

Partial Business and Regulatory Impact Assessment (BRIA)

Integration of Adult Health and Social Care

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Title of Proposal

Integration of Adult Health and Social Care

Purpose and intended effect

- **Background**

There is a great deal to be proud of in terms of health and social care provision in Scotland. However, we recognise that we should go further to ensure consistently good outcomes for patients, service users, carers and families. Separate, and sometimes disjointed, systems of health and social care will no longer adequately meet the needs and expectations of increasing numbers of people, particularly those living into older age, often with multiple, complex, long-term conditions, who need joined up, integrated support.

There has been significant progress in improving pathways of care in recent years. Nevertheless, many clinicians, care professionals and managers in health and social care currently describe two key disconnects in our system of health and social care. The first disconnect is found within the NHS, between primary care (GPs, community nurses, allied health professionals etc.) and secondary care (hospitals). The second disconnect is between health and social care.

These disconnects make it difficult to address people's needs holistically and to ensure that resources follow patients' and service users' needs. Problems often arise in providing for the needs of people who access many services over prolonged periods, such as people with long term conditions, older people, and people with complex needs. Problems are also encountered at transition points, particularly as children with complex needs reach adulthood.

From the perspective of people who use the system – patients, service users, carers and families – the problems the Scottish Government are seeking to address can be summarised as follows:

- There is inconsistency in the quality of care for adults and older people across Scotland;
- People are too often unnecessarily delayed in hospital when they are clinically ready for discharge;
- The services required to enable people to stay safely at home are not always available quickly enough, which can lead to preventable and undesirable admissions to hospital.

Demographic change makes the case for change urgent. The Registrar General has projected that the number of people in Scotland aged over 75 will grow by around 10,000 every year over the decade ahead and that around one quarter of Scotland's population will be aged 65 and over by 2033. The changes in demography will vary in scale depending on location, with predictions suggesting that rural areas will be affected to a greater degree than urban areas. We know that:

- Even allowing for the possibility that people may live longer and in better health in the future, and taking into account our current emphasis on improving anticipatory and preventative care, Scotland will in future experience a material increase in the number of older people who need care. Therefore, the resources required to provide support will rise in the years ahead;
- There is little association between the amount spent currently on health and social care services and the outcomes that are achieved i.e. spending more does not necessarily result in better outcomes;
- We spend almost one third of our total spend on older people's services annually on unplanned admissions to hospital; and
- We spend more annually on unplanned admissions for older people than we do on social care for the same group of people.

Our current system of health and social care incorporates within it barriers in terms of structures, professional territories, governance arrangements and financial management that not only often have no helpful bearing on the needs of the large, growing group of older service users, but in many cases work against general aspirations of efficiency and clinical/care quality. We need to reform the system to deliver care that is better joined up and as a consequence delivers better outcomes for patients, service users and carers.

- **Objective**

The Scottish Government's vision of a successfully integrated system of adult health and social care for Scotland is that it will exhibit these characteristics:

- Consistency of outcomes across Scotland, so that people have a similar experience of services, and carers have a similar experience of support, whichever Health Board or Local Authority area they live within, while allowing for appropriate local approaches to delivery;
- A statutory underpinning to assure public confidence;
- An integrated budget to deliver community health and social care services and also appropriate aspects of acute health activity;
- Clear accountability for delivering agreed national outcomes;
- Professional leadership by clinicians and social workers;
- It will simplify rather than complicate existing bodies and structures.

Building on these aspirations, our proposals for integration of adult health and social care are based on four key principles:

- a) Nationally agreed outcomes will be introduced that apply across adult health and social care;
- b) Statutory partners will be jointly accountable to Ministers, Local Authority Leaders and the public for delivery of those outcomes;
- c) Integrated budgets will apply across adult health and social care; and
- d) The role of clinicians and care professionals will be strengthened, along with engagement of the third and independent sectors, in the commissioning and planning of services.

