A National Care Service for Scotland: consultation

Audit Scotland, Accounts Commission, Auditor General response

Background

1. Audit Scotland, the Accounts Commission and the Auditor General for Scotland welcome the opportunity to respond to this consultation.

- The Auditor General for Scotland (AGS) is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is a statutory body established under the Public Finance and Accountability (Scotland) Act 2000. It is Scotland's national public sector audit agency which provides the Auditor General and the Accounts Commission with the services they need to carry out their duties.

2. Public audit provides independent assurance that public money is spent properly and is providing value for money. Social care, and its importance to health and wellbeing, has been an important issue for the Accounts Commission and the AGS for many years. We have published several reports in this area, including Health and Social Care integration (2015 and 2018), Self-directed support (2014 and 2017) and Social work in Scotland (2016) – all our reports in this area since 2015 can be found here. We plan to report further on social care in 2022.

3. Our work has identified areas of concern such as pace of improvement, user voice and choice, support for unpaid carers, workforce issues, and financial sustainability. We have also reported on wider issues reflected in the scope of the consultation, covering criminal justice, early learning and childcare, and major service reform. As public auditors, we help ensure money is spent properly, efficiently, and effectively but we cannot comment on the merits of policy decisions. Our response is based on findings from our reports.

4. We have set out recurring themes around the main challenges, risks, and opportunities we consider key in developing a new National Care Service (NCS). We have also provided more detailed responses to the key themes covered in the consultation drawing on relevant reports. While some aspects of the services covered by the reports have moved on or changed, many of our findings remain relevant to this consultation.

Key risks and challenges

5. We recognise the scale and ambition of the Scottish Government's plans for a new National Care Service. However, there are huge risks with such a significant change as seen with the challenges in implementing reform over the last 10-20 years e.g., Police, community planning, health and social care integration and the Christie principles. Changes to how social care is provided in Scotland are needed, and we welcome the focus now being given to making improvements. But the solutions are far from simple, and the challenges go far beyond new structures. It is important that the cultural aspects recognised in the consultation are given equal attention.

6. A preventative, person-centred approach, as set out by Christie ten years ago, is key for improving outcomes and reducing inequalities. However, we have repeatedly reported that this is not being achieved consistently or at scale. The intentions of the NHS 2020 Vision to shift the balance of care, and of health and social care integration to work more collaboratively to move resources into the community, have not been realised. Services are still fragmented and too focused on inputs and outputs rather than outcomes, and budgeting is short-term. Data and systems to support planning and performance are not joined up and organisations are not always willing to share data. Service users and service providers who understand what is needed in their communities do not have enough of a say or choice in the care and support provided.

7. A focus on the longer term needs of social care is welcome. At the same time, there is a risk that focusing on such a major transformation may divert attention from addressing the immediate challenges within the social care sector, including workforce issues and unmet demand for support. It may also distract from the need to progress with self-directed care, and the ongoing recovery within the NHS. It will take considerable time and investment and the focus on improving lives should not be lost amid structural changes. Our work has often highlighted that, without adequate planning - which includes strategic, operational, financial and workforce planning – there is a risk that, even with the best of intentions, major and timely change will not be delivered successfully. The objectives of the reform must be explicit about how it will address the current challenges, meet people's needs and improve outcomes. If it is not clear what difference it is going to make, then the need to make such major changes should be questioned and consideration given to whether changes to the existing system would be more effective. Addressing immediate challenges in the short term will provide a good foundation for the longer-term plans for reform.

8. Creation of a new National Care Service would be one of the biggest public sector changes since the introduction of the NHS in 1948. It will have implications for the whole system, including hospitals, general practice, justice, education, and children's services. The interconnectedness of services and organisations means everyone will have a part to play in making it a success. It will require strong, clear, and consistent leadership to manage the scale of changes required over several years. It will require different organisations coming together to work in different ways. The importance of collaborative leadership and cultural change cannot be underestimated, and this is where we have seen major reform fail in the past.

