1. It is recommended that the Risk, Audit and Performance Committee:

    a) Note the contents of this report

3. Summary of Key Information

3.1 The NHS in Scotland faces growing pressures due to changes in the population and increasing costs to deliver healthcare. People are living longer and many are living with long term conditions. Expectations are rising for the NHS to deliver high quality, timely and technologically advanced care.

3.2 The Scottish Government has a long-held ambition to deliver care closer to home and to reduce the demand for acute services. Healthcare reform is essential and health and social care integration including effective collaboration with key partners is a key pillar of delivering this change. Financial pressures are significant, and this makes it even harder to deliver the necessary reform.

3.3 One of the key building blocks put in place to support boards to make these changes was the Health and Social Care Medium-Term Financial Framework (MTFF) published in 2018 which set out the reforms required to ensure financial sustainability. A key element of this is around longer-term planning and makes it a requirement for NHS Boards to develop three year financial and performance plans. At the same time as the MTFF was published the Scottish Government also announced that *'boards will no longer be required to break even at the end of each financial year. Instead they will be required to break even over a three-year period.'*

3.4 Key to achieving the ambitions of health and social care reform is that this requires more investment in primary, community and social care with the aim that 50% of the savings released from the hospital sector is redirected to these areas. The release of savings from the hospital sector is

predicated on: increases in efficiency savings; reductions in A+ E attendances, in-patients and out-patients; and regional working and public health prevention strategies.

3.5   The report states that the pace of change to address the challenges through the integration of health and social care has been too slow. The Scottish Government first set out its ambitions for integration in 2005 in *Delivering for Health* and in 2014 legislated for health and social care reform to mandate for this change with the introduction of Integration Authorities (IAs) who were delegated the responsibility for planning, designing and commissioning primary and community care services. However, the report concludes that to date there is little evidence to demonstrate a real shift in spending and services from hospitals to community and social care.

3.6   One of the key recommendations of the report is that the Scottish Government needs to work with NHS, wider partners and the public to develop its new strategy for health and social care and that more needs to be done to ensure that staff are supported to deliver health and social care in a safe, fulfilling and respectful environment.

3.7   **Part 1 – How the NHS is Performing - Progress against delivery of the Health and Social Care Delivery Plan (NHS Scotland data from 2018/19):**

3.7.1   *Demand*
   - Demand for health services is at an all-time high
   - Rising demands for hospital care e.g. Accident and emergency attendances1.7 million - increased by 2.8% from previous year; increased number of people waiting for out-patient appointments; increased hospital admissions for planned and unplanned care and challenges remaining around delayed discharges
   - Scottish Government Waiting Times Improvement Plan introduced in 2018 with £850M being invested over two and a half years on staffing and capital projects

RISK, AUDIT AND PERFORMANCE COMMITTEE

3.7.2 Capacity/workforce

- 53% of revenue spending is on workforce
- Despite the ongoing pressures and changes taking place the NHS workforce remains committed to delivering high quality, safe and person-centred care
- Increasingly challenging to recruit enough people with the right skills
- Vacancy rates rising for Consultants (7.7%), Nursing (4.9%) and Allied Health Professionals (AHPs) (4.7%) – AHP vacancy rate is highest in Grampian at 9.1%
- Sickness absence 5.4%– NHS target is 4%
- Staff turnover 6.4%
- 22% of the workforce aged over 55
- Workforce needs to change and adapt to support more care in the community rather than in hospitals
- New GP contract – increases the role that GPs will have in planning and delivering health and care services and increase in the amount of time they have available to deal with more complex cases by developing multidisciplinary teams in primary care e.g. new roles in primary and community care as part of extended multidisciplinary teams – Pharmacists, Physiotherapists, Paramedics etc. Lack of data at the time of the report to be able to determine if these aims are on track or not
- Report acknowledges the challenges around supply, recruitment and risks of destabilising other parts of the system to achieve this
- Supplementary Staffing – this is increasing due to the challenges around recruitment and retention, sickness absence and pressures to meet waiting time targets and other service pressures and is a significant cost pressure – various initiatives in place to try and reduce this e.g. closer working with Higher Education Institutes (HEIs) to secure graduate entry employees, recruitment to alternative roles, oversees recruitment. Significant variation in spend across Scotland with the North region highest at £43 per 1000 population compared to £27 and £23 per 1000 population in the East and West of Scotland respectively. Some Boards have managed to reduce their costs, but this remains a challenge in a number of areas including Grampian
- Uncertainty over the impact of leaving the European Union (EU) on staff recruitment and retention – some professional bodies have already reported a decline in the number of applicants from other EU countries