How the Integration of Adult Health and Social Care Fits in With Other Policies

Scottish Policies:

Legislation:

The integration of adult health and social care legislation will supersede and replace the following:

- The Community Health Partnerships (Scotland) Regulations 2004;
- The Community Health Partnerships (Scotland) Amendment Regulations 2010.

In addition to the above, other legislation that will be directly affected by the integration agenda are legislation relating to the NHS and Local Authorities:

- Social Work (Scotland) Act 1968;
- National Health Service (Scotland) Act 1978;
- National Health Service Reform (Scotland) Act 2004;
- Local Government (Scotland) Act 1973;
- Local Government etc. (Scotland) Act 1994;
- Local Government in Scotland Act 2003
- Public Services Reform (Scotland) Act 2010

Policy:

The integration of adult health and social care policy will supersede and replace:

- Community Health Partnerships Statutory Guidance (2004).

These proposals for integration of adult health and social care services bring with them implications for a number of other functions, including mental health, adult protection, children and families social work services and criminal justice social work. Work is underway to ensure that the implications for other areas of service are understood and planned for. An important aspect of this programme of reform will also be ensuring that, as well as bringing primary and secondary health, and health and social care, closer together, partners fully include housing and other appropriate areas of services in the integrated approach.

We will be setting out in legislation our requirements for integration. These should be applied as a minimum to adult health and social care services. However, Partnerships will be free to integrate additional services, for example, children's services, if they wish. As such this will have implications for all policies linked to these services.

UK Policies:

Health and social care provision are fully devolved matters, therefore the integration of adult health and social care policy and legislation should not impact on any UK policy.

EU Policies:

The proposals for legislation in the consultation document and the broader integration policy will not have any EU or international implications.

- **Rationale for Government intervention**

Despite a good track record of partnership working over many years, our current system of health and social care still incorporates within it barriers in terms of structures, professional territories, governance arrangements and financial management that often have no helpful bearing on the needs of the large, growing group of older service users, and in many cases work against general aspirations of efficiency and clinical/care quality. We need to reform the system to deliver care that is better joined up and as a consequence delivers better outcomes for patients, service users and carers.

Our goal for integration of health and social care is to tackle these challenges and, in particular, to address the disconnects described above – so that the balance of care shifts from institutional care to services provided in the community, and resources follow people's needs. This is in line with our commitment to a person-centred approach, which builds upon our policy on Self Directed Support and the principles of the NHS Healthcare Quality Strategy.

Consultation

- **Within Government**

We have consulted with the following internal teams and will be continuing the process of consulting with these teams during the development of the integration agenda:

- ACSD: Policy for Carers
- ACSD: Self Directed Support
- DCS: Drugs Policy Unit;
- DHHI: Pharmacy and Medicines Division;
- DHSCI: Chief Dental Officer and Dentistry Division;

- DJUST: Community Justice;
- EAT: Better Regulation and Industry Engagement;
- EYSSW: Social Services Workforce;
- HCNO: CNOD Policy Unit;
- HIMD: Alcohol Delivery Unit;
- HLTHAS: Resources, Efficiency and Workforce;
- HOSD: Housing Transitions and Support;
- LG: Local Government Outcomes and Partnerships Unit;
- PCARE: Primary Care Development;
- PHARM: Pharmacy;
- PSP: Public Involvement;
- RCMHD: Older People's Unit;
- RCMHD: Protection of Rights Unit;
- TSD: Employability and Skills.

The Better Regulation and Industry Regulation and the Resource, Efficiency and Workforce teams have assisted us in planning the BRIA and assessing what we need to do to complete a robust BRIA.

The Resources, Efficiency and Workforce team have further assisted us through identifying and providing data for current social care use around Scotland (see below) and will assist us with developing cost analyses.

The remaining teams have helped us identify businesses and/or organisations to consult with and are ensuring that the integration agenda fits with other policies across the health and social care directorate.

- **Public Consultation**

A full public consultation is scheduled to be held at the beginning of May 2012. It will be a 12 week consultation.