A focus on users and outcomes

9. The consultation indicates that people should be empowered to engage with their own care. We welcome the commitment to embedding service user voice and involvement in the proposed new arrangements. In our reports, we have consistently highlighted the importance of the user perspective. Given the breadth of the proposed NCS, there will be large numbers of people with a direct interest, as recipients of care. There will also be many people with a less direct, but still important, interest. That includes those currently providing care – individuals (family members and friends), as well as those employed in the public, private and third sectors. Bringing together the views of these stakeholders will be a critical part of supporting the effective development and introduction of a new care service.

10. We have often highlighted that services can be most effective when delivered in, or by, communities. Any shift to a national service would need to recognise the value of community-led or community-based services. The Strategic Scrutiny Group's Principles for community empowerment report sets out what good community empowerment looks like.

The workforce is key to sustaining the social care sector

11. The social care workforce, along with unpaid carers, are at the heart of supporting and enabling people who require social care support. The Covid-19 pandemic has exacerbated the long-standing challenges facing the social care sector and put the workforce under immense pressure. This has led to increased workloads, staff burnout, and rising sickness levels. Unpaid carers have faced additional pressures due to services and support being reduced.

12. We reported in 2016 of difficulties in recruitment, including low pay, antisocial hours and difficult working conditions. The Fair Work Commission found that fair work is not being consistently delivered in the social care sector. Despite some good practice and efforts by individual employers, the wider funding and commissioning system makes it almost impossible for providers to offer fair work.

Understanding the data

13. We welcome that under the proposals, a NCS should be able to request and gather data from across the health and social care system. We have repeatedly highlighted issues with consistent and reliable data. To achieve the right outcomes at the appropriate price, it is critical that the right data is collected and used effectively. The lack of relevant data, or analysis of, primary, community and social care data – key data that will be needed to assess the benefits of a national care service – has been a common theme across a range of our reports. For example, in our 2018 report on health and social care integration, we noted that, despite work to better analyse data, there were still gaps.

14. It is also important that stakeholders can share and link data. Our 2018 report highlighted that an inability or unwillingness to share information was slowing the pace of integration.

Effective financial and workforce planning

15. Making effective use of data is critical, not just for delivering good quality services to those who need them, but also to support effective financial and workforce planning which, along with a good understanding of data, will also support effective decision-making. Our reports, across the public sector, have often found that there is room for improvement in medium and long-term financial planning. Using data and user perspectives to determine what is not effective is also important.

16. Our financial audit work of councils and integration joint boards (IJBs) in 2020 has found there is a challenging and uncertain financial outlook. Long-term financial planning is not developed, contributing to financial sustainability risks in councils and IJBs. Medium to long-term financial planning will need to take account of the impact of Covid-19 and the pace of change of service redesign in post-Covid-19 recovery will need to increase to address future budget gaps. Workforce planning is failing to deliver the staff, skills, and leaders to deliver change and needs to develop further and take account of changes to service delivery and digital progress because of Covid-19. The proposed new national workforce planning approach is welcome but will be incredibly challenging.

Effective leadership and collaboration

17. In our work, we've emphasised the need for strong leadership and for all relevant stakeholders to communicate effectively with each other. This includes identifying and exploiting links between services and across sectoral boundaries. It is also important that stakeholders can share and link data. In our 2018 report on health and social care integration, we highlighted that an inability or unwillingness to share information was slowing the pace of integration. We also found that cultural differences between partner organisations were proving to be a barrier to achieving collaborative working. Partner organisations work in very different ways, and this can result in a lack of trust and lack of understanding of each other's working practices and business pressures. There can also be tendency to put the organisation first. These issues were highlighted by Christie in preventing a shift towards prevention and delivering improved long-term outcomes for individuals and communities.

