For Information

HEALTH AND SOCIAL CARE DELIVERY PLAN

NATIONAL PROGRAMME BOARD

Key Groups Organogram

Purpose

1. To provide the National Programme Board (NPB) an organogram setting out the key strategic groups for HSC Delivery Plan.

Background

2. The NPB agreed the following action at its first meeting:

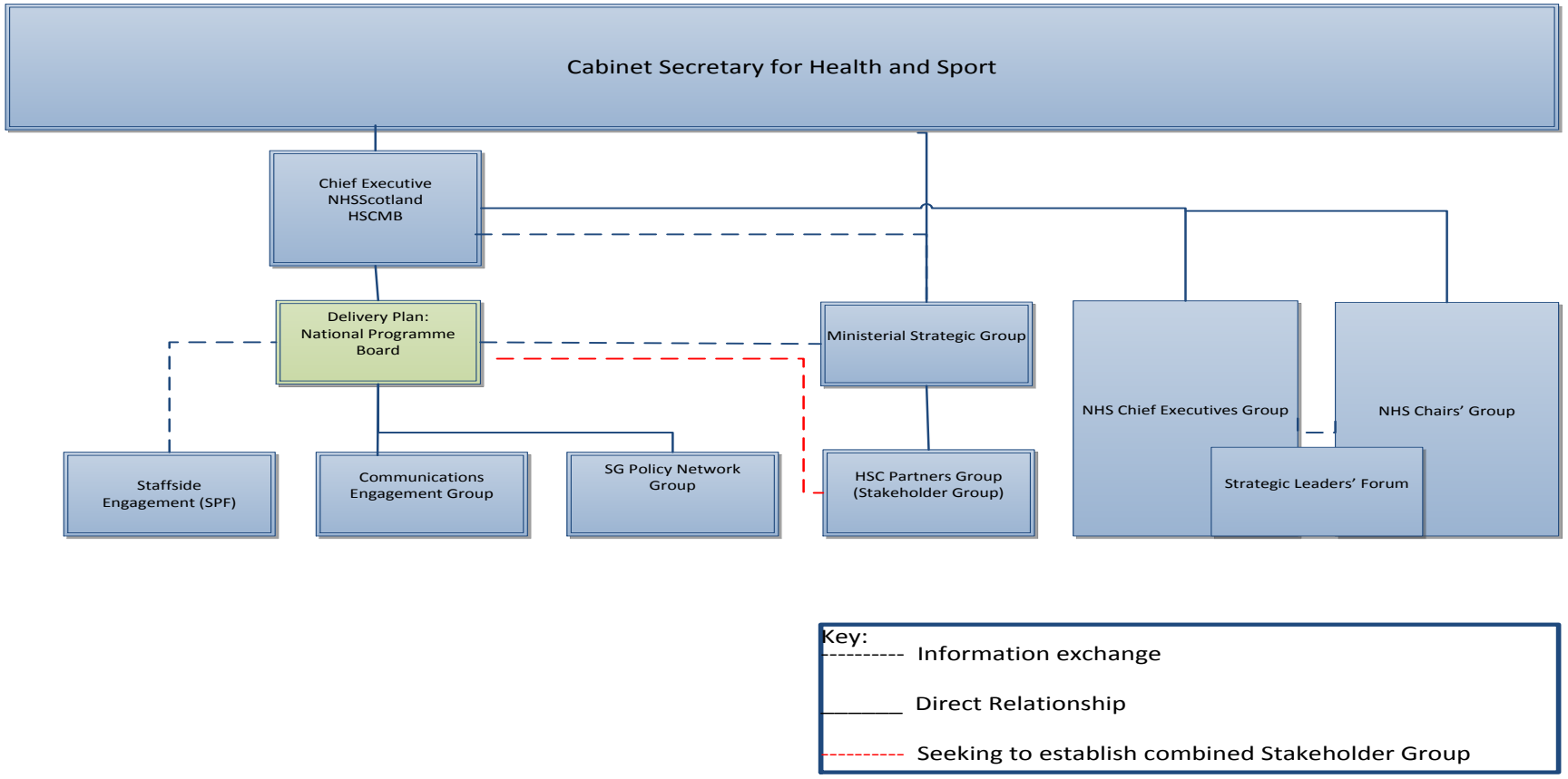
- Action 4: Strategic Change Division to produce a governance organogram setting out where the Programme Board sits in the wider Health and Social Care landscape and who it reports to.

Recommendation

3. The Programme Board is asked to note the organogram and provide any comments to [Redacted]

Secretariat
20 July 2017

Delivery Plan National Programme Board – HSC Key Groups Structure



1. Programme Manager Summary

Health and Social Care Integration

- The programme of work **to deliver change in the adult social care sector** continues in partnership with COSLA and other partners. Activity to review the National Care home terms and costings activity is on track for completion by October 2017, which will support the negotiation process (Nov to Mar 18).

National Clinical Strategy

- **Primary Care Recruitment** is progressing well with the first 40 **Links Workers** on track to be delivered, **200 Paramedics have been** recruited in 2017-18 and **over 90% of the 1,082 Scottish GP training places** have been filled. By the end of this parliamentary period all GP practices are on track to have access to a **pharmacist** with 116 pharmacists and 21 pharmacy technicians recruited to date. The **GMS contract** activities remains on track however the plans and timetable for Primary Care Transformation depend upon the BMA voting for the new contract and there are significant risks associated with this activity.
- Health Facilities Scotland (HFS) was engaged in June 2017 to provide technical support to the **Elective Strategy Programme**. A joint assurance review of individual Projects is underway by the Programme Team and HFS. The initial findings of the work are that the Programme overall should be deliverable by 2021 timeframe. Transformation of elective services is **inter-dependent** on **regional plans** for how elective services will be delivered in the future. A major proposal for a new national collaborative to establish consensus and support from key professional bodies and the service on changed models of care and appropriate demand management for elective services.
- On track to deliver key **Realistic Medicine** commitments including the refresh of the Health Literacy plan and the review of guidance on consent. However, the commitment to embed Realistic Medicine principles in lifelong learning and medical education and the commitment to produce a national Atlas of Variation will require funding/ resources and robust project plans to be put in place and monitored, if these commitments are to be delivered on time (by March 2018). This has resulted in the Realistic Medicine activity being at a Red status this month.