Informal Consultation:

In 2010, the Scottish Government carried out a wide public and professional engagement exercise for the Reshaping Care for Older People policy. From this we know that there are three main problems with the current system that people want us to address. These are:

- Inconsistency in the quality of care for adults and older people across Scotland;
- People are too often unnecessarily delayed in hospital when they are clinically ready for discharge;
- The services required to enable people to stay safely at home are not always available quickly enough, which can lead to preventable and undesirable admissions to hospital.

In 2011, following the Scottish elections and as preparation for developing these proposals for legislation, the Scottish Government engaged with a wide range of stakeholders including the statutory partners, third and independent sectors and professional and staff organisations. The ideas that form the basis for these proposals were developed through this period of engagement, culminating in the Cabinet Secretary for Health, Wellbeing and Cities Strategy's announcement to the Scottish Parliament on 15 December 2011 of her plans. The text of that announcement can be found here:

<http://www.scottish.parliament.uk/parliamentarybusiness/28862.aspx?r=6627>

Following the Cabinet Secretary's announcement in December 2011, while the formal consultation document was prepared for publication in May 2012, we have continued the process of engagement with a wide range of appropriate groups, including:

- Allied Health Professional Directors;
- Association of Directors of Social Work (ADSW);
- British Medical Association (BMA);
- Carers Scotland;
- Convention of Scottish Local Authorities (COSLA);
- Directors of Pharmacy;
- NHS Regulators;
- Patient Focus and Public Involvement Directors;
- Royal College of General Practitioners (RCGP);
- Scottish Care;
- Scottish Council for Voluntary Organisations (SCVO);
- Scottish Executive Directors of Nursing;
- Scottish Health Council;
- Scottish Partnership Forum (SPF);
- Women's Royal Voluntary Service (WRVS)

The process of engagement will continue during the formal consultation process.

- **Business**

With the assistance of Scottish Government policy colleagues, we have identified the following organisations to contact:

- Association of Community Health Partnerships;
- Association of Directors of Social Work (ADSW);
- Association of Local Authority Chief Housing Officers (ALACHO);
- Chartered Institute of Housing (CIH);
- Coalition of Care and Support Providers in Scotland (CCPS);
- Community Pharmacy Scotland;
- Convention of Scottish Local Authorities (COSLA);

- Directors of Pharmacy;
- Glasgow and West of Scotland Forum (GWSF);
- Long Term Conditions Alliance Scotland (LTCAS);
- Mental Health Tribunal for Scotland;
- Mental Welfare Commission;
- National Pharmacy Association;
- Royal Pharmaceutical Society;
- Safeguarding Communities – Reducing Offending (SACRO);
- Scottish Care;
- Scottish Council for Voluntary Organisations (SCVO);
- Scottish Federation of Housing Associations (SFHA);
- Scottish General Practitioners Committee (SGPC; part of the BMA);
- Society of Local Authority Chief Executives and Senior Managers (SOLACE);
- Voices of Experience Scotland (VOX Scotland)
- Voluntary Health Scotland (VHS).

We will begin consulting with the identified organisations/businesses once the public consultation is underway.

Options

The formation of Health and Social Care Partnerships will be written into statutory legislation. Partnerships will be required to form a Health and Social Care Partnership following the guidance issued by the Scottish Government.

The consultation proposes that Health and Social Care Partnerships should replace Community Health Partnership committees, which will be taken off the statute book. Health Boards and Local Authorities will jointly be required to set up a Health and Social Care Partnership. Each Partnership will cover a single Local Authority area, and will replace current Community Health Partnership arrangements.

Partnerships may choose not to integrate the budgets for other services along with adult health and social care, in which case the governance for other services might be provided by another Committee arrangement. Other options for the ongoing management of CHP responsibilities, and permutations on these options, are also possible; at this stage, it is our proposal that decisions about managing other areas of what are currently CHP functions should be left to NHS Boards to determine.