18. In recent years, we have also highlighted significant challenges around leadership capacity across the public sector. Our Local government in Scotland: Overview 2020 report emphasised the critical need for effective leadership at a time of increasing pressures and change. Councils and IJBs are experiencing high turnover in senior staff and are competing not only with each other for the best quality leaders but with the private and third sectors. Similarly, our NHS in Scotland 2020 report highlighted that there continues to be a lack of stable senior leadership, with high turnover and short-term tenure. A better understanding of the reasons for frequent turnover in public sector senior posts and how to address it is needed. The health and social care sector requires stable and collaborative leadership, working in partnership across public services to balance the ongoing challenges caused by Covid-19, to remobilise services, and to implement significant reform.

19. It is important that leaders are highly competent, have capacity to deliver and are well supported. For transformation to succeed, the right leadership and

strategic capacity need to be in place. Without this, the reforms will not succeed. A key factor is breaking down organisational boundaries at a local level and empowering local leaders to implement what is best, with appropriate regard for national policy. Assessment of leaders' performance and how they work collaboratively needs to move away from short-term, service-specific measures and align with delivering national outcomes.

Measuring and reporting on progress and outcomes

20. Any significant change is usually for a specific purpose (or set of purposes). As we have highlighted in many of our reports, it is important that those purposes, and the associated, intended benefits, are set out clearly. It is important that there is a shared understanding, among all stakeholders, of the desired outcome(s) and the timescale for achieving them. It is also important that appropriate arrangements are put in place for measuring – and reporting – progress towards those outcomes. This includes aligning budgets with outcomes and tracking how spending on policies or activities is contributing towards improving outcomes, including cross-cutting issues such as equalities.

21. Given the scale of the proposed national care service, including the significant funds that would be required to establish and make it operational, the detail of how the intended outcomes will be achieved and the means of measuring progress towards those would need to be clear to all stakeholders. This includes addressing the lack of progress on shifting the balance of resources to allow a preventative approach, which we have highlighted in many of our health and social care reports. Any related changes to the National Performance Framework would also need to be clearly articulated. Our 2019 Planning for outcomes report sets out the main factors that support planning for outcomes.

