AGENDA ITEM NO 7

REPORT NO IJB 81/20

ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD – 9 DECEMBER 2020

LARGE HOSPITAL SET ASIDE

GAIL SMITH, INTERIM CHIEF OFFICER

ABSTRACT

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board:-

(i) Regarding the current Large Hospital Set Aside (LHSA), note the position and support the Chief Officer and Chief Finance Officer in further discussions with NHS Tayside to progress an appropriate resource release from Acute Services to Angus IJB to reflect changes in OBDs (Occupied Bed Days) to date which would, in turn, support the commensurate local investment in community resources.

(ii) Regarding Mental Health services, note the position and request the Chief Officer and Chief Finance Officer develop proposals for financially managing these resources with colleagues in NHS Tayside and neighbouring IJBs and report back to the February 2021 IJB.

(iii) Regarding future developments, ask the Chief Officer to develop proposals with Acute Services and other key stakeholders, as described in sections 3.3 and 4.3 and report back to the IJB's April 2021 Board meeting.

2. BACKGROUND

The term "Large Hospital Set Aside" (LHSA) was introduced as part of the Scottish Government's framework for Health and Social Care Integration and Integration Joint Boards. It refers to the concept whereby resources associated with defined or agreed services in "Large Hospitals" (usually resources associated with unscheduled care) are strategically over-seen by IJB's, in partnership with the local hospital sector.

The objective is to create a coherent single cross-sector system for local joint strategic commissioning of health and social care services and a single process through which a shift in the balance of care can be achieved. Fundamental to this endeavour is a clear understanding of how "large hospital" resources are consumed and how that pattern of consumption and demand can be changed by whole system redesign for example by reducing the use of acute hospital bed days and by shifting activity closer to the community.

There is recognition nationally, as evidenced by Scottish Government communication in 2019 and reference in the Ministerial Strategic Group reports, of challenges regarding the slow progress in developing this agenda during the first 4 years of integration and a requirement that the pace be accelerated. This report sets out some of the more detailed background to LHSA and sets out potential ways forward. It covers resources within the current LHSA funding, Mental Health resources and potential future developments.

3. CURRENT POSITION

3.1 Current LHSA

At the outset of integration, and set out in legislation, the Scottish Government determined a minimum scope for large hospital services that should be strategically planned by IJBs. This minimum was then reflected in all 2015 Tayside IJB Integration Schemes. The Scottish Government used hospital specialities to define scope and locally it was agreed a limited number of specialities should be strategically planned through IJBs (in conjunctions with Acute Services) with many of the in-scope Large Hospital Services already largely fully devolved to IJBs (e.g. Psychiatry of Old Age, Palliative Care and Medicine for the Elderly). For Angus this meant resources that should be in scope for LHSA would include Accident & Emergency, General Medicine, Acute based Geriatric Medicine and Respiratory Medicine. One of the LHSA requirements is to place a value on the associated resources from which the IJB could plan, through their strategic planning process, the future utilisation of resources.

While the above was the Scottish Government's intention, across Scotland there have been difficulties in introducing LHSA arrangements. This was partly due to lack of clarity as to how best to introduce the arrangements, complications in managing consequent risks associated with these resources, issues regarding baseline resources (e.g. in an over-spending situation such as existed in NHST Tayside), and the practical issues of identifying the variable and fixed resources to be considered.

Noting these arrangements need to be developed consistently across Tayside, over the last 3 years there have been efforts to take things forward. This was initially via finance channels but this, perhaps with hindsight, was not the most likely approach to instigate change in this area and therefore has resulted in limited progress other than broadening the awareness of this issue. During 2019/20 there were intermittent meetings involving NHS Tayside Acute Services and IJB representatives including Chief Officers and Finance. However, while positive, these discussions also did not result in any clear outcomes and were not progressed further due to COVID-19. Therefore, the underlying opportunity to move more care closer to the community on a planned basis has yet to be fully developed. Information regarding the current position is set out in **Appendix 1**. This indicates there are some unresolved issues and the IJB is required to develop a view as to if and how to progress to a resolution regarding these.

3.2 Mental Health Services

As Board members will be aware, from 2020/21 In Patient Mental Health Services are no longer managed through Perth & Kinross IJB but are now managed directly by NHS Tayside. From Angus IJB's perspective these resources will continue to be strategically directed by Angus IJB. Currently, no financial reporting mechanism exists to replace previous arrangements with Perth & Kinross IJB. This requires a discussion with NHS Tayside (and neighbouring IJBs) to move this forward and one option would be for a mechanism similar to that associated with LHSA.