Public Health Improvement

- Majority of the **Public Health Improvement** activity is at a Green status. Good progress is being made on developing **shared priorities** for public health which remains on track to publish a set of high level priorities by the end of this year.
- The **Active and Independent Living programme** was launched as scheduled in June 2017.

Overall RAG Status

AMBER

Board Reform

- Good progress on the development of outline **Regional and National Plans** – further information will be provided by the Implementation Leads at the Programme Board meeting as a substantive agenda item.
- Good progress made with the **Leadership and Talent Management** activity, with a toolkit under development for Values Based Recruitment, and a digital platform established for scoring purposes, linking with the wider shared services activity. A Leadership event to showcase the new approach to L&TM is being scheduled for Nov 17.

Cross Cutting Activity

- **The Health and Sport Committee (H&SC)** is carrying out a review of Technology and Innovation, and will report early in 2018. The **Digital Health and Care Strategy**, which underpins elements of Health and Social Care Delivery Plan will therefore be drafted by the end of 2017, and will then take the H&SC report into consideration as part of the wider consultation prior to finalising the Strategy by the end of March 2018.
- Good progress is being made to engage stakeholders to ensure join up across sectors – NHS, academic, industry, government - to stimulate and support **innovation** in health and life sciences which delivers both health gain and economic development. Decisions about **funding for innovation** have still to be made, which has **delayed progress** in taking forward the specific tasks set out in the Delivery Plan.

2. Governance and Assurance

- Draft Programme Risk Log established.
- Initiated standard status reporting.
- Establishing close working relationship with Scottish Government's PPM Centre of Expertise. Discussions to agree most appropriate governance structure for the H&SC Delivery Plan underway.
- Early engagement with Scottish Government Internal Audit to discuss governance structure and independent assurance opportunities.
- Meeting with Audit Scotland arranged (late August) to discuss programme structure and status.
- The Oversight Board to guide the work to establish National Public Health Priorities and the creation of a single Public Health Body has been established, and held its first meeting,
- Modern Outpatients Programme Board currently being established with an NHS Board CEO to act as co-Chair
- Sharepoint site established as part of creation of H&SC DP Programme Management Office

3. Summary of Key Activity

Health and Social Care Integration

The Health and Social Care Integration pillar focuses on the reduction of acute bed days; adult social care reform; and encouraging Active and Independent Living

<u>Current Position</u>

- Dedicated agenda item regarding IJB Commitments at August Programme Board.

Adult Social Care

- Work to reform the National Care Home Contract is on-going and led in partnership with COSLA and Scottish Care with support from other key stakeholders;
- Care at Home stakeholder interviews (phase one) completed, phase two (following up with a selection of IJB Chief Officers) underway. Literature review and findings of field work completed and with reference group for comments. Project Officer working on final report and collecting further evidence from IJB contacts. Estimated publication of the report end October 2017;
- Early consultation with a wide range of stakeholders regarding Self Directed Support resulted in an initial paper exploring barriers and enablers which was discussed with a reference group of key stakeholders on 16th May 2017. The reference group identified two areas of priority for the project from five themes initially identified: Self-directed Support and Procurement, and Leadership and Self-directed Support. Work is underway to scope out the relevant activities.

<u>Next Steps</u>

Agree key milestones that will be reported against for Shifting the Balance of care activity

Adult Social Care

- National Care Home Contract terms and costings activity on track for completion by October in order to support negotiation process from November to March 2018;
- Care at Home report to be finalised;
- Develop Self Directed Support and Procurement programme for commencement Oct 2017;
- Develop Research Brief to support leaders within H&SC Partnerships / Integration Authorities review the qualitative impact of SDS on individuals with the economic impact on Integration Authorities.
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Status: Amber

<table>
<tr><th colspan="2">NCS – Primary and Community Care</th></tr>
<tr><td colspan="2">The key areas that need to be addressed in order to effect transformational change in Primary and Community Care can be categorised as follows: Building Capacity, including Workforce Modelling and Infrastructure; and Developing New Models of Care, including implementing a revised GMS contract; and the testing of new ideas, connecting to the wider Primary and Community Care services. This will support the aim of treating more people within the community rather than in hospital based services wherever this is appropriate.</td></tr>
<tr><td>Current Position
Building Capacity
• Creation of the GP Sustainability Milestone Plan is behind schedule (originally scheduled for July).
• Workforce recruitment is underway an remains on track.
• Revised premises direction and code of practice on track (Oct).
New Models of Care
• Funding letters to IJBs to facilitate tests of change were issued to Chief Officers ahead of schedule.
• HIS have been commissioned to monitor funded pilots.
• Report on GP Earnings and expenses has been finalised and the remaining GMS contract activities remains on track.</td><td>Next Steps
Building Capacity
• GP Sustainability Advisory Group continues to deliver on actions. Development of an Interface product to be delivered by RCGP in partnership with SG. Development of Sustainability Action Tracker and Programme Plan in progress (due October).</td></tr>
<tr><td colspan="2">Status: Amber</td></tr>
</table>