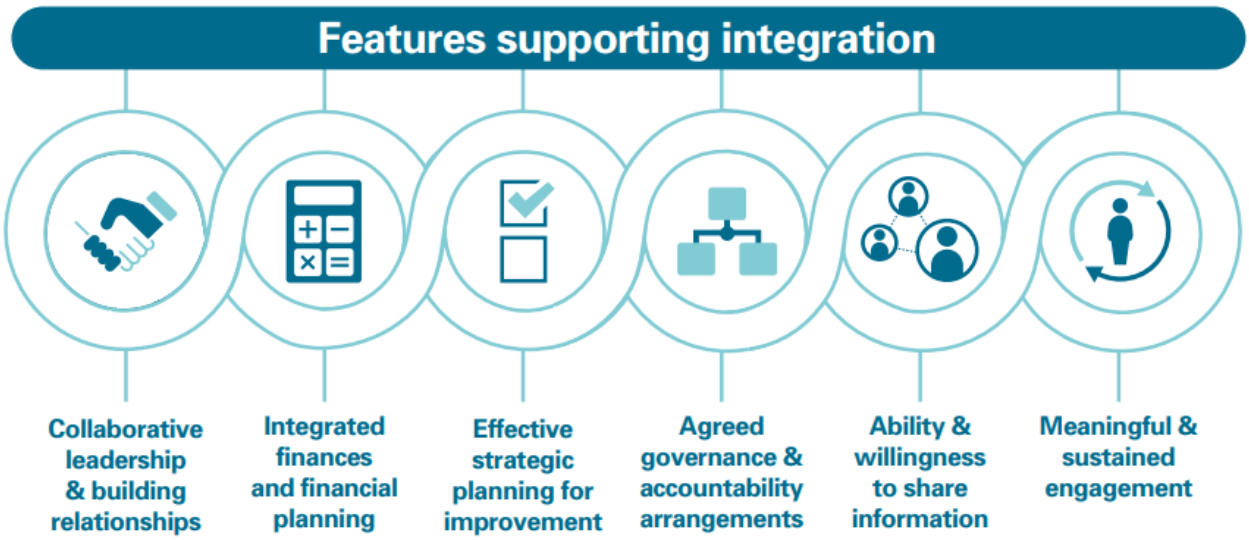
Our detailed response

National Care Services and reformed IJBs

Learning from health and social care integration

22. The collaboration and agreement required for the reform proposed has been hard to achieve elsewhere. There are important lessons to learn from our 2018 health and social care integration report where we found that Integration Authorities (IAs) are addressing some significant, long-standing, complex and interconnected issues in health and social care. Our work identified six key areas that, if addressed, should lead to broader improvements, and help IAs to take positive steps toward making a systematic impact on health and care outcomes across their communities (see Exhibit below).

Features central to the success of integration
Six areas must be addressed if integration is to make a meaningful difference to the people of Scotland.



Source: Audit Scotland

23. The six key areas identified still have much relevance to the proposals regarding the National Care Service and Community Health and Social Care Boards and more direct routes of accountability and funding. We highlighted that a clear governance structure where all partners agree responsibility and accountability is vital. There are difficulties in understanding how the operational responsibility aspect works in practice. Members of IA leadership teams have differing views about governance, especially clinical governance, and roles and responsibilities. A perceived lack of clarity in the Act is adding to local disagreements and is delaying integration. This lack of clarity and misunderstanding is evident even among people working at senior levels and can impede good relationships.

Other major policy change and reform

24. There has also been significant restructuring and reform elsewhere in the public sector, for example police and fire, the college sector, and social security. Our reports on reform in these sectors have found that it tends to be challenging – expected benefits are not always clearly defined and, even where they are, it doesn't always deliver the expected benefits, particularly in the short term.

25. Examples from our reports include:

- The Scottish Government implemented the increase in funded hours of ELC without considering different options to improve outcomes for children and parents, and the potential impact and cost of these options. We recommended that the Scottish Government should ensure that future major policy changes are backed up by options appraisal, supported by economic modelling.

- In our Social work in Scotland report we commented on the risks around inaccurate financial memorandums for Bills. New legislation often has financial consequences and, to allow MSPs to consider the full impact of legislation, a financial memorandum attached to each Bill

sets out the estimated cost of implementation. These are the best available estimates at the time but have sometimes proved inaccurate. The Scottish Government may fund or partially fund these costs, but councils sometimes dispute these estimates and the level of funding required. This disagreement, in the past, has wasted time and diluted the purpose of the reform.

- The high pace of delivery and the complexity of the social security system was a significant challenge and meant that the Scottish Government found delivering on its initial commitments harder than expected. Continuous short-term pressures meant it was difficult for the team to pause and refocus activity, presenting risks to overall delivery.

- Police reform involved one of the most complex public sector restructures since devolution. We found a lack of: good baseline information and realistic costs, different interpretations about what some of the legislation meant in practice, a lack of clarity in roles and responsibilities, and difficult relationships among the main stakeholders. This affected planning for the move to a single police service.

- Our Learning the lessons of public body mergers report highlighted that mergers need strong, strategic leadership from the outset. In some cases, the absence of permanent leaders early in the planning and implementation stages meant that some important decisions were deferred and key elements such as the long-term vision, objectives and structure were not well developed when the new body began to operate. Weaknesses in performance measures and baseline information made it difficult for merged bodies to demonstrate the impact of changes in the way they deliver services.