RISK, AUDIT AND PERFORMANCE COMMITTEE

3.7.3 Performance

- Only two of the eight key national waiting times targets met by NHS Scotland: patients starting cancer treatment within 31 days and drug and alcohol patients seen within three weeks
- High degree of patient satisfaction e.g. 86% of people in hospital reported a positive experience of care
- Patient safety improving – Scottish Patient Safety Programme in place since 2008 has been key to this
- Reduction in length of stay in hospital
- Stabilisation of drug costs in 2017/18 – increasing use of generic medicines; switching from high cost drugs to suitable lower cost alternatives (biosimilar drugs); reducing the amount of drugs prescribed in primary care through regular medication reviews. NHS Grampian reduced its prescribing budget by £3.5M mainly through switching to lower cost alternatives.
- Uncertainty regarding impact of leaving the EU on medication supply and costs – significant contingency planning by UK and Scottish Governments to mitigate this
- Some examples of new and innovative models of service delivery including wider partners but overall the report concludes that the pace of change is too slow
- Quality and availability of health and social care data needs to improve to better understand the trends in demand and activity to determine how to use available resources most effectively
- Lack of data and information available to measure performance and outcomes. This is a particular gap in primary and community care and the report recommends this is addressed as a matter of urgency
- Creation of Public Health Scotland should support better population level data

3.7.4 Finance

- NHS Budget in 2018/19 £13.4 Billion – single biggest area of government spending (42% of the total budget and growing)
- £65.7million additional financial support needed for 4 NHS Boards in 2018/19 – there is a year on year increasing requirement for support from Scottish Government and over-reliance on one-off savings (50% of all savings are non-recurring)

- The level of planned savings that are 'high risk' (high likelihood that they will not be realised) is increasing
- The number of boards requiring external support to work with them towards achieving financial balance is increasing
- Without reform, the projected shortfall in health and social care funding by 2023/24 is predicted to be £1.8Billion
- NHS Boards delegate funding to Integration Authorities for certain health services and in 2018/19 52% of budgets were delegated.
- 63% reduction in capital funding (buildings and equipment) over the past 10 years and significant levels of backlog maintenance – the Scottish Government has committed to developing a national capital investment strategy and this report recommends that this is finalised and published as a matter of urgency
- Scottish Government have committed to a number of major capital programmes including; as part of the elective care centres programme to increase diagnostic and procedural capacity locally; the Baird Family Hospital and Anchor Centre at the Foresterhill Campus in Aberdeen
- Recent concerns related to health and safety issues in relation to high-profile new hospital builds. The report recommends that it will be essential to learn from these to inform future infrastructure projects

3.8 **Part 2- Achieving a Sustainable NHS - Key messages and recommendations from the report**

3.8.1 **A new strategy for health and social care from 2020** onwards is needed to deliver the health and social care integration ambition set out in the Scottish Governments 2020 vision and those initiatives that are most likely to achieve the reform needed must be identified and prioritised. There are many examples of initiatives that may or may not have contributed to the overall aims and this needs to be understood. The report also highlights that cultural change may be required to support new ways of working

3.8.2 **To reform health and social care requires changes to the NHS workforce** – at the time of this report the Integrated Health and Social Care workforce plan was not published – this was published in January 2020 *National Health & Social Care Workforce Plan*

RISK, AUDIT AND PERFORMANCE COMMITTEE

3.8.3 Workforce is critical to deliver the ambitions of integration and there are some significant challenges in key areas of workforce across Scotland. IAs are expected to provide workforce plans (not all IAs have done this) with Aberdeen City HSCP producing its first integrated workforce plan in 2019. There are plans to change the workforce in relation to the new GP contract and associated Primary Care Implementation Plans (PCIP) and at the time of this report it was unclear as to whether these would be achieved within the expected timescales.

3.8.4 **Importance of Leadership at a senior level –** there has been significant turnover in recent years in senior roles across a number of health boards with challenges in recruitment to key positions at this level in some areas. The NHS Leadership Academy suggests that Chief Executives should stay in post for at least five years to give organisations stability to support effective strategic planning. It also suggests that it takes Chief Executives between 15-32 months to transition into their role. These workforce challenges are being addressed including using value-based recruitment, new appraisal processes, better induction and professional development for non-executive directors and chairs, collaborative learning opportunities including Project Lift. However, the report concludes that it is too early to say whether these approaches are working and the position is now stabilising.