NCS – Acute and Secondary Care	
The aim of this pillar is to improve secondary and acute care through a number of key areas including improving Scheduled Care and Cancer Care; reducing Unscheduled Care; improving Outpatient Services; and improving Cancer Care.	
Current Position **Improving Scheduled Care** • Establishment of the Phase 1 Initial Agreements for new Elective Centres is on track for the end of 2017. Detailed timeframes and progress milestones for each project are in the process of being reviewed as a joint exercise with the Elective Care Programme Team and Health Facilities. • Cancer Registry Governance framework and project steering group established. Key Project Team staff in place and 4 workstream teams established. • Options are being developed to support local systems deliver improvements in same day surgery, through the FLOW programme in order to release inpatient bed days through theatre optimization, pre-admissions, and enhanced recovery **Reducing Unscheduled Care** • On track to implement Dynamic Daily Discharge in every acute and community hospital, with dedicated team being recruited to lead activity (Sept) • The National survey to explore community based initiatives to reduce referral to acute care and A&E has now been drafted and is scheduled for August. **Improving Outpatient Services** • Eight workstreams have been identified and are being scoped out • NHS Boards are producing local plans to reduce outpatient referrals	Next Steps **Improving Scheduled Care** • Produce detailed timeframes and progress milestones for each Elective Centre project (Sept) • Review the sequencing of Outline and Full Business Cases to support the Elective Centre activity and confirm the timelines to deliver the East Region Programme in 2021. • Continue to engage with NHS Boards to support the FLOW programme **Cancer Programme** • Agree funding for Cancer Registry and establish prototype dashboard. **Reducing Unscheduled Care** • Complete recruitment of dedicated team to lead Dynamic Daily Discharge activity. • Update survey with feedback from key partners and issue **Improving Outpatient Services** • Hold first meeting of Programme Board, and establish milestone plan •
Status: Amber	

NCS – Realistic Medicine	
There are two key priorities within the Realistic Medicine activity – strengthening relationships between professionals and individuals; and reducing the unnecessary cost of medical action.	
Current Position • Initial discussions held with key stakeholders to coproduce a Framework of Realistic Medicine principles & values, based on the 6 questions the CMO asked in first Realistic Medicine annual report. The stakeholders will then be asked to provide evidence that their training programmes are aligned with the Framework (Amber status). • Indications from the Carter Review in England suggest that potential savings of up to 9% of the total cost of acute trust hospitals could be made by eliminating unwarranted care variation (this would equate to c.£500m in Scotland). For these savings to be achievable investment is required in the work to reduce unwarranted variation including developing the atlas, demand optimisation and point of care testing. (Red status)	Next Steps • Further work will be undertaken to develop/ coproduce Framework content and agree how to ensure that training programmes adhere to it. • Agree how the Atlas of Variation work will be funded, taken forward and maintained.
Status: Red	

Public Health Improvement

The key priorities of the Public Health Improvement pillar are to identify national Public Health Priorities and establish a new National Public Health Body, and to address public health issues including Drugs, Alcohol, Diet and Obesity, and Smoking.

Current Position

Supporting National Priorities

- A joint NHS / Local Government facilitated session took place in April and a follow-up logic modelling session will take place towards the end of August.
- Good progress is being made on developing shared priorities for public health - remain on track to publish a set of high level priorities by the end of this year.
- Oversight Board to support National Priorities and to govern the creation of a single Public Health Body established and held first meeting.

Public Health Issues

- Cabinet discussion of the Diet and Obesity Strategy is expected in early September 2017,

Supporting a More Active Scotland

- Further work is needed to gain consensus amongst stakeholders for the new Delivery plan to support the Active Scotland outcomes framework, resulting in the due date moving to December 2017,

Mental Health

- Implementation Plan is being established.

Independent Living

- The Cabinet Secretary for Health and Sport launched the new Active and Independent Living Programme at the NHS event in June 2017.

Next Steps

Supporting National Priorities

- Commence formal engagement on the outputs from the logic modelling session (mid-September onwards).
- Oversight Board review the Outline Business Case for a single National Public Health Body (end of September).

Public Health Issues

- Advice to illustrate the scope of possible measures to restrict marketing of High Fat, Sugar and Salt foods will be developed with industry policy colleagues, and further soundings from industry will be taken at a meeting with trade bodies on the 23rd August.
- Announcement of refreshed Substance Misuse Strategy (Sept 2017)
- Outcome of Alcohol Minimum Pricing court case due (Oct 2017)
- Refreshed Alcohol Framework published (Dec 2017)
- Tobacco-free target milestone 2016 (October 2017)
- Publish Tobacco Control Strategy (April 2018)

Supporting a More Active Scotland

- A revised approach will be taken to create the Delivery Plan.

Independent Living

- The draft implementation plan will be considered by the Ministerial Steering Group for Health and Community Care in December 2017.

Status: Green

<table>
<tr><th colspan="2">Board Reform</th></tr>
<tr><td colspan="2">The most significant element of the Board Reform pillar is to review the functions of existing national NHS Boards to explore the scope for more effective and consistent delivery of national services; and the support provided to local health and social care systems for delivering services at a regional basis. A further priority is to ensure that current leaders are equipped to drive the changes required, and ensure sustainability of approach by identifying the next cohort of future leaders of NHS Scotland</td></tr>
<tr><td>Current Position
Board Reform
• Development of outline Regional and National plans is well underway and remains on target for September 2017. Initial reviews of the outline plans are underway and will be completed by early September. £1m has been made available to support Digital Transformation.
• Detailed timeline established to support the development of the plans by March 2018.
Leadership and Talent Management
• The Golden Jubilee Foundation developing a toolkit for Values Based Recruitment, and the establishment of a digital platform for scoring purposes linking with the wider work shared services activity.
• KPMG are currently working with stakeholders to test out some critical success factors for the approach to the Leadership Development programme.</td><td>Next Steps
Board Reform
• Outline Regional and National Plans to be submitted by end Sept. Plans to be discussed at the October Programme Board and Ministers to be briefed.
Leadership and Talent Management
• Trial Values Based Recruitment with executive and non - executive Board appointments.
• Report from KPMG regarding approach to Leadership Development Programme to be submitted to HSCMB (September).
• Develop Leadership event to showcase new approach (November).</td></tr>
<tr><td colspan="2">Status: Green</td></tr>
</table>