Partnerships will also be required to put in place arrangements for locality planning to deliver locally agreed joint strategic commissioning plans that have the support of the professionals and other care providers who will deliver services.

The aim is to create a system of health and social care in which the 'care pound' can be used to best support the individual at the most appropriate point in the system, regardless of whether health or social care support is required. It is the Scottish Government's intention that the integrated resource should lose its identity within the integrated budget, i.e. it will no longer be of consequence whether monies come from a health or a social care budget.

The consultation describes two options via which Health Boards and Local Authorities could integrate budgets to achieve this aim. Under these proposals, local Partnerships will be free to choose which approach they take to integrate budgets. Under each option, a Partnership Agreement will establish the nature and scope of the Partnership. Staff could move between employers to support a shift in functions, if there were local agreement to such a change.

Option 1: Delegation Between Partners

One partner can under current legislation delegate some of its functions, and a corresponding amount of its resources, to the other, which then hosts the services and integrated budget on behalf of the Health and Social Care Partnership. The financial governance system of the host partner applies to the integrated budget.

A Partnership Agreement between the Health Board and the Local Authority establishes the functions and resources to be delegated between the partners. Each delegating partner retains their existing legislative responsibility for delivery of functions.

Option 2: Delegation to the Health and Social Care Partnership, established as a body corporate

The Health Board and the Local Authority could delegate agreed functions to the Health and Social Care Partnership, which would be established as a body corporate of the Health Board and Local Authority. The Health Board and Local Authority would agree the amount of resources to be committed by each to the integrated budget for delivery of services to support the functions delegated to the Partnership.

The integrated budget would be managed on behalf of the Partnership by a Jointly Accountable Officer, whose authority and accountability in relation to delivery of the Partnership's delegated functions would be determined by his or her statutory functions. The integrated budget would consist of the respective contributions from each partner organisation, each managed by the Jointly Accountable Officer and subject to the respective financial governance arrangements of each partner.

A Partnership Agreement would establish the terms of the arrangement between the Health Board and the Local Authority, and would establish the facility that the partners would transfer resource between the two budgets at

the discretion of the Jointly Accountable Officer. Each delegating partner would retain their legislative responsibility for the functions that had been delegated to the Health and Social Care Partnership.

Do nothing option

The proposals for the integration of adult health and social care will be primary legislation and as such Partnerships will not have the option of doing nothing.

Locality Planning

Community Health Partnerships (CHPs) have been criticised in some areas by GPs and other professionals for limiting their opportunities to play an active role in local service planning and provision. There has also been frustration that some CHPs were 'toothless', with decisions regularly having to be pushed upwards to the parent Health Board and with little influence in particular over acute budgets. These proposals will address those concerns, by requiring locality planning arrangements be developed and implemented in Health and Social Care Partnerships.

The consultation will propose a duty on Health Boards and Local Authorities to consult local professionals, across extended multi-disciplinary health and social care teams and the third and independent sectors, on how best to put in place local arrangements for planning service provision, at the level between Partnerships and individual GP practices. Having consulted, Partnerships will be required to put in place, and to subsequently support, review and maintain, such arrangements.

- **Sectors and Groups Affected**

The groups that we anticipate will be affected by this are as follows:

- clinical/professional/support health and social care workforce;
- carers;
- service users;
- health and social care providers (NHS, local authority and independent e.g. care homes);
- statutory bodies.

- **Benefits**

The main objectives behind both options are twofold: first, to achieve better outcomes for service users; and second, to address the pressures created by the projected demographic change in Scotland. In addressing these objectives, the Scottish Government is aiming to ease fiscal pressures (see figure 1), deliver a more effective and cohesive service, and better meet the needs of individuals in the system. This will, in turn, benefit health and social care providers.