26. It will be vital to ensure realistic costs are included in financial memorandums accompanying a parliamentary bill for a NCS before embarking on the legislative process. These need to be reviewed and updated regularly. The cost of transformation will be significant and double-running costs of setting up a new service need to be factored in. Currently there is a lack of any real costing for a NCS, how will it be funded and how the money will be spent. Scenario planning for various options is a priority. Finance staff need to be directly involved in reform activity and clear financial information collated in one place to give an overall picture. Regular financial reports should also be provided to the reform board to update and track the financial position of the reform programme.

Scope of the National Care Service

Healthcare – roles & responsibilities of CHSCBs

27. There are important lessons to be learnt from the challenges identified in our 2018 health and social care integration report when considering new structures and deliveries bodies for the NCS. Consideration needs to be given to how CHSCBs would be set up and operate. There is an opportunity here to address the challenges faced by IJBs. The Public Bodies (Joint Working) (Scotland) Act, 2014 (the Act) was intended to integrate health and social care services so that people receive the care they need at the right time and in the right setting. It also aimed to help shift resources away from the acute hospital

system towards preventative and community-based services. However, we found there was still a lack of agreement about whether this is achievable in practice – or whether rising demand for hospital care means that more resource is needed across the system. It was also intended that it would be followed by significant health service reform which did not happen.

28. Integration schemes, as approved by ministers, state that hospital services will be delegated to the IJB, as required under the Act. However, in practice, in most areas, the services have not been delegated. This has been a major source of debate and disagreement at a national and local level and is a fundamental issue which has hindered IJBs' ability to change the system.

29. The money for functions that are provided by large hospitals but are delegated to IJBs, such as unplanned care, is referred to as a 'set-aside' budget. Instead of paying this money to the IJBs along with payment for other delegated services, it is identified as a budget which should be directed by the IJB. The complexities around accurately preparing set-aside budgets has presented challenges to fulfilling this element of the Act. In 2018 we found that the set-aside aspect of the Act was not being implemented. And that if IJBs were to use resources more strategically to prioritise prevention and care in a community setting, this issue needed to be resolved.

30. There are several reasons why all partners have struggled with this aspect of the Act, including fundamental issues in the data available to analyse set-aside related activities. However, these technical issues do not appear to be the main issue. The main problem is a lack of common understanding and agreement on how to identify the set-aside budget and shared agreement on how to implement this aspect of the legislation.

31. IJBs currently have a commissioning role but most IJB Chief Officers also have delegated operational responsibility for those functions and services that are delegated to the IJB, except for acute care. There are difficulties in understanding how this aspect works in practice and members of IA leadership teams have differing views about governance. In some areas, councils and NHS boards are putting in place additional layers of reporting as if each were accountable for the actions of the IJB. The IJB approach was intended to simplify arrangements, not add complexity. There are also significant concerns about the impact of integration on the rest of the acute hospital system.

32. Our NHS in Scotland 2018 report highlighted that the arrangements for NHS planning are already complex. There are now multiple planning levels from small localities through to national planning and it is still not clear how planning at each of the different levels will work together in practice. If the different planning levels are to work together effectively and the public is to easily understand what each part of the system is intended to do, governance arrangements must be clear and robust.

Valuing people who work in social care

33. In our Social work in Scotland report we highlighted the challenges around recruiting social care staff. Many third and private sector providers raised staff recruitment as a significant issue for them. Councils have fewer recruitment problems, the exception being in remote rural areas, where it can be difficult to

recruit specialised staff. Third and private sector providers reported that the apparent causes for these difficulties included:

- Low pay – providers in both the private and third sectors felt that the rates councils pay under their contracts only allowed them to pay staff at, or near, the minimum wage. In addition, travel time between clients is sometimes unpaid.

- Antisocial hours – providing homecare often requires carers to assist people to get out of bed in the morning and into bed at night. This can mean weekend working, split shifts and antisocial hours, with no additional pay. The increased personalisation of care has contributed to this as carers increasingly provide care to suit individuals, rather than fitting individuals into the care system.