However, it is reasonable to note that current LHSA mechanisms could be improved upon, that In Patient Mental Health Services are relatively easy to distinguish within NHS Tayside and that; ideally, a more constructive mechanism can be developed to take an equivalent to LHSA arrangements forward for Mental Health.

The IJB wrote to NHS Tayside in October 2020 with regard to this and seeking to develop future arrangements for the future.

3.3 Future Developments

3.3.1 While 3.1 and 3.2 address issues associated with current LHSA resources and Mental Health Services, both already devolved to the IJB. This section of the report addresses the potential for future developments beyond the existing definition of LHSA and the opportunity to move more care closer to the community on a planned basis as part of a developing strategic commissioning plan. Preliminary discussion within clinical leadership, including from acute services, suggests there are two main opportunities for further developing this agenda, including developing principles, concepts and engaging with all relevant stakeholders (including the public), and these are broadly described below.

3.3.2 FURTHER HOSPITAL (NINEWELLS) OCCUPIED BED DAY REDUCTIONS

There would be series of requirements to develop this as follows: -

- Developing a quantified and clinically supported planning aspiration, with associated high-level workforce and financial modelling, to further reduce the Angus adult population's use of occupied bed days across a wide range of specialties in Ninewells. To give this context, the Angus population's use of Ninewells beds is currently over 50,000 occupied bed days per annum.

  This proposal would initially involve the IJB, Acute Services and other key stakeholders developing a material high-level, hospital-wide or pathway-based targeted reduction in occupied bed days through transferring care to the community. The resources associated with the acute occupied bed days could then be quantified and become a funding envelope for managing the planned activity transfer to the community.

- Develop an understanding of the additional resource required within the community to manage this material transferred activity including the mapping of clinical pathways. This would need to reflect direct costs (e.g. social care, medical, nursing, AHPs) and, in some circumstances, accommodation. Resources requirements to manage an activity transfer of this scale would need to be estimated in advance with an acceptance of a margin for future revision and this model could be progressed if the overall costs of community resource are assumed or known to be lower than the historic cost of activity in Ninewells.

- The IJB should consider its appetite and commitment to developing a progressive and material stepped change such as that described above, with an associated significant resource release required from Ninewells to the community. It is important to note that the development of a proposal such as this does include an element of risk, would certainly require significant working up (e.g. to estimate the composition of the mix of activity to be transferred, without ever being sure of that in advance) and would need to be supported in Ninewells where the resources are required to be released from.

3.3.3. PROGRAMME BASED ACTIVITY TRANSFERS FROM ACUTE HOSPITAL TO COMMUNITY

- This opportunity, which can be looked at alongside the above, envisages considering outpatient type activity within Ninewells and the potential to shift that activity closer to community settings. This could be seen as an extension of programmes of change associated with the 2018 GMS contract (Primary Care Improvement Plans) but, while those looked to address workload planning in General Practice, programmes considered in this opportunity would look consider activity currently within acute settings that could move to the community. Examples could include diabetes (already under consideration) and phlebotomy with work potentially migrating to physical centres such as Community Treatment Centres.

- The IJB should consider its appetite and commitment to develop a series of proposals such as that described above, with an associated significant resource release from Ninewells to the community. Development of individual programmes would each include an element of risk (though the before and after models should be reasonably definable), would certainly require significant working up and would need to be supported in Ninewells where the resources are required to be transferred from.

3.3.4 Both the above opportunities could have a material impact on the accommodation requirements within Angus although opportunities around reducing Ninewells Occupied Bed Days may see patients looked after at home or in existing care settings.

4. PROPOSALS

4.1 Current LHSA

Based on the information set out in this report, it is recommended that the Board support the Chief Officer and Chief Finance Officer in further discussions with NHS Tayside to progress an appropriate resource release from Acute Services to Angus IJB to reflect changes in OBDs to date which would support the commensurate local investment in community resources.

4.2 Mental Health Services

As noted above the position remains unclear as to how these resources will be presented and managed financially 2020/21 and going forward. This situation needs to be developed through discussion with NHS Tayside (and neighbouring IJBs) to develop a solution that is consistent with how the IJB will be engaged with these services on strategic basis and builds on developing clinical engagement.

The IJB should request the Chief Officer and Chief Finance Officer develop proposals for financially managing these resources with colleagues in NHS Tayside and neighbouring IJBs and report back to the February 2021 IJB.