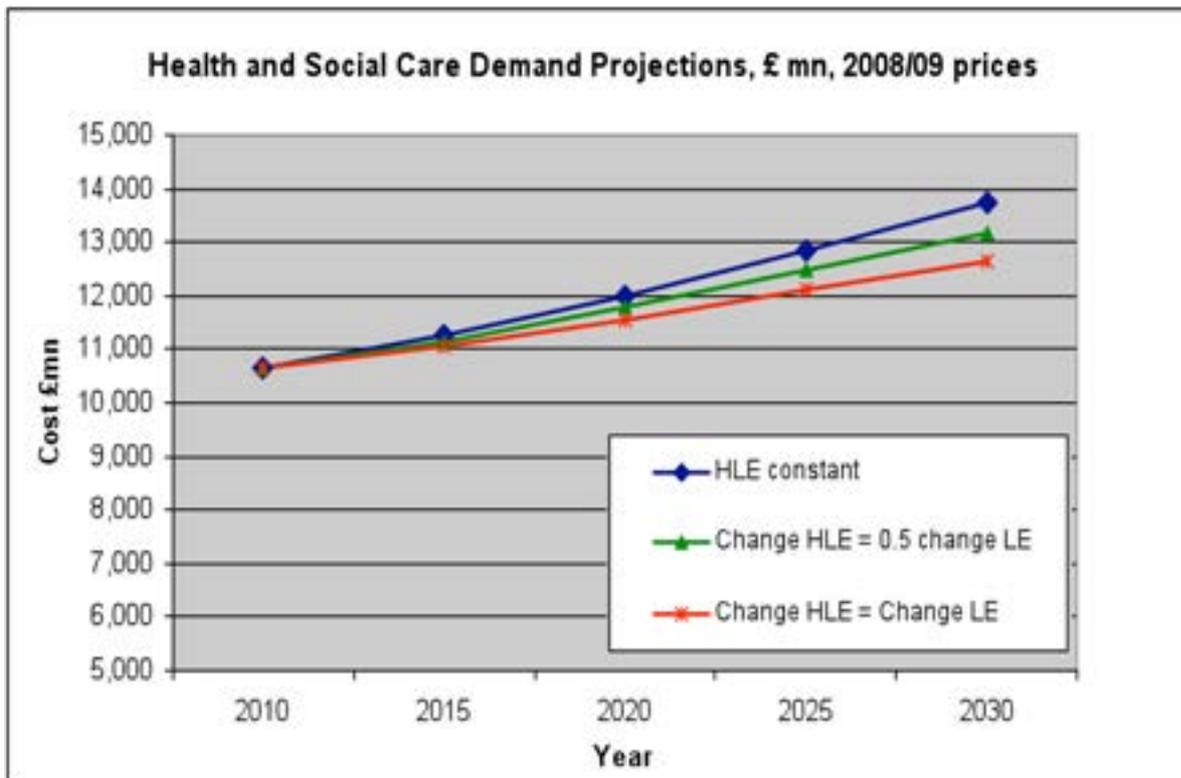


Figure 1: Graph showing the projected increase in costs for social care up to 2030 for three variables. The dark blue line shows the increase in cost assuming that the healthy life expectancy doesn't change i.e. people are healthy until, say, 68 and live until 70 now; and the line projects people who are healthy until 68 but live until, say, 75. The green and red lines show variations of the above idea, with the ideal situation being the red line: healthy life expectancy increases as does life expectancy to give the same time in the 'unhealthy' bracket. This still indicates that the projected increase in costs will be untenable. HLE= healthy life expectancy; LE= life expectancy.

Produced by Scottish Government, Analytical Services Division (Health)

- **Costs**

We have identified the following areas which we expect will have potential costs or potential savings/benefits as a result of implementing the agenda:

Potential Costs:

- Provision of more health and social care in communities;
- Costs associated with enabling GPs to participate in locality planning;
- Transitional non-recurrent double running costs as changes are made to current arrangements;
- Employment costs of Jointly Accountable Officers;
- Non-recurrent costs of producing Partnership Agreements;
- Costs of financial management of the integrated budget e.g. reporting activity and unit costs;
- Costs associated with IT and data sharing;
- Training and workforce development costs.