- Difficult working conditions – staff take care of people with a variety of care needs that some find difficult, for example, assisting people with bathing and personal hygiene, or who have dementia or incontinence.

34. In our reports on the NHS clinical workforce in secondary care and general practice, we reported a number of issues on workforce planning that are relevant for considering integrated workforce planning within a national care service. This includes a lack of long-term workforce planning, complexities around the responsibility of planning workforce across policy areas and different structures, and the risk of duplication of work. Both reports make recommendations on:

- understanding future demand to inform workforce decisions

- estimating expected transitional workforce costs and expected savings associated with implementing reform

- scenario planning to identify the potential impact of workforce pressures on all staff groups

- determining clear costs of meeting projected demand through additional training and recruitment

- collecting sufficient data for monitoring and making decisions on the workforce.

Improving care for people

Access to care and support

35. The consultation asks whether a wide range of services should be included in an NCS. We have highlighted in many reports the need to join up different services, money, data, and people. This includes in community justice, school education, early learning and childcare, children and young people's mental health, and drug and alcohol services. It requires a good long-term strategic approach to provide appropriate and sustainable support that meets needs and improves outcomes. The person should be at the centre, with services wrapping around them and a common set of criteria no matter how and where people access care and support.

36. There needs to be a proper assessment of the consequences of including certain services and not others in a national care service. There is a risk of further fragmentation and services which are not included being siloed.

37. In 2016, we highlighted that the current approaches to delivering social work services would not be sustainable in the long term. We recommended that councils and IJBs should develop long-term strategies for the services funded by social work by:

- carrying out a detailed analysis of demographic change and the contribution preventative approaches can make to reduce demand for services (paragraph 52)
- developing long-term financial and workforce plans (paragraph 81)
- working with people who use services, carers, and service providers to design and provide services around the needs of individuals (paragraphs 69–72)
- working more closely with local communities to build their capacity so they can better support local people who may be at risk of needing to use services (paragraph 112)
- considering examples of innovative practice from across Scotland and beyond (paragraphs 54, 67–68)
- working with the NHS and Scottish Government to review how to better synchronise partners' budget-setting arrangements to support these strategies (paragraph 36).

Right to breaks from caring

38. Self-directed support (SDS) was designed to give people choice and control over their care, including personalised options for carers taking short breaks from caring. We reported in 2014 on councils' early progress in implementing the ten-year SDS strategy and their readiness for the SDS Act. We found that councils still had a lot of work to do to make the cultural and practical changes needed to successfully implement SDS. In an update in 2017 we reported that despite many examples of positive progress SDS has not yet been fully implemented.

39. We noted that SDS implementation stalled during the integration of health and social care services. Changing organisational structures and the arrangements for setting up, running, and scrutinising new integration authorities inevitably diverted senior managers' attention. As recognised in the IRASC, SDS is ground-breaking legislation that provides the foundation for improving outcomes for people and their carers. Our recommendations in 2017 on directing support, assessing needs and planning support, commissioning for SDS and implementing the national strategy, should be considered when designing the NCS.

Improvement and using data to support care

40. In our Changing models of health and social care report, we said the Scottish Government needed to provide stronger leadership by developing a

clear framework to guide local development and consolidating evidence of what works. It needs to set measures of success by which progress can be monitored. It also needs to model how much investment is needed in new services and new ways of working, and whether this can be achieved within existing and planned resources.

41. We said that NHS boards and councils, working with integration authorities, can do more to facilitate change. This includes focusing funding on community-based models and workforce planning to support new models. They also need to have a better understanding of the needs of their local populations and evaluate new models and share learning. We recommended that that learning from new care models across Scotland, and from other countries, is shared effectively with local bodies, to help increase the pace of change. We set out principles for NHS boards and councils, working with integration authorities to follow for implementing new care models (Exhibit 9, page 30).