4. Escalated Risks				
Risk ID	**Description**	**Mitigation**	**Score**	**Change since last period**
CMO-RM01	If a national Atlas of Variation is not produced (Delivery Plan Commitment), then it will be difficult to fully identify and reduce unwarranted variation in care in the use of medicines.	• Complete work to put this project on a sustainable footing. • Work with SG Finance, Transformation and ASD colleagues to agree how this work will be funded and maintained. • Set up a Realistic Medicine Variation Sub Group and work with ISD to agree the scope and specification of the Atlas. • Set up and monitor project plan to ensure ISD deliver on time.	20	New
CMO-RM02	If a national Atlas of Variation training programme is not produced and implemented (Delivery Plan Commitment), then it will be difficult to fully identify and reduce unwarranted variation in care in the use of medicines.	• Work with SG Finance, Transformation and ASD colleagues to agree how this training programme will be funded and implemented. • Set up a Realistic Medicine Variation Sub Group and to agree the scope and specification for the training programme and how it will be disseminated. • Set up and monitor project plan to ensure ISD deliver on time.	20	New
PCD-F-07	If we fail to achieve an additional £500 million investment in primary care by the end of this parliament, based on the 2016-17 baseline, the impact of primary care transformation and the current sustainability of general practice will be reduced exposing Ministers to reputational risk.	• Work to profile the £250m (plus uplift) which is within Primary Care Division's control, and engage with Finance on a trajectory for the remaining sum.	20	Static
PCD-WF-17	There is a risk that we cannot sustain GP workforce particularly in 4-5 years time when pressure will be acute due to large	• Prepare options for the Cabinet Secretary for substantially enhancing recruitment of GPs covering key points of interest.	20	Static

4. Escalated Risks				
Risk ID	**Description**	**Mitigation**	**Score**	**Change since last period**
	cohort of GPs retiring.			
PCD – GMS - 10	Fail to deliver a contract offer which secures a yes vote. Transition to new funding approach based more on GP time may not be feasible due to excessive transition costs, leaving remaining contractual change insufficient to enable primary care transformation.	• Work closely with BMA to develop "getting to yes" script • Complete Earnings and Expenses Review: Negotiate length of transition time; negotiate smooth link between Scottish Allocation Formula and time based allocation; continue development of Units of GP Time based contract work with health economist	20	Static

5. Escalated Issues		
Issue ID	**Description**	**Actions Required**
NPB-01	***Primary Care Division Workforce Programme –*** Development and publication of Part 3 of the Health Workforce Plan covering Primary Care (aligned with the GMS "blue book").	• Delivery plan developed (workforce and GMS Contract workstream collaborating to align timelines); Modelling work on GPs numbers (supply and demand) underway. • Contributions on the wider MDT (nursing, AHP, paramedics) commissioned.
NPB-02	***Primary Care Division Infrastructure Programme –*** Identify long term capital to support development of primary care premises.	• Longer term strategy for capital funding for primary care premises being developed. Encourage Boards to invest in their own capital funds in primary care.

For Discussion

HEALTH AND SOCIAL CARE
DELIVERY PLAN
Progress Report

Purpose

1. To provide the National Programme Board with an update on progress on the key programmes within the Delivery Plan, and to highlight any areas where implementation is behind schedule.

2. To highlight areas where decisions or discussions are required by the Programme Board are required in order to ensure successful implementation of the plan

3. To provide the Programme Board with the draft risk register for consideration

Background

4. The Programme Board agreed the proposed reporting approach at its meeting on the 10th July. Status report templates for each "pillar" and crosscutting activity were distributed to the lead Directors for completion, noting that not all activities within each "pillar" are under the direct responsibility of the lead Director.

Current Position

5. A summary report based on the status reports submitted is contained at Appendix 1. Any cross cutting activities are either reported under one or more of the other pillars (e.g. GIRFEC), or are specific Agenda items for the August National Programme Board (Workforce; Review of H&SC Targets; Communication and Engagement).

6. The programme is currently at an Amber Status as a result of the following:

   - reduction in acute bed days milestones to be confirmed;
   - sustained Primary Care risks relating Finance, Workforce, and Infrastructure (investment in primary and community IT and GP premises);
   - overall Amber status of the Acute and Secondary Care activity; and
   - the red status of Realistic Medicine activity.

7. The high level Plan on a Page (POAP) for 2017/18 activities, is included as Appendix 2. The Plan for the entire Programme will be included with the October Programme Board status report, and quarterly thereafter.

8. The draft Programme Risk Register is attached at Appendix 3 which will become a combination of Programme level risks, and escalated risks from underlying programmes. Lead Directors have been advised to consider escalating risks with a current score of 15 or above to the Programme Board. Any new risks escalated will be added to the overall Programme Risk Register after discussion at the Programme Board.

Recommendation

9. The Programme Board is asked to:

    - note the progress of the underlying programmes;
    - discuss the escalated risks and issues;
    - note the draft programme risk register;

Secretariat

30 August 2017

HEALTH AND SOCIAL CARE DELIVERY PLAN

NATIONAL PROGRAMME BOARD

Minutes 30 August 2017

Welcome and Apologies

1. [Redacted] welcomed members to the fourth meeting of Health and Social Care Delivery Plan: National Programme Board (NPB). Full list of attendees and apologies are included at Annex A.

Minutes and Matters Arising

2. The Minutes of 30 August 2017 meeting were agreed without amendment.

3. [Redacted] provided an update on the review of National Planning Forum confirming they had agreed terms of reference. The group noted the need to ensure staffside engagement in the review.

4. The Key Groups Organogram (paper NPB/2017/30-8/1) had been circulated previously. [Redacted] sought clarification on reflection of local authorities in the organogram. It was agreed the Secretariat would follow this up with [Redacted]

Action 30: Secretariat to contact [Redacted] to discuss local authorities' reflection in the Key Groups Organogram.

