



Item No. 9

Meeting Date **Wednesday 6th December 2017**

Glasgow City Integration Joint Board Finance and Audit Committee

Report By: Sharon Wearing, Chief Officer, Finance and Resources

Contact: Allison Eccles, Head of Business Development

Tel: 0141 287 6724

NHS IN SCOTLAND 2017 – AUDIT SCOTLAND

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| Purpose of Report: | The purpose of this report is to advise of the key findings of the Audit Scotland report 'NHS in Scotland 2017,' and the areas with updates where there is relevance to the Glasgow City Health and Social Care Partnership (GCHSCP) and Glasgow City Integration Joint Board (IJB). |
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| Background/Engagement: | 'NHS in Scotland 2017' is Audit Scotland's annual report on how the NHS in Scotland is performing, which was published on 26 October 2017. The full report and accompanying supplements are available at http://www.audit-scotland.gov.uk/report/nhs-in-scotland-2017 . |
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| Recommendations: | The IJB Finance and Audit Committee is asked to: a) note the contents of this report; and b) note an update will be provided in six months. |
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Relevance to Integration Joint Board Strategic Plan:

The NHS Scotland 2017 audit report and its recommendations are relevant to the IJB's strategic vision for health and social care services in Glasgow City as outlined in page 3 of the Strategic Plan, and in particular through designing and delivering services around the needs of individuals, carers and communities and by showing transparency, equity and fairness in the allocation of resources.

Implications for Health and Social Care Partnership:

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| Reference to National Health & Wellbeing Outcome: | The NHS Scotland 2017 audit report and its recommendations directly relate to what Integration Authorities are attempting to achieve through integration and ultimately through the pursuit of quality improvement across health and social care. Therefore all nine National Health and Wellbeing Outcomes are encompassed. |
| Personnel: | Audit Scotland makes a recommendation in relation to workforce planning. A joint three-year IJB Workforce Plan (2017-20) was approved by the IJB at its June 2017 meeting. |
| Carers: | A number of recommendations relating to the design and delivery of services will have a positive impact on patients, service users, carers and communities. |
| Provider Organisations: | None |
| Equalities: | No EQIA carried out as this report does not represent a new or revised plan, policy, service or strategy. |
| Financial: | Audit Scotland makes a number of recommendations in respect of resource planning, particularly in respect of capital investment strategy by Integration Authorities. |
| Legal: | Audit Scotland makes a number of recommendations that relate to the statutory functions of the IJB. |
| Economic Impact: | None |
| Sustainability: | None |
| Sustainable Procurement and Article 19: | None |
| Risk Implications: | None |
| Implications for Glasgow City Council: | Audit Scotland makes a number of recommendations that are relevant to the Council and NHS in the delivery of health and social care services. |
| Implications for NHS Greater Glasgow & Clyde: | Audit Scotland makes a number of recommendations that are relevant to the Council and NHS in the delivery of health and social care services. |

1. Purpose

- 1.1 The purpose of this report is to advise of the key findings of the Audit Scotland report 'NHS in Scotland 2017,' and the areas with updates where there is relevance to the Glasgow City Health and Social Care Partnership (GCHSCP) and Glasgow City Integration Joint Board (IJB).

2. Background

- 2.1 'NHS in Scotland 2017' is Audit Scotland's annual report on how the NHS in Scotland is performing, which was published on 26 October 2017. The full report and accompanying supplements are available at <http://www.audit-scotland.gov.uk/report/nhs-in-scotland-2017>. The overall aim of the audit is to assess how well the NHS managed its finances and performance against targets in 2016/17 and how well the NHS is adapting for the future.

- 2.2 The reports has two parts:

- 'The NHS in Scotland in 2016/17,' which examines how different parts of the healthcare system in Scotland currently performs and why healthcare needs to change and
- 'Achieving Change,' which identifies the progress being made and the barriers that urgently need to be overcome to ensure the NHS can continue to provide high-quality care in the future.

- 2.3 The findings are based on evidence from a range of sources including:

- the audited annual accounts and auditors' reports on the 2016/17 audits of the 22 NHS Boards in Scotland;
- Audit Scotland's national performance audits;
- NHS Boards' Local Delivery Plans (LDPs), which set out how Boards intend to deliver services to meet performance indicators and targets, as well as indicative spending plans for the next three years
- activity and performance data published by ISD Scotland, part of NHS National Services Scotland;
- publicly available data and information on the NHS in Scotland including results from staff and user surveys and
- interviews with senior officials in the Scottish Government, professional bodies and a sample of NHS Boards and Integration Authorities.