3.8.5 **Improvement in workplace culture** is a key priority following recent reports of bullying and harassment and the Scottish Government has committed to this through *Everyone Matters: 2020 Workforce Vision* published in 2013 and more recently the *Sturrock Report* published in 2019 which made specific recommendations that included: a requirement for person-centred leadership; working in partnership with and engaging with staff at all levels; improvements in governance; and improvements in the management of human resources processes. The government has established a ministerial led group to oversee that the recommendations are implemented and a review of all workplace policies including bullying and harassment is being undertaken. New legislation to create an Independent National Whistleblowing Officer for NHS Scotland is being put in place and NHS Boards have to appoint a Whistleblowing champion as part of the role of one of their non-executive directors. All boards now have to provide and assurance that they are aware of culture and behaviours in their organisation and plans to address any issues – NHS Grampian have recently carried out

a workforce survey which will be used as the basis of the local improvement plan and has established a culture working group to take this forward. In the partnership culture is part of the Organisational Development and Culture workstream.

3.8.6 **Senior Leaders should consider how they can improve engagement with frontline staff** – staff engagement is measured through the national iMatter staff experience survey which has been in place since 2015. Feedback has consistently rated lower two key areas: *how well staff are involved in decision making and the visibility of senior leaders*. Both of these domains align with some of the leadership and cultural issues highlighted in this report. In addition, staff feedback around bullying is measured via the biennial Dignity at Work Survey. This report recommends that the Scottish Government should consider incorporating questions relating to organisational culture and behaviour across the NHS within a single annual staff survey. Local initiatives in the partnership to address these areas include Integration conversations with the Chief Officer and Connections workshops.

3.8.7 **Pace of change is a recurring theme in the report.** In 2018 the Scottish Government, NHS Scotland and COSLA released a joint statement stating their shared commitment to integration with an emphasis on the need for pace. Audit Scotland in their report *Health and Social Care Integration: update on progress* identified 6 key areas that IAs and their Health and Local Authority partners needed to address:

Key features supporting integration:

1. **Collaborative leadership and building relationships**
2. **Integrated finances and financial planning**
3. **Effective Strategic planning for improvement**
4. **Agreed governance and accountability arrangements**
5. **Ability and willingness to share information**
6. **Meaningful and sustained engagement**

3.8.8 Reports from the external auditors of NHS Boards highlighted a number of challenges in relation to these in 2018/19: financial pressures; variation in planning arrangements between NHS Boards and IAs to plan services and

budgets; workforce pressures including availability of the right skills and experience; difficulties in finding time to support reform and integration while maintaining acute services.

3.8.9 The Ministerial Strategic Group for Health and Community Care (MSG) was commissioned in 2018 as a result of the concerns around the pace of health and social care integration and published its findings in February 2019 and set out a range of proposals under the above headings. All health boards, local authorities and IAs were required to complete a self-evaluation with update reports requested. This has been completed by Aberdeen City HSCP with regular updates provided to Scottish Government as part of the monitoring of progress towards health and care integration.

3.8.10 Digitalisation- the potential of this has yet to be maximised. The new Digital Health and Care Strategy was published in April 2018 and set out the priorities for the next ten years to support health and social care transformation and included: sharing information across health and social care; improving patient safety and coordination of care; supporting the redesign of services; building workforce capability. Key to this will be the new national health and social care digital platform, use of tools such as the electronic frailty index tool to support early identification and management of people with frailty, and technology to support virtual clinics and remote monitoring of illnesses – there is work underway in Grampian and in Aberdeen using Near Me to support patient care and reduce the need for face-to-face consultations. The partnership is also seeking to strengthen its leadership around Digitalisation.

3.8.11 Engaging with local communities when making changes to health and social care services – the report states that more needs to be done to increase public reporting and to involve communities in the planning and designing of changes to services. Good Governance self-assessments carried out by Health Boards in 2019 identified areas for improvement around communication and engagement strategies to support better inclusion. The Community Empowerment (Scotland) Act 2015 sets out the requirements for all public bodies to work with stakeholders when making decisions about services and to work in partnership with communities to support the co-design of services and improve outcomes. The Place Principle introduced by the Scottish Government and COSLA is also key in supporting collaboration and co-design of our communities. Our Locality Leadership

Groups were established to create a local interface between the partnership, services and the community and developed joint locality plans, adopting a co-production approach. This will evolve as we move to our three-locality model with new Locality Empowerment Groups being created and closer working with key community planning partners and the wider community. Revised partnership guidance around Community Engagement is currently out for consultation.

