

Provisioning Strategy – Finance Overview Report

Introduction

East Lothian IJB is an Integration Authority set up under the Public Bodies (Joint Working) Act (2014). It is a ‘body corporate’, that is a separate legal entity. The IJB is constituted through its Integration Scheme which was prepared by East Lothian Council and NHS Lothian. The IJB receives its funding through formal budget offers from each partner organisation.

The purpose of integration is to improve care and support and therefore the health and wellbeing outcomes for people who use health and social care services. It will make sure that they are listened to, involved, and take part in decisions about their care and how it is delivered. It is a significant change in how the strategic planning and delivery of services happens with a range of partners – individuals, local groups and networks, communities, and organisations, including patients, service users, carers and the third and independent sectors.

The IJB sets the strategic direction for these delegated functions through the development of a Strategic Plan, to enable it to plan and deliver these strategic outcomes at an overall health and social care level. It gives Directions to the Council and NHS Lothian for the operational delivery of functions and the resources available to them for this.

The East Lothian IJB Strategic plan commitment is to support people closer to home, in their own home or in a homely setting. This will be achieved through several measures resulting from re-modelling services as well as the services being commissioned. The work undertaken by the Community Hospitals and Care Homes Provision Change Board and as part of the Provisioning Strategy project provides a key strand to achievement of this objective.

Scope

The Community Hospitals and Care Homes Provision Change Board has produced and submitted several reports to the Strategic Planning Group and East Lothian Integration Joint Board since its inception in May 2021. The final report was submitted in the 2022/23 financial year. The IJB supported the conclusion of the final report. This detailed the requirement for the Chief Officer and Senior Management Team to develop a range of capacity options for inpatient community hospital and care homes beds and Intermediate Care. This includes financial assessment across all options being considered. The scope of services included for the financial modelling are as follows:

Social Care Services
Care Homes
Care At Home (including ELC Hospital 2 Home)
East Lothian Emergency Care Service (ECS)
East Lothian Community First (ELCF)
Alzheimer Scotland PDS Link workers
Older People Day Centres
Carers funding and support
Extend Older People’s Day Centres Outreach

NHS Services
East Lothian Rehabilitation services (ELRS) - OT & PT
Mental Health provision (PT)
Musculoskeletal (MSK) Physiotherapy
Hospital to Home
Hospital At Home
Care Home Team
Integrated Care Assessment and Allocation Team (ICAT)
<i>Care When it Counts (CWIC) - Nursing only</i>
<i>CWIC (Mental Health)</i>
East Lothian Community Hospital
Belhaven Community Hospital
Edington Community Hospital

The financial modelling will also include, if required, projections for any potential Capital expenditure. These Capital costs would cover any potential refurbishment costs for current sites, any purchases of land, new build development costs and equipment purchases.

22/23 Overview

The budget for each of the services for the 2022/23 financial year are detailed below:

Social Care Services	Budget (£k)
Care Homes	5,127
Care At Home (ELC H2H)	2,145
Emergency Care Service (ECS)	724
East Lothian Community First (ELCF)	105
Alzheimer Scotland PDS Link workers	155
Older People Day Centres	1,167
Carers funding and support	1,549
Total	10,972

NHS Services	Budget (£k)
East Lothian Rehabilitation services (ELRS) - OT & PT	2,613
Mental Health provision (PT)	439
Musculoskeletal (MSK) Physiotherapy	825
Hospital to Home	2,393
Hospital At Home	795
Care Home Team	922
Integrated Care Assessment Team (ICAT)	663
Care When it Counts (CWIC)	897
CWIC (Mental Health)	424
East Lothian Community Hospital	6,119
Belhaven Community Hospital	1,312
Edington Community Hospital	744
Total	18,147

Overview of the 2022/23 Financial Position

The 2022/23 financial year was challenging. The IJB achieved a break-even position, supported by additional 'one off' funding from NHS Lothian for delegated health budgets. A number of significant financial pressures emerged throughout the year, these pressures were mitigated in 2022/23 through the development and delivery of financial recovery plans; however, it is anticipated the scale of the challenge will only continue to grow into the new financial year.

The key areas of pressure were the number of care home placements, the complexity and price of care packages for individuals and cost increases due to market conditions/inflation (this impacted both workforce costs and supply costs such as medicines and contracts).

Care at Home

East Lothian noted considerable challenge this year with a number of care at home providers leaving the region. In response, the HSCP successfully transferred clients from externally commissioned services to internally managed services (Emergency Care Service, Hospital to Home & East Lothian Council Homecare). Internal services were able to adapt quickly, bolstering the workforce through a recruitment campaign and increasing the efficiency within internal services to create the additional capacity required. Further work is ongoing in the 2023/24 financial year to strengthen the internal provision.

Community Hospitals (Edington and Belhaven)

During the development of the provisioning strategy both satellite community hospital sites (Edington and Belhaven) were subject to significant changes due to operational issues. The Edington site inpatient bed base was transferred to East Lothian Community Hospital due to staffing issues and the Belhaven site was closed due to water quality concerns. While the Belhaven community care home ward (Blossom House) has been able to re-open we have been unable to open the inpatient ward yet. In addition, the Edington bed base has been kept within the ELCH footprint while the main site has been used for outpatient primary care services.

Care Homes

The provisioning strategy initially intended to consider the replacement of the Abbey and Eskgreen care homes. During the forecasting work it was identified that an upper limit of 70 replacement care home beds and 30 additional care home beds would be required in the region to maintain provision for the population. During the last 12 months the HSCP has been required, due to environmental issues, to close the facility at Eskgreen. However, this coincided with the expansion of private provision in East Lothian. Looking ahead the HSCP is aware of another development in Haddington which will offer up to 30 social work funded beds from 2024 and a proposed development as part of Blindwells Phase 1 which could create additional Care Home provision beyond the upper limit. It is therefore unlikely that capital investment would be supported to replace Eskgreen and therefore due the buildings no longer being fit for purpose a decision is required around who (private sector or council), how and where these homes should be replaced.

23/24 Financial Updates

The Scottish Government, in setting its budget, highlighted that there is significant financial challenge ahead with limited resources available. The challenge impacts across the whole of

the Public Sector and the IJB understands the pressures faced by NHS Lothian and East Lothian Council with increasing costs and constrained funding.

The IJB faced challenges balancing its budget for 2023/24 due to a reduced budget offer from East Lothian Council.

In March 2023 the IJB considered the budget offer from East Lothian Council. Given the offer was not in line with the parameters set by Scottish Government, the IJB voted to not accept this budget offer from the Council. At the IJB in May 2023, there was no change in the budget offer from East Lothian Council, therefore the IJB noted the further financial recovery action required to balance the budget for 2023/24 and mitigate the reduction in the East Lothian Council offer.

Conclusion

The IJB must ensure its own financial sustainability, reported through the IJB's medium term financial plan. The plan shows significant financial gaps therefore a focus will need to be put on financial recovery to ensure the sustainability of services – tough decisions, service redesign and transformation will be critical. The IJBs financial plan can be found here [East Lothian IJB Financial Plan 2022 - 2027](#)

Finance will form a key part of the provisioning project ensuring all models are costed and analysed to ensure affordability and best value.

Claire Flanagan
Chief Finance Officer
June 2023

Chris King
Finance Manager NHS Lothian
June 2023