



***Response to follow-up to attendance at HSCS Committee on 21 March 2023***

***14<sup>th</sup> April 2023***

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## Financial Sustainability

- **In its 2022 Overview of the NHS report, Audit Scotland states there is a tension between the service delivery targets of the NHS Recovery Plan and the finances available to boards to meet them. Given so many of the pressures on board finances appear to be beyond the control of NHS boards, can you set out how you plan to balance your budget?**

NHS Borders agrees with Audit Scotland's overall conclusions in relation to the challenges faced in balancing the overall pressures on the NHS (demographic change / the Pandemic / recovery of the service backlog / workforce) with the financial position. This has been exacerbated by the recent increases in Inflation and costs associated with the Pandemic, recovery and workforce sustainability. NHS Borders therefore agrees with Audit Scotland that rapid transformation of our services is required.

NHS Borders financial recovery plan (previously shared) describes the actions that will be taken over the course of the next 3 years. In this it is recognised that we are not currently able to describe all the actions that would be required to balance our budget on a recurrent basis.

During 2023/24 NHS Borders will be developing our medium-term plan. This will set out the further work that we will progress to develop a longer-term financial recovery plan.

This is consistent with the Scottish Government's Annual Delivery and Medium-term plan guidance which provides an opportunity to bring together financial and operational planning. It is expected that discussions on our plans with the Scottish Government will consider the balance between financial and operational performance.

- **How much funding do you estimate your NHS board will need to reduce waiting times and address backlogs in care?**

As requested by the Scottish Government, NHS Borders has set out how we will use the additional Access allocations available to us in 2023/24, to make progress in reducing our waiting times.

In line with this, we have not yet fully assessed the totality of funding required over an extended period to reduce waiting lists to their pre-pandemic performance.

It is important to emphasise that alongside additional funding, key drivers that are equally important in allowing us to deliver improved access, are the availability of key staff (i.e., medical and theatre Specialists) and the release of hospital bed capacity that is currently occupied by patients delayed and awaiting social care.

- **Has the Scottish Government given your NHS board any commitments to provide additional funding to cover part or all of any estimated funding shortfall?**

The Scottish Government have provided a commitment to provide additional funding in the order of £12.2M in 2022/23 to cover our projected deficit in this financial year.

NHS Borders is currently in discussion with the Scottish Government with respect to our draft financial plan for 2023/24 to 2025/26.

- **You also agreed to provide the following to the Committee:**
  - **Specific figures in relation to the impact of inflation and the current cost crisis**

Projected cost increases for the next financial year (2023/24) relating to general inflation and wider economic factors (excluding Pay awards) are listed below:

<b>Item</b>	<b>£m Increase</b>	<b>% Increase</b>
Energy & Fuel	£1.0m	30%
Supplies & Contracts	£3.7m	Average 4% (2% - 7.4%)
Prescribing	£4.1m	10% (hospitals) & 5% (primary care)

In the recent financial year (2022/23, we have also seen equivalent growth in energy (£1.2m) and prescribing (c.£4.5m estimated). While growth in supplies costs have been offset by reduced activity during the past year, we have estimated an underlying impact of general supplies inflation of c.4% which would equate to c.£3.5m in a full year, assuming activity levels recover.

In addition to inflationary costs we have incurred additional expenditure to support performance, workforce and environmental risks, including additional staffing in A&E and other urgent and unscheduled care services, staffing additional hospital beds, etc.

## **Performance**

- **Please provide a brief commentary on your NHS boards performance against the NHS key performance standards.**

The attached document sets out the Board's current assessment of our Performance against the key (HEAT) targets against which the Board is measured. These reports are submitted to the Board at each meeting.

- **To what extent do the key performance standards used to monitor NHS boards drive service delivery at a management level and on the frontline? Are there any standards in particular that your board has prioritised for improvement and are there any you would deprioritise in the current climate?**

The delivery of these targets is central to the Board's overall and internal Performance framework. This is cascaded through the organisation from Board level to individual services and departments. In delivering and monitoring progress against these targets the Board recognises our responsibility to balance delivery of service targets, with the quality of service we provide, the availability and wellbeing of our workforce as well as our financial responsibilities.

In the last year, key areas for improvement, have been delivery of the CAMHS target, progress in addressing backlogs in care (Access targets) and the MATS standards for our Drug & Alcohol service.