- 2.4 Audit Scotland reviewed service performance information at a national and Board levels with the aim of presenting the national picture and highlighting any significant variances between Boards. Focus was on a sample of key targets and standards, covering some of the main activities of the NHS. Where trend information is used, the selected time period was one where information was most comparable.

3. Audit Summary Findings

3.1 The primary finding from the audit is that significant activity is under way to transform Scotland's healthcare system, but a number of crucial building blocks still need to be put in place. The Scottish Government has had a consistent and long-standing vision of how it wants healthcare to look in the future. Its aim has been that everyone should live longer, healthier lives at home or in a homely setting by 2020. To achieve this vision, the way that people access and use health and social care services across Scotland needs to significantly change, services will need to be delivered differently and there will need to be a significant change in how people manage their own health.

3.2 In respect of primary and community care, the Scottish Government vision is that there will be a wider range of support available, with more healthcare being delivered in the community and, where possible, at home with:

- integrated multidisciplinary teams;
- quicker access;
- more joined-up care;
- better management of complex conditions in the community;
- more information and better specialist advice available locally, reducing the need to attend hospital and
- GPs will have a leadership role.

3.3 The four key messages from the report are as follows:

- every day the NHS provides vital services to thousands of people across Scotland. It has **a budget of around £13 billion each year**, equivalent to 43% of the overall Scottish budget in 2016/17. At some time in their lives, everyone in Scotland will use a service provided or funded by the NHS, from dentists and GPs to hospital services such as maternity and orthopaedics. In 2016/17, the NHS in Scotland employed almost **140,000 whole-time equivalent staff**, performed **1.5 million hospital procedures** and conducted an estimated **17 million GP consultations**;
- the NHS in Scotland is 70 years old next year. In the intervening decades since it was set-up demographic and health trends have changed significantly and demand for services has increased dramatically. We have reported many times on the challenges facing the NHS including **increasing costs, growing demand, and the continuing pressures on public finances**. In 2016/17, these challenges continued to intensify. Demand for healthcare services continues to increase and **more people are waiting longer to be seen**. For example, the number of people waiting for their first outpatient appointment increased by 15% in the past year and there was a 99% increase in the number of people waiting over 12 weeks. **Scotland's health is not improving and significant inequalities remain, while general practice faces significant challenges, including recruiting and retaining GPs and low morale**. In the face of this, NHS staff have helped maintain and improve the quality of care the NHS provides. Yet there are warning signs that maintaining the quality of care is becoming increasingly difficult. The findings

in this year's report illustrate why the way healthcare is planned, managed and delivered at all levels in Scotland must change;

- healthcare is likely to look very different in future. **Health and social care integration marks a significant change in how the different parts of the health and social care system work together and how the Scottish public will access and use services in future.** Yet the scale, complexity, and interdependencies of health and social care make achieving the changes needed a highly complicated and long-term undertaking. A number of factors provide a positive basis on which to build. Scotland has had a consistent overall policy direction in health for many years and there is broad consensus on the aim that everyone will be able to live longer, healthier lives at home or in a homely setting. Staff remain committed to providing high-quality care and there is a continued focus on safety and improvement. Levels of overall patient satisfaction continue to be high and the Scottish public hold the NHS in high regard. There are also early signs that changes in the way services are planned and delivered are beginning to have a positive impact. For example, delayed discharges have reduced in a number of areas and this provides opportunities for sharing learning across the country and
- there is no simple solution to addressing the issues facing the NHS and achieving the changes required. Previous approaches such as providing more funding to increase activity or focusing on specific parts of the system are no longer sufficient. Attention needs to focus on overcoming a number of barriers to change. Managing the health budget on an annual basis is hindering development of **longer-term plans for moving more care out of hospital.** It is still not clear how moving more care into the community will be funded and what future funding levels will be required. **A clear long-term financial framework** is a critical part of setting out how change will happen and when. **Culture change** is an essential part of transforming health and social care services. A different way of **involving the public and staff in how they access, use and deliver health and care services** is needed to help make the necessary difficult decisions. More information about how the NHS is working and the impact changes have on different parts of the system would help. For example, there are indicators measuring access to acute care services, such as hospitals, but there is little or no monitoring of activity levels and still little public information about primary care, such as GP practices, and community care.