5. [Redacted] introduced paper NPB/2017/30-8/2 Communications and Engagement Strategy Update. The group recognised that the key messages would evolve to be more public facing, and to fully reflect the ambition of change. The messaging and the broader Communications and Engagement Strategy needs to reflect health and social care staff requirements. Board members recognised their input is crucial to developing the communications and engagement approach.

6. [Redacted] introduced paper NPB/2017/30-8/3 Programme Update and Risk Register. The Board welcomed the programme reporting and risk register approach and discussed:

    - Risks, particularly the Realistic Medicine programme assessed as 'red'. The group agreed to consider this in more detail at a future meeting.
    - The need for a benefits realisation plan.
    - Extending the Programme Milestones information to include interdependencies and critical path information.

Action 31: Secretariat to arrange a detailed discussion on the Realistic Medicine programme at a future meeting of the Board.

Action 32: [Redacted] to broaden the programme reporting to include a benefits realisation plan and extend the programme milestones to include interdependencies and critical path information.

7. [Redacted] provided a presentation on his analysis of the Integration Authorities' (IAs) commitments. The group discussed in detail and recognised:

    - The need to fully understand local variations before making decisions on what variations can be considered 'unwarranted'. This is especially the case as part of the transformational change emergent strategy approach to inform best policies for national, regional and local solutions.
    - Better measures / analytics, understanding mechanisms for change and being clear on the opportunities / barriers, are essential elements to achieve successful change.
    - NPB agreed that Geoff should circulate his correspondence commissioning the data on IAs' commitments and provide updates on his analysis in line with those for the Ministerial Strategic Group.

Action 33: [Redacted] to circulate his correspondence commissioning the data on IAs' commitments and provide updates on his analysis in line with those for the Ministerial Strategic Group.

National Workforce Plan

8. [Redacted] provided a National Workforce Plan update. He explained the chapters approach to publication and new governance arrangements. He described the work underway to better understand future labour market supply and demand requirements.

Indicators and Targets Review Update

9. [Redacted] provided an update on Harry Burns' indicators and targets review explaining the review has two broad elements: 1) updating current targets to focus more on outcomes and extend these to include care services out-with hospitals; and 2) identifying potential new targets / indicators. The review is due to be published soon.

Major Service Change

10. [Redacted] provided an update on discussions with Ministers about Major Service Change requirements set out in CEL 4 (2010) guidance on informing, engaging and consulting people in developing health and community care services. Ministers are aware of the concerns expressed with the current major service change requirements and are considering how best to continue to ensure meaningful public engagement in the context of integration and the need for transformational change across health and social care services. A paper with more detail will be shared with NPB as soon as this is available.

Action 34: [Redacted] to provide a paper on Major Service Change proposals to NPB.

National and Regional Delivery Plans Update

11. [Redacted] representing [Redacted] provided a written update on the North regional delivery planning approach, summarised by [Redacted] at the meeting (technical difficulties meant that [Redacted] only joined part of the meeting via teleconference). [Redacted] representing [Redacted] and [Redacted] representing [Redacted] provide updates on the West and East approaches. Their regional planning updates highlighted:

    - The governance structures adopted by each.
    - Financial considerations.
    - Workforce and public communications considerations.
    - The requirement for good data and analysis.

12. [Redacted] updated the group on the National Delivery Plan and described the five themes to be covered by their plan:

    - Service Transformation.
    - Digital Opportunities.
    - Data / Analytics to support transformational change
    - Once for Scotland approaches.
    - Public Health Capabilities.

13. [Redacted] updated the group on the timeline and schedule for the outline plans once they are submitted at the end of September. Draft plans will be shared with members as soon as possible in advance of the 9 October meeting to seek Board members' initial views, and feed this into the advice and discussions with Ministers over the course of October. The Cabinet Secretary for Health and Sport is due to attend the 9 November meeting to discuss outline delivery plans with the Board.

14. The group recognised the need for close working with stakeholders to develop the draft proposals in outline for September and their development through to March 2018. [Redacted] noted she has written to the Chair of the Chief Executives to promote partnership working.

AOB

15. None.

Date of Next Meeting

16. Next meeting 9 October 2017, 1300 – 1530, Scottish Health Service Centre.

Secretariat
Strategic Change Division
8 September 2017

Annex A

National Programme Board Members:

Role
Director Health Workforce and Strategic Change
Chair of NHS Greater Glasgow and Clyde
West, Regional Implementation Lead
National Implementation Lead
Staffside Representative
East, Regional Implementation Lead
Director Health and Social Care Integration
National Implementation Lead
Director Health Care Quality and Improvement
Director Health Finance
COSLA Health and Social Care Policy Lead
Director Population Health Improvement
Chief Officer, Glasgow City Health and Social Care Partnership
North, Regional Implementation Lead

Apologies:

West, Regional Implementation Lead
East, Regional Implementation Lead
Chair NHS National Services Scotland
SOLACE Health and Social Care Lead
North, Regional Implementation Lead

Attendance:

Role
Head of Strategic Change Division
Head of Health Workforce Division
Head of Transformational Change, Strategic Change Division
Head of Board Reform, Strategic Change Division
Programme Manager, Strategic Change Division
Strategic Change Division
Communications, Strategic Change Division
Secretariat, Strategic Change Division

NHS IN SCOTLAND 2017 – UPDATED FIGURES AND TEXT FOR FACTUAL ACCURACY CHECKING FOLLOWING CLEARANCE

UPDATED BUDGET FIGURES FOR FACTUAL ACCURACY CHECKING

Notes:

- This document contains relevant paragraphs where figures have been subject to change following clearance and board fact-check responses. Changed figures for checking are highlighted in yellow.
- The relevant paragraph numbers in the clearance version of the report are given in brackets at the start of each paragraph.
- A separate spreadsheet containing the figures and sources accompanies this sheet.

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(8) Health funding is the single largest area of Scottish Government expenditure. In 2016/17, the total Scottish Government health budget for spending on core services, known as the departmental expenditure limit (DEL), was £12.9 billion. This accounted for 43 per cent of the overall Scottish Government budget, an increase from 38 per cent in 2008/09.