- **How can prevention, early intervention and realistic medicine be prioritised within key performance standards as opposed to focusing on acute pressures?**

The Board agrees it is important that we achieve this shift in focus and welcomes the interest of the committee in outcomes around early intervention / prevention. This is

essential if we are to address the long-term determinants of health, to improve the overall health and wellbeing of our communities and reduce health inequalities. The initial activity should be to ensure that there is consistent collection and reporting of data that highlights these areas. A collective effort is needed to agree the right suite of metrics that are robust and simple to collect and report. The Board would suggest the following for consideration:

1. Increased public debate about the need for this shift and that this will require public and political support, including debate and cross-party support in parliament.
  2. Refresh of the Health service performance framework, to recognise the equal importance of Population health targets. This will require these targets not only to be incorporated but for an explicit agreement that this will require less focus / extended delivery timescales for other targets.
  3. Increased flexibility in the use of funding allocations so these can be targeted to local needs and are assessed against outcomes rather than delivery inputs
  4. Longer term funding / budget commitments that allow increased certainty for long term (and therefore better value) investments, acknowledging that shifting performance against the Health & Wellbeing targets will be long term.
- **Do you have any specific recommendations that you would like the Committee to make to the Scottish Government to ensure early intervention and prevention become key performance areas across health boards?**

See above.

#### **COVID-19 Recovery**

- **Did you feel adequately consulted in the preparation and delivery of the NHS Recovery plan? What more should the Scottish Government have done/be doing now in this regard?**

NHS Borders recognises the appropriateness of the Scottish Government setting ambitious improvement targets for the health service, especially in the context of the Pandemic.

It is important that progress against the recovery plan is continually assessed, recognising that the context within which we are working has continued to evolve and the impact / ongoing nature of the pandemic has been unpredictable.

NHS Borders understands that the Board will agree with the Scottish Government our anticipated delivery against the targets set out in the Recovery plan as part of our Annual Delivery plan and medium-term plan that are due to be submitted in Spring 2023. We are content that this is an appropriate way to agree future local delivery and that this discussion will consider the balance between operational and financial delivery.

- **Is the NHS Recovery plan feasible given the circumstances NHS boards face since publication?**

As described above, it is important that we recognise the need to continue to adapt our ongoing plans, recognising the changing circumstances we face.

NHS Borders is clear that delivery of improved population health & health equality, reduced backlogs of care, a more sustainable workforce and a return to financial balance will only be possible if the Scottish Government, politicians, Health Boards, Community planning partners and our communities work together and accept the need for our services to change and develop over time.

The model of care delivery in the Borders is designed around a workforce that is more appropriate for an urban metropolitan model, and not relevant for a rural area with dispersed populations. We will need to be able to co-design a new model of healthcare delivery in co-production with our resident population and with other rural areas in Scotland.

- **Is there anything about the recovery plan that you would change in light of current circumstances?**

It would be beneficial to increase the level of engagement with the wider Scottish population about the underlying challenges faced by the Scottish Health service (and all Health services in the world) and therefore the need to change and their responsibility within this. Having an honest conversation with our population about the fact that a small service delivered in isolation is likely to be less safe and engaging the population to help address the implications of this in terms of services and delivery models.

This is consistent with the work that has started between Health Boards and the Scottish Government on the Care & Wellbeing portfolio. NHS Borders welcomes this work and believes the approach set out in this, to focus on Population health & wellbeing is essential. This is complemented by the work underway on Sustainability & Value to improve the service and cost effectiveness of our current services, alongside discussions on the longer-term service transformation that will be required.

- **Can you provide further detail on the current status of outpatient elective work, in comparison to pre-pandemic levels?**

In January 2023, NHS Borders delivered 74% of new outpatient appointments when compared to 2019 levels. There are a handful of specialties that have struggled to remobilise to pre-pandemic activity levels due, predominantly, to workforce challenges. NHS Borders is currently undertaking workforce planning, service change and productivity improvements to increase outpatient activity.

### Progress of the Recovery Plan

- **The Scottish Government published its first NHS Recovery Plan: annual progress update in October 2022. To what extent do you agree with the Scottish Government's assessment of progress towards achieving the ambitions of the recovery plan?**

The annual update fairly describes the activity underway within the health system to improve the current situation. However, as the update indicates in the introduction:

*"However, we know that the NHS will not recover from impact of the Covid-19 pandemic in weeks or even months, it will take years – and we will always be clear and honest about the scale of the challenge we face. It is important to note that since the publication of the Recovery Plan there have been multiple waves of Covid-19, the accumulative impact of which are still being felt by our NHS and social care system.*

*This challenge is not only being felt, and will continue to be felt for some time, across the NHS and social care system, by the people working within it but those seeking to access care too."*

NHS Borders agrees that it is essential that we are honest with the public about the challenges faced by the NHS, some of which are linked directly to the Pandemic and others that are the result of underlying drivers of change such as population and workforce demographics, public expectation, technological change and the wider economic environment. There are systemic pressures on the public healthcare system due to increasing case complexity, reduced availability of our workforce, and poorer self-care. There is also evidence to indicate that there is increased excess mortality due to a combination of these factors.