3.4 Key points highlighted in Part 1, 'The NHS in Scotland in 2016/17' include:

- funding for the NHS continues to increase and accounted for 43% of the Scottish Government budget in 2016-17;
- lack of long-term planning and financial flexibility are barriers to moving more care into the community: NHS Boards made unprecedented levels of savings but failed to meet the overall planned savings target and NHS Boards' increasing use of one-off savings is unsustainable;
- rising operating costs continued to make it difficult for NHS Boards to manage their finances: most NHS Boards overspent on their pay budgets and agency costs continued to be high, backlog maintenance costs have reduced but remain considerable, spending on drugs continues to rise and clinical negligence costs have increased;

- previous approaches of treating more people in hospital and speeding up treatment are not sufficient any more and a different approach is needed;
- there are signs that the NHS' ability to maintain quality of care is under pressure and this needs to be closely monitored;
- Scotland's health is not improving and significant inequalities remain (for example, life expectancy is lower than most European countries and drug-related deaths have increased and are the highest in the European Union) and
- general practice is central to the changes that are needed to the healthcare system but difficulties in recruiting and retaining GPs and low morale are among many challenges.

3.5 Key points highlighted in Part 2, 'Achieving Change' include:

- the national Health and Social Care Delivery Plan sets out the main ways the Scottish Government aims to achieve change;
- Integration Authorities are beginning to have a positive impact but challenges remain (for example, budget-setting, development of clinical governance processes and development of agreed financial reporting timescales)
- progressing 'realistic medicine' will support the culture change necessary to transform healthcare (that is, putting the person receiving health and care services at the centre of decision-making, creating a personalised approach to their care and promoting responsibility for looking after one's own health)
- action is needed as a priority in several key areas if meaningful change is to happen including governance arrangements for overseeing activity and scrutiny; financial framework for moving healthcare into the community; strategic approach to capital investment and developing health and social care facilities; workforce planning and staff involvement; agreeing the new GP contract with more care in the community; open and regular involvement with local communities in the design of services; more information available to staff and communities to support their involvement and shared commitment and actions by all parts of the public sector to improve the health of the public in Scotland

3.6 For the 2016-17 financial year, NHS Greater Glasgow and Clyde had a core revenue outturn of £2,273.3m, and reported £69m in total savings. Thirty-three percent of savings were non-recurring. The Scottish Government allocates most funding to NHS Boards according to a formula developed by the NHS Scotland Resource Allocation Committee (NRAC), which is based on a number of factors including population size, age and gender profiles and deprivation. Since the formula was introduced in 2009-10, the Scottish Government has been working towards ensuring that by 2016-17 no NHS Board would be more than 1% below their target allocation. NHS Greater Glasgow and Clyde was 1.6% above parity.

3.7 The following table sets out NHS Greater Glasgow and Clyde's performance against key Local Delivery Plan standards for 2016/17. Six of the eight standards were missed, two of them were met. Nationally, only one of the standards were met.

NHSGGC Performance Against Key LDP Standards for 2016/17

| Measure | LDP Standard | National Total | NHSGGC |
|---|---------------------|----------------|--------|
| Child & Adolescent Mental Health Services, patients seen within 18 weeks | 90% | 83.6% | 98% |
| Drug and Alcohol Treatment, patients seen within 3 weeks | 90% | 94.9% | 96.8% |
| Referral to Treatment, patient journeys within 18 weeks | 90% | 83.2% | 89.7% |
| Referral to Outpatient Appointment, patients waiting less than 12 weeks | 100%; 95% (interim) | 80.7% | 86% |
| Inpatient/Day Care Treatment Time Guarantee, patients beginning treatment within 12 weeks | 100% | 82.2% | 87.2% |
| A&E, patients seen within 4 hours | 98%; 95% (interim) | 93.8% | 90.7% |
| Cancer Referral to Treatment, patients beginning treatment within 62 days | 95% | 88.1% | 83.3% |
| Cancer Decision to First Treatment, patients beginning treatment within 31 days | 95% | 94.9% | 93.9% |

4. Audit Scotland Recommendations and Update

4.1 The audit made nine recommendations, directed to the Scottish Government, NHS Boards and/or Integration Authorities:

- **four recommendations are directed to the Scottish Government**
 - develop a financial framework for moving more healthcare into the community, which identifies the anticipated levels of funding available for future years across the different parts of the healthcare system and how funding is anticipated to be used differently across NHS Boards and Integration Authorities to change the way services are delivered;
 - develop a longer-term approach to financial planning to allow NHS Boards and Integration Authorities flexibility in planning and investing in the longer-term policy aim of developing more community-based services;
 - develop a robust governance framework for delivery of the Health and Social Care Delivery Plan, including setting out current and planned work; developing specific actions, targets and timescales; clarifying lines of accountability and decision-making between stakeholders and improving transparency by including performance measures with quality of care indicators and
 - work together to develop a consistent way of measuring and reporting savings to ensure that it is clear how Boards have planned and made savings, and what type of savings they have made

- **one recommendation is directed to the Scottish Government in partnership with NHS Boards**
 - work with the entire public sector to develop a shared commitment to, and understanding of their role and interrelationships in improving public health and reducing health inequalities.