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(10) Between 2015/16 and 2016/17 the overall health budget increased by 5.7 per cent in cash terms. Taking into account inflation, the real terms increase was 3.6 per cent. This was made up as follows:

- Revenue funding, for day-to-day spending, increased by 3.1 per cent in cash terms from £12 billion to £12.4 billion, an increase of one per cent in real terms.
- Capital funding, for example for new buildings and equipment, increased from £203 million to £525 million, an increase of 159 per cent in cash terms, 154 per cent in real terms. The majority of this increase is due to changes in the way capital funding is accounted for, and excluding this, the real terms increase was 35 per cent.[1]

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(11) In 2016/17, the NHS budget included £250 million ring-fenced for social care funding for health and social care integration. Although this funding was for social care, it was included in the health budget and NHS boards were required to give this funding directly to Integration Authorities. Without this element of non-health funding, the health revenue budget increased by one per cent in real terms between 2015/16 and 2016/17. It is important that it is clear what is included in budget figures to ensure transparency and to help scrutiny take place.

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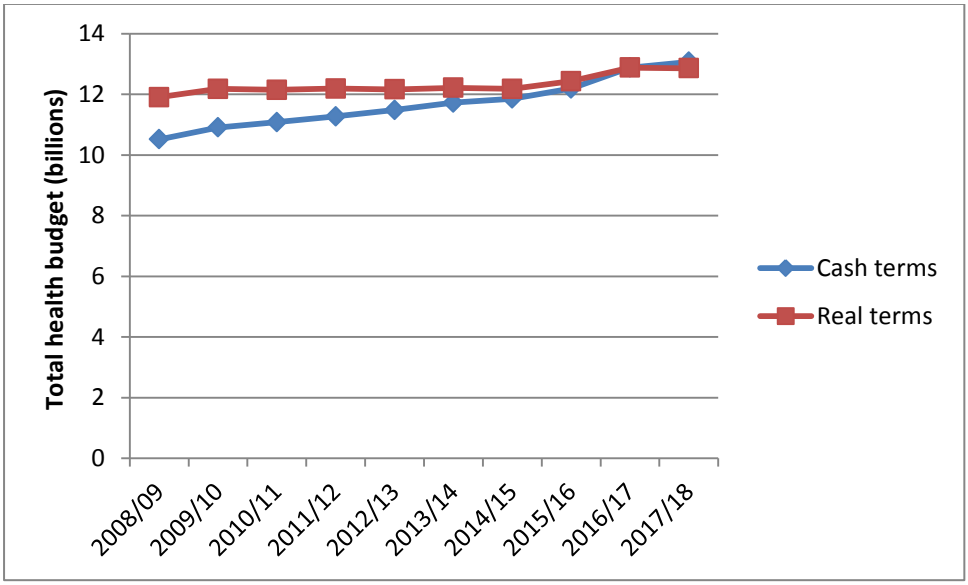
[1] Real terms increase excluding accounting changes - source is Draft budget 2016/17: Health and Sport, SPICe Briefing , December 2015.

(12) Between 2008/09 and 2016/17, the overall health budget increased by 8.2 per cent in real terms [Exhibit 3].[2] This has mainly been driven by funding increases in the most recent five year period. Revenue funding increased by 5.7 per cent in real terms and capital funding by 9.2 per cent in real terms between 2012/13 and 2016/17.

Exhibit 3

Trend in the health budget in Scotland, 2008/09 - 2016/17, and draft budget figures for 2017/18

Since 2008/09, the health budget has increased in cash terms and had small real-terms increases and decreases each year.



Source: Audit Scotland

(13) The 2017/18 draft health budget is £13.1 billion, an increase of 1.5 per cent in cash terms, and a decrease of 0.1% in real terms from 2016/17. This is due to an increase in the revenue budget of 2.5 per cent in cash terms, 0.8 per cent in real terms The capital budget is projected to decrease by almost a quarter, from £525 million to £408 million, a 23 per cent reduction in real terms. This is mainly due Dumfries and Galloway Royal Infirmary and the Royal Hospital for Sick Children capital projects being close to completion.

Source for all budget changes above: Clearance factual accuracy response (as shown in accompanying budget spreadsheet)

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[2] This includes the £250 million social care funding for integration authorities in 2016/17.

UPDATED SAVINGS FIGURES FOR FACTUAL ACCURACY CHECKING

(19) NHS boards made £387.3 million savings in 2016/17 as reported in the external Annual Audit Reports, 3.8 per cent of total revenue allocations to NHS boards. The level of savings made in 2016/17 was unprecedented (Exhibit 4), and was one third higher than the £291.3 million made in 2015/16. Despite this, the NHS did not meet its savings target of £406.3 million, falling short by 4.7 per cent, £18.9 million.

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(20) Although the overall target was missed, the majority of NHS boards did meet their individual savings targets in 2016/17. Five territorial boards, NHS Borders, Forth Valley, Highland, Lothian and Tayside did not meet their savings targets despite all making higher levels of savings than in previous years. The shortfall ranged from NHS Lothian missing its original planned target by £9.8 million (29 per cent), to NHS Tayside which missed its original planned target by £1.3 million (three per cent). All the national boards reported that they achieved their savings targets.