NHS Borders would suggest that while it is important, for both our patients and staff, that we recover from the Pandemic, it is also important that we do not look to recover to the same position as we were in prior to the Pandemic but look to transform and modernise our services so that we meet the future needs of our communities.

- **Do you agree with Audit Scotland that the October 2022 progress update does not fully reflect the scale of challenges boards have faced and the extent to which this has hampered progress towards recovery by individual boards?**

NHS Borders agrees that it is essential we are transparent and honest about the scale for the challenges facing all Health systems.

- **Are there any particular areas you would highlight where good progress has been made and why do you think this is?**

Progress is being made with addressing long waits in the majority of our services.

We have made good progress in stabilising our CAMHS service and putting in place the foundations for future improvements in access to these services.

We have made good progress in implementing the initial MATS standards.

The key driver, for all service areas where improvements are being made is the creation of a stable and sustainable workforce.

- **Which areas of the recovery plan have made the least progress and what are the reasons behind this?**

A number of service areas have made less progress. This can normally be linked back to workforce challenges and our ability to recruit and / or retain staff, particularly in small services. This applies across the whole of the Health & Social care system.

- **Do you feel that workforce planning is adequately included in considerations around the NHS Recovery plan?**

NHS Borders recognises the need to do more work on linking our workforce challenges, to our service need and financial position.

This will require all stakeholders to recognise that Workforce constraints will be an ongoing reality because of the changing demographics of our population. We therefore need to look creatively at how we attract and retain staff, re-model our workforce so it is less dependent on

specialised staff, maximises the use of technology and digital solutions, as well as considering where we deliver services across Scotland to maximise the use of scarce workforce resources.

## Escalation Framework

- **Could you provide more detail on why your NHS board has been placed on Stage 3 on the National Performance Framework?**

NHS Borders was escalated to Stage 4 of the Performance Escalation Framework in late 2018. This was in relation to both Finance and Governance & Leadership.

In April 2021, the Scottish Government reviewed the progress made by the Board, as set out in our Remobilisation plan for 2021/22. As part of the feedback to this plan the Scottish Government confirmed:

*“I can advise you that NHS Borders will be de-escalated to Stage 3 in relation to Finance and Stage 2 in relation to Governance & Leadership”.*

*What this means in a practical sense can be summarised as follows:*

- *Scottish Government Health Finance will continue to lead support and scrutiny with a tailored package appropriate the Board’s new status.*
- *The Board will continue to implement its programme in relation to Governance & Leadership, with routine performance monitoring by the Scottish Government.*
- *There is no longer any formal Escalation involved in relation to Governance & Leadership, with Board-led implementation of recovery being the focus.*

For the last 2 years there has been a “pause” on financial escalation, recognising the impact of the pandemic. It is understood that the Scottish Government is currently undertaking a review of the escalation framework.

- **What has happened since being escalated on the framework? What measures and processes have been put in place to try to address the issues identified?**

As previously reported, in 2019/20 the Board changed its Senior Leadership (Chair and Chief Executive) and also implemented a financial turnaround programme, supported by external financial turnaround experts and the Scottish Government. In addition, the new Borders leadership team provided particular focus on Governance and leadership. Significant progress in relation finance was made prior to the start of the Pandemic (March 2020). The lessons from the financial turnaround programme, as well as the focus on Governance & Leadership has been continued through the Board’s ongoing response to the Pandemic and recovery. In the last year the Board has introduced a focus on the delivery of a Compassionate leadership approach and used this to underpin our ongoing development of NHS Borders as a good organisation to work in.

- **What progress has been made and how is this being measured?**

See above in relation to progress. NHS Borders recognises that further progress in relation to finance was impacted by the Pandemic and the requirement to focus on service delivery and staff wellbeing. This was done in conjunction with and in agreement with the Scottish Government.



Progress is measured through the normal Board reporting and performance mechanisms.