4.2 **Four recommendations are directed to the Scottish Government in partnership with NHS Boards and Integration Authorities**, and an update is provided for the GCHSCP and IJB in relation to them. They are outlined within the following table.

| Recommendation | Update |
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| To provide the foundations for delivery of the 2020 Vision and changing the way healthcare services are provided | |
| 1. Develop a capital investment strategy to ensure the NHS Scotland estate is appropriate for delivering more regional and community-based services. | <ul style="list-style-type: none"> • a five-year IJB Property Strategy (2017-22) with an action plan has been developed, and was approved by the IJB at its November 2017 meeting, making sure that the use of property supports the aim of delivering high-quality, effective health and social care services to people in their own communities • a Property Strategy Board has been established to progress the Strategy, chaired by the Chief Officer, Finance and Resources and attended by key stakeholders from the GCHSCP, the Council Family and NHSGGC |
| 2. Continue to develop a comprehensive approach to workforce planning that reflects forecasts of future staffing and skills requirements to deliver changing models of healthcare provision at regional, local and community level and provides a clear breakdown of transitional and future costs to meet projected demand through additional recruitment and training. | <ul style="list-style-type: none"> • a joint three-year IJB Workforce Plan (2017-20) has been developed, and was approved by the IJB at its June 2017 meeting, supporting the GCHSCP to deliver the IJB's Strategic Plan priorities and ensure appropriate staffing arrangements are in place, within the context of the GCHSCP's and IJB's transformation programme • elements of the Workforce Plan are progressed, monitored, reported and/or scrutinised within the GCHSCP via the Chief Officer-led Integration Transformation Board, SMT, Staff Partnership Forum and other stakeholder forums and IJB Finance and Audit Committee |
| To promote the culture change necessary to move to new ways of providing and accessing healthcare services | |
| 3. Continue to work with the public, local communities and staff to develop a shared understanding and agreement on ways to provide and access services differently. | <ul style="list-style-type: none"> • an IJB Participation and Engagement Strategy has been developed, and was approved by the IJB at its October 2016 meeting with an associated action plan approved by the IJB Public Engagement Committee at its November 2016 meeting |

| Recommendation | Update |
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| | <ul style="list-style-type: none"> • there has been the development and establishment of Locality Engagement Forums within each of the GCHSCP's localities (North East, North West and South) (2017), so that patients, service users, carers and their representatives, linked with local established forums, groups and networks, can inform and influence the planning and delivery of health and social care services at a local level to reflect local priorities • draft one-year Locality Plans for North East, North West and South were considered by the IJB at its April 2017 meeting • summary updates on stakeholder engagement activity by the GCHSCP have been reported to the IJB Public Engagement Committee at its March and November 2017 meetings • draft good practice guidelines have been developed for consultation activity undertaken on behalf of the GCHSCP and IJB to ensure effective consultation; planned to be considered by the IJB Public Engagement Committee at its November 2017 meeting |
| <p>4. Work together to embed the principles of 'realistic medicine' in the way they work, monitor progress in reducing waste, harm and unwarranted variation; and creating a personalised approach to care.</p> | <ul style="list-style-type: none"> • principles of 'realistic medicine' broadly in congruence with vision, principles and priorities set out in the ADP Prevention, Harm Reduction and Recovery Strategy 2017-20 (approved by the IJB at its June 2017 meeting); Falls Strategy 2017-20, Sexual Health Strategic Plan 2017-20 and draft Palliative and End of Life Care Plan (approved by the IJB at its September 2017 meeting); Transformational Change Programmes for Children and Adults (approved by the IJB at its November 2017 meeting) and Criminal Justice and Community Justice work (reported to the IJB at its November 2017 meeting) • Transformational Change Programme for Adults planned to be considered by the IJB at its January 2018 meeting |

5. Recommendations

5.1 The IJB Finance and Audit Committee is asked to:

- a) note the contents of this report; and
- b) note an update will be provided in six months.