Source for changes made in paras 19 and 20: NHS boards' external annual audit reports 2016/17 (see accompanying spreadsheet)

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(24) The level of savings NHS boards have planned to make in their LDPs has increased significantly over the past five years, increasing by 81 per cent in cash terms, 71 per cent in real terms between 2012/13 and 2016/17 (Exhibit 4). NHS boards make savings in various ways and while they reduce expenditure and contribute to achieving financial targets, they do not necessarily demonstrate increased productivity or efficiency. Savings are classed as either recurring or non-recurring. The former recur year-on-year from that date, for example savings on costs as a result of providing services in a different way. Non-recurring savings are one-off savings that do not result in ongoing savings after that financial year, for example selling a building or delaying filling a vacant post. The percentage of non-recurring savings planned by NHS boards in their LDPs has increased significantly over the past few years (Exhibit 4). Non-recurring savings accounted for 30 per cent of all savings planned in 2016/17, over double the level of five years ago when they accounted for 13 per cent of planned LDP savings. The percentage of savings made up from non-recurring sources varied widely across the NHS in 2016/17. Among the territorial boards, as reported in the external annual audit reports, non-recurring savings accounted for seven per cent of total savings in NHS Forth Valley to 71per cent in NHS Fife . In the national boards they ranged from zero in NHS National Services Scotland to 86 per cent in The State Hospital.

Source: NHS board LDPs (see accompanying spreadsheet)

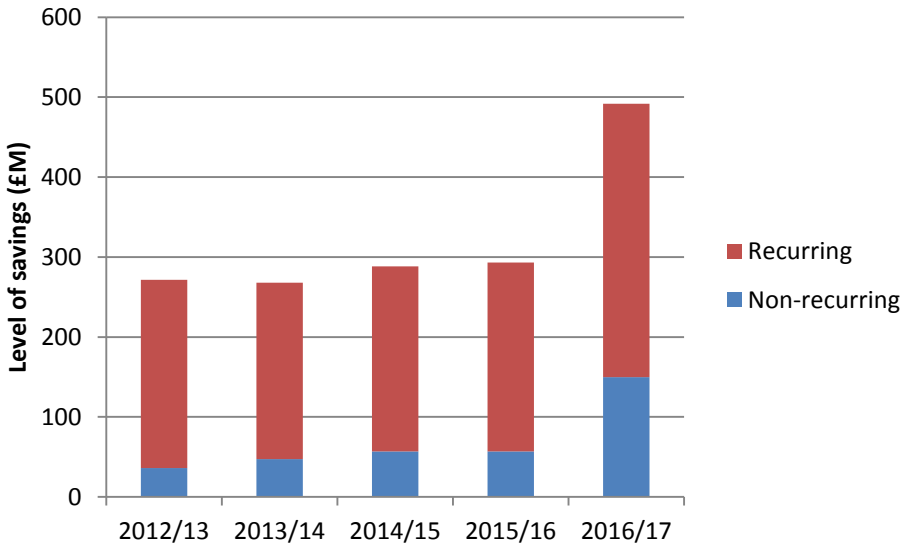
New para - Currently, NHS boards report their LDP savings target, and progress towards it, to the Scottish Government with savings categorised under set headings. In the course of our work we discovered differences between the level of planned, and achieved savings

reported to the Scottish Government and that reported to their own boards. Given the scale of the savings NHS boards need to make, it is essential that it is clear how boards have calculated their savings and what types of savings are planned and then made, for example, different types of recurring and non-recurring savings. It is also important that this is then reported in a consistent and clear way to ensure appropriate scrutiny can take place (Exhibit 4).

Exhibit 4

Overall level of savings planned in LDPs by NHS boards between 2012/13 and 2016/17 split by recurring and non-recurring

The use of non-recurring savings has increased over the past five years.



Note: Figures are in cash terms

Source: Audit Scotland

Source: See accompanying spreadsheet

Recommendation:

The Scottish Government and NHS boards should (pages 15-19):

> 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.

Appendix 1. (was Appendix 2) – This has also been fact checked with NHS boards

Financial performance 2016/17 by NHS board

Board	Core revenue outturn (£m)	Total savings made (£m) as reported in the Annual Audit Report	Non-recurring savings as reported in the Annual Audit Report	NRAC: distance from parity
Ayrshire and Arran	743.7	25.4	20%	0.7%
Borders	220.5	8.1	53%	2.3%
Dumfries and Galloway	311.1	12.7	43%	4.6%
Fife	665.6	30.8	71.%	-0.2%
Forth Valley	532.5	23.8	7%	-1.0%
Grampian	983.0	26.5	43%	-1.4%
Greater Glasgow and Clyde	2273.7	69.0	33%	1.6%
Highland	664.4	22.1	60%	-1.5%
Lanarkshire	1204.3	45.9	20%	-1.5%
Lothian	1457.1	24.5	16%	-1.5%
Orkney	52.8	2.2	47%	0.6%
Shetland	54.8	4.2	54%	-0.9%
Tayside	803.1	45.5	49%	0.3%
Western Isles	80.1	4.0	43%	9.4%
National Services Scotland	394.5	18.1	0%	
Scottish Ambulance Service	221.1	9.9	45%	
NHS Education for Scotland	436.0	2.6	26%	
NHS 24	71.6	3.3	2%	
National Waiting Times Centre	65.1	4.4	11%	
State Hospital	32.1	1.8	86 %	
NHS Health Scotland	19.1	0.9	9%	
Healthcare Improvement Scotland	27.6	1.9	61%	

4th Floor
102 West Port
Edinburgh EH3 9DN

T: 0131 625 1500
E: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk

AUDIT SCOTLAND

News release

Embargoed until 00:01 hours, Thursday 26th October 2017

Reform of NHS is progressing but fundamentals still need addressed

Significant activity is underway to transform Scotland's healthcare system, but a number of crucial building blocks still need to be put in place.

Audit Scotland's annual review of the NHS says staff are committed and overall patient satisfaction is high. But the report also notes increasing costs and growing demand for services, amid signs that the NHS is struggling to maintain the quality of care.

In 2016/17, the health budget was £12.9 billion - 43 per cent of the total Scottish Government budget. Funding increased, but operating costs are also rising and NHS boards had to make unprecedented savings of almost £390 million in order to break even.

The report says the NHS faces significant challenges, including:

- More people are waiting longer to be seen;
- The majority of national performance targets were not met;
- Scotland's health is not improving, and significant inequalities remain;
- General practice is under pressure, including recruiting and retaining GPs and low morale;

It also states that spending more to treat more people in hospital and speed up treatment is no longer sufficient, and won't deliver the step change that's needed across the system.