- **Do you feel your NHS board is receiving adequate support to improve your position on the framework? What further support do you think you need?**

Yes; the Board has received appropriate support and a recognition of the need to balance financial performance with service quality, recovery and performance. This has included additional financial support provided on a one off (non-repayment basis).

Looking forward the Board would expect to be given the necessary support, as well as the time required to make the changes necessary to address the challenges we face. Key to this will be the political support and authorising environment to make the necessary service changes.

## Mental Health

- **How has the emergency budget and reprioritisation from the mental health budget impacted on your board's ability to improve mental health services?**

The Board has developed our Mental Health services in the last year and continued to receive support via the Mental Health Directorate and the Primary Care Improvement Plan (PCIP).

The Board had been expecting to receive additional resources to further develop our Primary Care Mental Health services but the development of this has been delayed until further clarity on future resources is available. However, NHS Borders has made positive progress within our CAMHS and Psychological therapy and RENEW services.

We are also refreshing our public health mental health strategy with an emphasis on suicide prevention, as well as taking a trauma informed approach. We will also be tackling social isolation by building communities of interest and working within localities as identified by the Community Empower (Scotland) Act.

- **What are the key factors holding back performance on mental health?**

The key challenge for the ongoing development of local Mental Health services is the recruitment and retention of a permanent and sustainable workforce.

## Reform

- **What are your views regarding long-term reform of the NHS in the context of the significant pressures it currently faces?**

Reform of the NHS is essential if we are to continue to meet the aspirations of our population and change the current trajectories around population health and health inequalities. While the NHS has a key role to play within this, it is also essential that we see this as a National mission across the whole of the public sector and society as a whole.

We need to move from a treatment service to one that predicts, and anticipates ill-health, enabling self-care when issues are minor, and accelerate treatment when not. We over-

prescribe, and endeavour to treat predominantly lifestyle issues (e.g. obesity, alcohol excess, indolence) with drugs (eg statins, acid inhibitors, anti-hypertensives) when sustained behaviour change is needed. Brief interventions are insufficient, and we need to learn from social media as to what changes behaviour and implement this (peer pressure is most effective). This means we will have fewer acute beds, and a much-reduced capacity for in-patient mental health care, but will treat & manage people closer to home.

- **To what extent do these current pressures make it difficult to focus on long-term reform?**

It is inevitable that the current pressures make longer term reform more challenging, however it also makes it even more essential.

- **Alternatively, to what extent do those pressures reinforce the argument in favour of reform and the level of urgency needed in implementing long-term reform?**

See above.

- **What are your recommendations for approaching NHS reform? What immediate and longer term changes would you make to ensure the long-term sustainability of the service?**

The overarching priority is for acceptance across society, NHS Organisational and Clinical leadership, our workforce and importantly our Political leaders of the critical need for reform.

We need the permission to implement different models of care, whilst endeavouring to reach current fiscal and performance targets. This needs to accept that the most successful organisations recognise that not all change will be successful, and services need space to innovate and adapt at pace. This can be difficult in the NHS because of the understandable regulatory frameworks that are in place, as well as the political nature of the environment within which the NHS is operating.

Reviewing and reforming the performance framework to reduce the number of measures and to focus these on long term outcomes would be helpful. The over-focus on secondary care measures, partly because they are easier to measure, is unhelpful if we are to deliver the ambition to increase the effectiveness and focus on Primary and community services. In addition, the measurement of long term, public health outcomes need to have a greater prominence.

We need to support our workforce to be more resilient – this will be addressed by a focus on workforce and service sustainability, as well as giving staff more control over their working conditions and workload. This will also be supported listening to one of the key messages we hear from our staff, which is for the need for change and improvement to the current situation to be accepted and acknowledged.

Once the need for reform is accepted, there are a number of key principles that should then underpin this;

- A focus on outcomes and in particular the need to improve population health and reduce health inequalities

- An acknowledgement that the delivery of Health services, while important in its own right, is only a small part of the solution to addressing long term population health
- Addressing the long-term social care needs of our population is critical in reducing the immediate pressures on the health service
- A need for long term investment in the workforce and working conditions of our staff
- Less focus on “the number and distribution of hospital beds” as a measure of the success of our service and an increased focus on the services that are provided
- A recognition that for a population of 5 ½ Million people, with the developing technology specialist nature of healthcare, and the workforce challenges that we will face with a shrinking working age population, that we will fail the people of our communities and our staff, if we do not address the number and distribution of hospitals / hospital beds and specialist services across Scotland.