Potential benefits/savings:

- Reduction in rates of acute bed use, and length of stay, as care moves into communities and anticipatory services are improved, particularly for the frail elderly population;
- Efficiency savings arise from better understanding of activity, unit costs and reduced variation;
- Savings from reduced cost shunting e.g. reduced delayed discharges;
- Cost savings from potential reduction in number of committees and the removal of all CHPs.

In addition to the above, with the shift in the balance of care from acute care to community care, we expect that the amount of commissioned social care will increase and therefore the amount spent on social care will increase.

Currently expenditure on adult social care in each local authority is as follows:

Local Authority Expenditure on Adult Social Care*, 2009-10, £ thousands

Aberdeen City	79,974
Aberdeenshire	93,118
Angus	41,349
Argyll & Bute	37,387
Clackmannanshire	16,780
Dumfries & Galloway	55,482
Dundee City	57,351
East Ayrshire	45,038
East Dunbartonshire	29,879
East Lothian	36,358
East Renfrewshire	30,707
Edinburgh, City of	177,337
Eilean Siar	17,476
Falkirk	53,832
Fife	137,401
Glasgow City	252,828
Highland	82,487
Inverclyde	37,581
Midlothian	28,328
Moray	32,033
North Ayrshire	52,674
North Lanarkshire	144,394
Orkney Islands	13,185
Perth & Kinross	54,309
Renfrewshire	63,157
Scottish Borders	52,920
Shetland Islands	20,546
South Ayrshire	51,273
South Lanarkshire	113,008
Stirling	31,258
West Dunbartonshire	47,040
West Lothian	47,343

Note: * Social work (excluding children, asylum seekers and refugees and criminal justice services) Net Revenue Expenditure with ring-fenced revenue grants added back.

Source: Local Financial Returns, LFR 3

Scottish Firms Impact Test

Throughout the consultation and the development of the integration agenda, the policy team with responsibility for the integration of adult health and social care will meet directly with a range of organisations, businesses and users affected by the proposals. This will enable us to better assess the costs and/or benefits to each organisation, business or user. The final BRIA will contain details of engagement with a minimum of six businesses, to better assess the impacts of this agenda on them.

Businesses affected:

Following discussions with Scottish Government policy colleagues, we anticipate that businesses associated with social care will be affected to a greater extent than those associated with healthcare. This is because there is far greater plurality of provision in social care in Scotland than in healthcare (with the NHS providing almost all healthcare), and because the process of commissioning social care is likely to be different in different Local Authority areas.

The level of health and social care provided in communities is expected to increase under these proposals. There may be a greater impact on social care businesses, because of the plurality of providers noted above, but there will also be an impact on, for example, pharmacies – we will consider the impact on businesses across health and social care to take account of the range of interests involved. This is reflected in the organisations that we have identified to consult with for the full Business Regulatory Impact Assessment (see above).

- **Competition Assessment**

The proposals outlined above propose a shift to community provision and anticipatory care. Therefore, it is likely that services will need to be redesigned to better meet the needs of individuals and achieve better quality of outcomes; however, it is anticipated that this is unlikely to substantially impact on competition within the current market.

To ascertain whether the proposals will impact on competition, we will be conducting competition assessments using the [Office of Fair Trading Guidelines \(2007\)](#) as part of the process of consulting with businesses. The results of these assessments will be published in the full BRIA.

- **Test run of Business Forms**

No new business forms will be brought in with the implementation of the proposed legislation.

Legal Aid Impact Test

We have discussed the integration agenda with the Scottish Government Legal Aid Team. We have determined that as we are not creating any new offences/penalties etc and there is nothing to suggest that there will be an increase on individuals seeking legal advice as a result of the proposals, a legal aid impact test does not need to be carried out.