42. Our 2018 health and social care integration report found that IAs are using data to varying degrees to help plan and implement changes to services but there are still gaps in key areas. In 2018, we found that part of the work IAs were doing, supported by Local Intelligence Support Team (LIST) analysts, is to better understand how to support the top two per cent of people using services who account for 50 per cent of hospital and GP prescribing expenditure. By doing this, they can better direct resources and take preventative steps to ensure these users receive more targeted care. This prevents unnecessary hospital admissions and improves personal outcomes through providing more appropriate care in a homely setting.

43. Nonetheless, an inability or unwillingness to share information was slowing the pace of integration. There are several areas which need to further improve to help IAs and their partners make better use of data, which we have highlighted in several of our reports. These include, for example:

- GP practices agreeing data-sharing arrangements with their IA
- IAs identifying gaps in data about community, primary care and social care services and establishing how this information will be collected.

44. Sharing of information, including both health and performance information, is a vital part of providing effective care that is integrated from the point of view of the people who use services. It is also vital in helping to anticipate or prevent need. Throughout our work we were told of examples where this was not happening in practice, because of local systems or behaviours. NHS and social care services are made up of many different specialties and localities, often with different IT systems, for example, systems to record X-ray results or record GP data. Many of these systems have been built up over years and commissioned separately for different purposes. Some services still rely on paper records.

45. This disjointedness has an impact on people who need care and on the ability of health and care professionals to provide the best support that they can. For example, people with multiple and complex health and care conditions can have to explain their circumstances to many different professionals within a short space of time. This can delay people getting the help they need, waste resources, and gets in the way of care provision being more responsive to

people's needs. Local data-sharing arrangements need to be in place so that professionals can appropriately share and protect the data they hold. The consultation proposals on improving data and bringing in a requirement for all primary and community health care and social care services to provide data to the NCS is welcome. Comprehensive joined up health and social care that all care providers have access to will be crucial.

Commissioning of services

46. In our Social work in Scotland report, we highlighted that councils have a challenging task to manage the market for providing services in their local area. There are potential tensions around making savings while ensuring high-quality services at a fair cost in an environment of increasing demand and financial pressures. Service providers wanted to be more involved in commissioning services, but different councils have different processes, procedures and attitudes to partnership working.

47. Service providers identified areas that required improvement, including the need for more staff with appropriate skills for commissioning, evidence on effectiveness of services for planning and contract decision-making, improved partnership working and relationships with providers, and more involvement of providers in assessing and designing services (see page 33 for more detail). An aim to move towards ethical commissioning is welcome. It will be important to work closely with providers of social care services, and the people receiving them, to develop standards and processes that focus on outcomes, quality, and fair work.

Regulation and scrutiny

48. The consultation helpfully sets out core principles for regulation and scrutiny and a more rounded approach to strengthen current arrangements and provide better oversight of the care market. The proposal for regulators and scrutiny bodies to operate separately from an NCS will be important for independent assessment and reporting to identify risks and support improvement.

49. Effective scrutiny is key to supporting efficient, high-quality services and helping to improve. The development of core principles is helpful for providing an overarching objective and a human-rights and person-centred approach. Several of the principles chime with our ethos for fair, equal, and open public scrutiny. We work with other scrutiny bodies to make sure the scrutiny of public-sector bodies is better targeted and more proportionate in relation to identified risks. It is important that this continues with any new arrangements put in place.

50. The Strategic Scrutiny Group, which leads scrutiny coordination in local government, published an update on scrutiny responses to Covid-19 in November 2020. As well as summarising increasing risks seen by scrutiny bodies across the public sector, there is learning to be taken from the changes in the way scrutiny bodies have worked, collaborated, shared data and intelligence, and developed risk-based scrutiny plans.

51. In relation to regulating personal assistants, in our initial SDS report, we highlighted that this would introduce extra administration costs and reduce people's flexibility about who they choose to employ. But insufficient regulation, advice and help, may put people at risk of not having their needs met.