4.3 Future Developments

In section 3.3 above, two opportunities to further develop the LHSA-type resources are described. Both can be considered simultaneously. Accepting that broad consultation would be required, it is recommended that the IJB agrees to support the development of both these opportunities through clinical leadership and in conjunction with Acute Services as follows:-

- Develop proposals regarding further hospital (Ninewells) occupied bed reductions with a commensurate resource transfer and investment into community services.
- Develop proposals regarding programme based activity transfers from Acute (Ninewells) hospitals to the community.
- Report back to the IJB's April 2021 Board meeting with worked up proposals for progressing these developments.

5. FINANCIAL IMPLICATIONS

As all of the recommendations within this report are preliminary or advisory, there are no immediate direct budgetary financial implications. However each matter will ultimately have a financial implication and these will need reported back to the IJB in more detail in due course.

6. OTHER IMPLICATIONS

It is important to note that all IJBs in Tayside use Ninewells with Dundee and Angus IJB's using most of the capacity. It is important to recognise the need to develop strategic proposals such as those set out here in conjunction with neighbouring IJBs and one part of developing any of the proposals described in this report will be to work closely with both NHS Tayside and neighbouring IJBs on these matters.

7. DIRECTIONS

The Integration Joint Board requires a mechanism to action its strategic commissioning plans and this is provided for in Section 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Angus Council and NHS Tayside.

Direction Required to Angus Council, NHS Tayside or Both	Direction to:	
X	No Direction Required	
	Angus Council	
	NHS Tayside	
	Angus Council and NHS Tayside	

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List of Appendices:

Appendix 1 - Angus IJB – Current LHSA

APPENDIX 1 TO REPORT IJB 81/20 - Angus IJB - Current LHSA

From a financial perspective, all Tayside IJBs have reported nominal LHSA budgets since 2016/17 with those nominal budgets reflecting estimates of resources consumed in Large Hospitals based on activity and unit costs.

The LHSA activity (Occupied Bed Days) information for Angus is as follows: -

Activity Year	15/16	16/17	17/18	18/19	19/20[1]
Reporting Year		17/18	18/19	19/20	N/A
ED	281	271	386	462	317
General Medicine	13,047	12,926	12,114	9,606	8,193
Geriatric Medicine	2,377	3,604	4,372	3,890	4,534
Respiratory Medicine	3,932	3,732	3,621	2,910	3,146
	19,637	**20,533**	**20,493**	**16,868**	**16,190**
Compared to 15/16		**896**	**856**	**-2,769**	**-3,447**
%age of 15/16		104.6%	104.4%	85.9%	82.4%
%age Change		4.6%	4.4%	-14.1%	-17.6%

1. Projected. Activity information is translated into financial information one year in arrears.

The above activity information is mirrored in associated reported nominal LHSA budgetary allocation with these falling from £9734k in 2018/19 to £8666k in 2019/20 despite inflationary increases.

In April 2020, as part of NHS Tayside's annual budgets setting process, it was acknowledged that Dundee IJB had demonstrated "a sustained reduction in bed days for Dundee IJB over a three year period. Sustainability is important if recurring resource is to be released from the acute hospital setting" and with the fall in Dundee use of beds by 7903 by 2018/19, agreed to transfer £1m of additional recurring (£126 per Occupied bed day) funding to Dundee. The Angus equivalent figure noted above is 2769 OBDs (equivalent to c£350k). However the following should be noted:-

1. The ISD information provided within the NHS Tayside budget setting paper did contain an inaccuracy and only showed a reduction of 717 OBDs for Angus. Information that subsequently became available is shown above.

2. The "sustained reduction" was less evident in Angus as the reductions were from 2018/29, albeit the pattern appears to have been sustained since then (up to COVID-19 impact).

3. The potential for OBD reduction may have always been lower in Angus due to historically lower bed base, different service configurations and population size, thereby suggesting Angus would require a more sensitive baseline to allow any trigger of resource release.

4. In calculating the funding transfer, NHS Tayside converted the OBDs saved per IJB into the equivalents of "6 bedded units" to recognise the threshold of beds to trigger a resource release. However, this creates a high threshold for an individual IJB and, noting all Tayside IJBs were working towards similar goals, alternative mechanisms could be considered.

5. In allocating funding to Dundee IJB to recognise the reductions in OBDs, NHS Tayside has set out a view that they are keen this "effectively re-sets the baseline for LHSA services, and is not intended to set precedent for future actions. The focus now should shift to whole system change going forward." On that basis it may appear challenging for Angus IJB to revisit this issue with NHS Tayside.

It is worth noting that activity levels from March 2020 will be skewed by COVID-19.

It is recommended that the Board support the Chief Officer and Chief Finance Officer in further discussions with NHS Tayside to progress an appropriate resource release from Acute Services to Angus IJB to reflect changes in OBDs to date which would support the commensurate local investment in community resources.