3.8.12 **NHS Governance -** NHS Boards are responsible for ensuring that health services are delivered safely, efficiently and effectively and good governance arrangements are essential to ensure sufficient scrutiny and assurance of financial and operational performance. The Scottish Government is currently carrying out a range of measures to strengthen these arrangements including piloting a standardised review of corporate governance – NHS Scotland's A Blueprint for Good Governance (February 2019). Key themes emerging for improvement are around: board member induction, skills and ongoing training and development; strengthening risk management arrangements; standardising corporate governance documents; and improving the timing and quality of reports submitted to the board. Within the partnership, work is ongoing to update the Board Escalation and Assurance Framework and specific work is underway to strengthen our risk management arrangements. During 2019 there was a review of our clinical and care governance arrangements and changes implemented as a result, and these are continuing to be refined and will be informed by the new Clinical and Care Governance guidance currently being developed by Scottish Government.

3.9 **Observations**

3.9.1 Our refreshed HSCP Strategy and ambitions are fully aligned to the national ambitions and the programme management approach, investment in leadership development, and the development of shared objectives are good examples of measures being put in place to support the change needed.

3.9.2 Localities development as set out in the recent Localities paper by the Chief Officer is a key priority with the development of our Locality Empowerment Groups along with the shared objective to develop integrated locality working.

3.9.3 Pace is a significant challenge for all – transforming our core business while delivering safe and effective services is a challenge that cannot be underestimated. Local workforce challenges makes this more challenging in

some areas. This is the most significant change to health and care since the inception of the NHS requiring significant cultural change and we must continue to recognise the importance of investing time and effort in winning 'hearts and minds' and creating the conditions to enable people to make the changes needed – a challenge for both the workforce and for people and communities and how we manage their expectations. Our plans to bring together our Service Managers to develop and support them to create the conditions necessary to support integrated locality working are a good example of how we are putting this into practice.

3.9.4 Our staff are our biggest asset and we use the annual iMatter survey to gauge staff experience and wellbeing and support this with a range of wellbeing initiatives. We need to be mindful of our culture and not be complacent. The recent Sturrock report and information from the recent self-assessments carried out by the health board should help us identify any areas for improvement.

3.9.5 Finance remains a challenge across the whole system. The partnership has a medium-term financial strategy in place and ongoing work to identify cost efficiencies through service redesign and specific strategies to manage areas of cost pressure such as locum/agency expenditure and redesigning our pathways and services through working differently

3.9.6 Understanding the demand coming into our services is critical and work is underway with community planning partners and within the partnership to better understand the demands we face and identify opportunities to manage some of this demand differently. This includes more emphasis on prevention and supporting self-management including opportunities to work with people, communities and the third and independent sector to meet needs in different ways in the future.

3.9.7 Strategic reviews of key service areas are underway and good progress has been made – work is well underway around Mental Health, Older People's pathway, Respiratory, and Palliative and end of life care, with the Rehabilitation review starting in April 2020. The outcomes of these reviews will be key to informing pathways redesign and how we use the resource across the system differently in the future in support of the intention to move away from hospital-based delivery to a community model of care.

3.9.8 The Health and Care Staffing (Scotland) Act 2019 will also need to be considered and the implications of this will inform our workforce planning and work is underway to develop the national guidance that will underpin the legislation.

4.   Implications for IJB

4.1.   Equalities - There are no implications on Equalities from the recommendations of this report.

4.2.   Fairer Scotland Duty - There are no direct implications to Fairer Scotland Duty from the contents of this report.

4.3.   Financial - There are no direct financial implications arising from the recommendations of this report.

4.4.   Workforce – There are no direct workforce implications rising from the recommendations of this report.

4.5.   Legal - *There are no direct legal implications arising from the recommendations of this report.*

5.   Links to ACHSCP Strategic Plan

Not Applicable

6.   Management of Risk

6.1.   Identified risks(s)

All risks are detailed throughout this report.

6.2.   Link to risks on strategic or operational risk register:

This report links strongly with risk 9 of the Strategic Risk Register;
There is a risk that if the System does not redesign services from traditional models in line with the current workforce marketplace in the City this will have an impact on the delivery of the IJB Strategic Plan.

RISK, AUDIT AND PERFORMANCE COMMITTEE

Approvals	
Sandra Macleod	Sandra Macleod (Chief Officer)
Alex Stephen	Alex Stephen (Chief Finance Officer)