Enforcement, sanctions and monitoring

The consultation will propose that Community Health Partnerships should be replaced by Health and Social Care Partnerships. These will be the joint and equal responsibility of Health Boards and Local Authorities. They will be required to work in partnership with the third and independent sectors with a focus on making sure that people have access to the right kind of care, at the right time and in the right place.

Accountability:

Health and Social Care Partnerships will be accountable, via the Chief Executives of the Health Board and Local Authority, to Ministers, NHS Chairs, Council Leaders and the public for the delivery of nationally agreed outcomes. Outcomes measures will focus initially on improving older people's care and will be included in all Community Planning Partnerships' Single Outcome Agreements.

The nationally agreed outcomes will apply across health and social care; will be transparent and accountable locally and to the Scottish Parliament via Ministers; and will provide assurance that local variation is appropriate to local needs. Providing information and evidence from across health and social care will be critical to demonstrating progress, and external scrutiny processes will be appropriately aligned to support integration of adult health and social care.

Monitoring:

A sliding scale of improvement and performance support will be put in place to assure the delivery of national outcomes by Health and Social Care Partnerships. Improvement support will be offered to all Health and Social Care Partnerships to ensure sharing of good practice, benchmarking, leadership and organisational development, development of commissioning skills and other priority areas. Where Health and Social Care Partnerships fail to deliver national targets, performance support will be offered and, where critical, put in place to assure the delivery of targets.

We recognise that effective collaborative working with external scrutiny partners will be important, and will work with the Care Inspectorate and Healthcare Improvement Scotland to ensure an appropriately integrated approach to reviewing the quality of service and outcomes achieved.

As work progresses on this agenda, we will be considering further methods of monitoring the progress of integration.

Sanctions for non-compliance:

Current Ministerial sanctions for failure to deliver under legislative requirements will be amended to reflect the new Partnership arrangements.

Implementation and delivery plan

May – August 2012:

- Public consultation;
- Publish partial BRIA and EQIA with the consultation paper;
- Consult with businesses identified.

August – September 2012:

- Assess public and business consultation responses.

September 2012 onwards:

- Development of legislation.
- Publish complete BRIA and EQIA in support of the integration agenda (date to be confirmed).

• **Post Implementation Review**

Each Health and Social Care Partnership will be expected to produce joint commissioning strategies and delivery plans over the medium and long-term, which will be reviewed as part of the process of ongoing assurance.

Reporting meetings to Ministers, Health Board Chairs and Local Authority Leaders, will be established and will use an agreed set of measures to support monitoring of progress towards outcomes. These meetings will build on the current regime of accountability reviews for Health Boards.

Accountability to the public will be via publication of local performance data.

Summary and recommendation

Summary:

The Scottish Government is proposing plans to integrate adult health and social care across Scotland. These have been developed in collaboration with partners. Furthermore, the proposals have cross party support and we have garnered support with external agencies through engagement events.

We are proposing that as a minimum, adult health and social care services should be integrated and Partnerships would be able to integrate additional services if they agree to do so.

The integration of adult health and social care will be driven forward through the formation of Health and Social Care Partnerships. These will be the joint and equal responsibility of Health Boards and Local Authorities.

The consultation will propose two options for the governance of the Health and Social Care Partnerships: delegation between partners; and delegation to the Health and Social Care Partnership, established as a body corporate.

Recommendation:

The options, outlined in the consultation document and above, provide Partnerships with two possible options for Governance arrangements. It will be up to Partnerships to decide which option suits them best, based upon the local scenario. The proposals for the integration of adult health and social care will be primary legislation and as such Partnerships will not have the option of doing nothing.

- **Summary costs and benefits**

We have identified potential costs and potential benefits/savings (see above) and will be seeking additional quantification of these for the full BRIA. We will be using information from the Highland model of integrated health and social care, which went live in April 2012, to begin the assessment of these aspects.

Declaration and publication

I have read the BRIA and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options. I am satisfied that business impact will be assessed with the support of businesses in Scotland.

Signed:



Date: 30 April 2012

Nicola Sturgeon

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