There are some signs of progress - in areas such as integrating health and social care, developing better data, and embedding a 'realistic medicine' approach - but some key building blocks still need to be put in place by the Scottish Government, NHS boards and integration authorities.

It's still not clear how moving care into the community will be funded, and what future funding levels will be required. A clear and long-term framework is needed that features how funding will be used differently to change services, alongside greater financial flexibility for NHS boards.

A comprehensive approach to workforce planning should be put in place, with input from staff. A capital investment strategy should also be developed to ensure that the NHS estate can deliver more community-based services.

Caroline Gardner, Auditor General for Scotland, said: "The NHS in Scotland marks its 70th anniversary next year, and there is widespread agreement that healthcare must be delivered differently if it is to withstand growing pressure on services.

"There is no simple solution, but these fundamental areas must be addressed if reform is to deliver the scale of transformation that's needed across the NHS. Involving staff, the public and bodies across the public sector will also be crucial for success."

For further information contac [redacted] on [redacted] or [redacted] [redacted] on [redacted] and [redacted]

Notes to editors

1. In 2016/17, the NHS in Scotland employed almost 140,000 whole-time equivalent staff, performed 1.5 million hospitals procedures and conducted an estimated 17 million GP consultations.

2. Between 2015/16 and 2016/17 the overall health budget increased by 5.7 per cent in cash terms. Taking into account inflation, the real terms increase was 3.6 per cent. This was made up as follows:

- Revenue funding, for day-to-day spending, increased by 3.1 per cent in cash terms from £12 billion to £12.4 billion, an increase of one per cent in real terms.
- Capital funding, for example for new buildings and equipment, increased from £203 million to £525 million, an increase of 159 per cent in cash terms, 154 per cent in real terms. The majority of this increase is due to changes in the way capital funding is accounted for, and excluding this, the real terms increase was 35 per cent.

3. In 2016/17, the NHS budget included £250 million ring-fenced for social care funding for health and social care integration. Although this funding was for social care, it was included in the health budget and NHS boards were required to give this funding directly to Integration Authorities. Without this element of non-health funding, the health revenue budget decreased by one per cent in real terms between 2015/16 and 2016/17.

4. Demand for NHS services continues to increase. Exhibit 6 in the report sets out performance against indicators of demand for NHS services covering the period 2012/13 to 2016/17. Appendix three sets out individual boards' performance against key Local Delivery Plan standards

5. The Auditor General reported in July 2017 that spending on staff in Scotland's NHS is increasing and overall staff numbers are at their highest level ever but there are urgent workforce challenges, and the Scottish Government and health boards have not planned effectively for the long term. This report was the first of a two-part audit.

6. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at www.audit-scotland.gov.uk

- The Auditor General appoints auditors to Scotland's central government and NHS bodies; examines how public bodies spend public money; helps them to manage their finances to the highest standards; and checks whether they achieve value for money. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament
- Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. It provides services to the Auditor General for Scotland and the Accounts Commission for Scotland.

News

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25 October 2017

EMBARGOED UNTIL 00:01HRS, THURSDAY 26TH OCTOBER

NHS in Scotland 2017

NHS reform progressing well and patient satisfaction is high.

Responding to Audit Scotland's annual report on Scotland's NHS, Health Secretary Shona Robison said:

"The NHS is built on the commitment and dedication of its workforce and I am pleased that this Audit Scotland report recognises the tremendous work being done every day by clinicians and staff right across Scotland.

"It is also encouraging to see recognition of the innovative work being done to tackle delayed discharge, integrate health and social care and embed realistic medicine. In particular, the report highlights patient satisfaction at an all-time high, with 90% of in-patients reporting positive experiences during treatment.

"Under this administration there have been significant improvements in Scotland's health system, driven by our clear vision for the future of the NHS in Scotland. Life expectancy is rising, our A&E departments have outperformed the rest of the UK for over two and a half years, and survival rates for chronic conditions such as heart disease have improved.

"We have long been realistic about the challenges for the NHS and the need for change. Alongside record investment of over £13 billion, including almost half a billion pounds of NHS spending being invested in social care services alone, we are looking at new ways of delivering services that meet the changing needs of people across Scotland. Over £8 billion that was previously managed separately by Health Boards and Councils is now managed jointly by Health and Social Care Partnerships, enabling local systems to ensure people have access to the right care at the right time in the right place, and are supported to stay in their own homes and communities for as long as possible.

"This investment is backed by a huge rise in staffing levels – up nearly 12,000 in the last decade – including significantly increased investment in GP services since 2007. Today's report recognises the importance of negotiating a new contract for GPs which will deliver a strengthened and clarified role for general practitioners and ensure a service to patients that is fair and accessible to all.

"We're working to develop a medium term financial framework, within the context of the budget settlement that the Scottish Government receives. This will be to outline the broad direction for the NHS and care services to meet the changing needs of the people of Scotland, including shifting the balance of care towards community health services.

“Our new National Health and Social Care Workforce Plan is setting out how we will work with partners to secure sustainable NHS staffing for the future. The initial plan will be in place by early 2018 however I expect it to continually change and develop in line with shifting demand and this is also something we will work with Audit Scotland on.

“We are committed to ensuring patient experience is at the forefront of our NHS which is why I announced £50 million to improve waiting times earlier this year and set up an expert group to reduce patient waiting times and improve how elective services are managed.

“It’s important to stress however that improving the nation’s health for the long term requires more than acute care – there’s simply no quick fix. That is why this government has introduced a range of measures designed to make Scots healthier for the long run, be it introducing the Baby Box, launching a new strategy to tackle obesity, and tackling Scotland’s troubled relationship with alcohol. Ultimately, our work across Government will ensure the people of Scotland can continue to look forward to a healthier future.”

Contact

[redacted] [redacted]