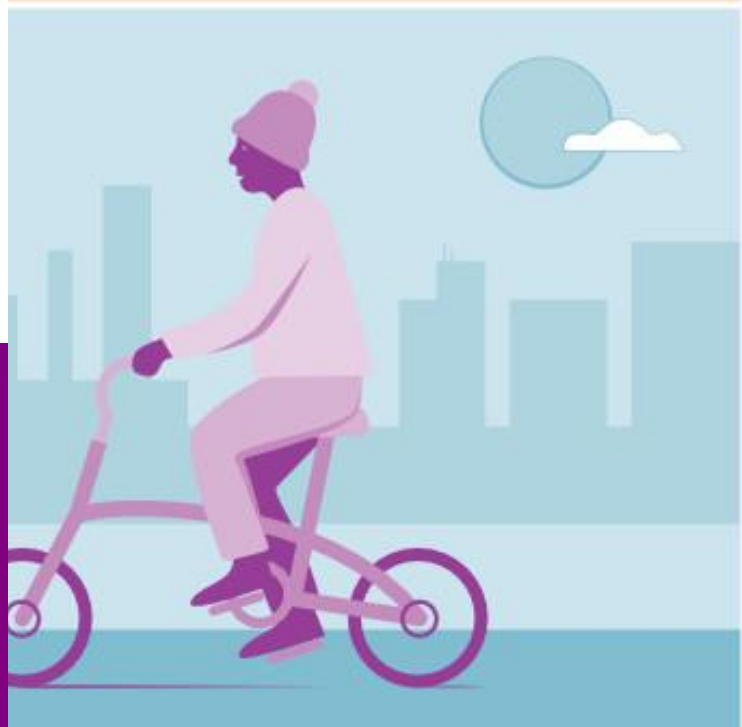




**The Health and
Social Care
Alliance
Scotland
(the ALLIANCE)**



**Pre-budget 2025-26 scrutiny - Financial
Position of Integration Joint Boards
20 August 2024**

Introduction

The Health and Social Care Alliance Scotland (the ALLIANCE) welcomes the opportunity to inform the Health, Social Care and Sport Committee's pre-budget scrutiny for the 2025-26 Scottish Budget. Integration is a long standing area of interest for the ALLIANCE and our members. We have closely engaged with the process for over a decade, including substantial work to inform the Public Bodies (Joint Working) (Scotland) Act.

Despite the positive aims of integration, significant work remains to deliver its full potential. Financial pressures arising from austerity, the COVID-19 pandemic, and the cost of living crisis have combined to create a difficult planning environment for Integrated Joint Boards. This is especially true with relation to preventative and community-based care.

Despite the potential for longer term savings arising from preventative approaches, not enough funding or resource has been dedicated to prevention. This must be addressed as a matter of urgency, both for the sustainability of health and social care services, and for the health and wellbeing of people across Scotland.

The ongoing crisis in recruitment and retention is also a major contributor to the difficulties currently facing health and social care services. Greater investment in the workforce is urgently needed, and this should be understood to be an investment in the wider economy.

Question 1: How has the financial performance of IJBs supported or hindered progress towards integration of health and social care?

Progress towards integration has been unfortunately slow since the introduction of Integrated Joint Boards (IJBs). As we approach a decade of integration, it is clear that some of the early difficulties have only grown since the Public Bodies (Joint Working) Act was passed in 2014. In 2018, the ALLIANCE collated an anthology of opinions and evidence on integration gathered from across the third and independent sectors; people with lived and living experience; and the wider public sector and academia.



The resulting publication, 'We Need to Talk About Integration', highlighted many issues that will still be familiar to those working within or receiving health and social care services even six years further on¹. This included fears about contractions in public spending, concerns that current funding arrangements were unsustainable, and a strong feeling that “the whole system of funding social care is broken.” Follow up research with the public sector published in 2019 found that almost every participant viewed finances as a challenge².

IJB finances continue to be a pressing concern, with the Accounts Commission and Audit Scotland concluding that in 2023/24 “the financial health of IJBs continues to weaken and there are indications of more challenging times ahead.”³ The report stated that current data was insufficient to address IJB performance overall, but that available indicators showed a general decline in performance and outcomes. Evidence of good practice also exists, but this has not been scaled up.

In particular, the report noted that progress was especially slow on prevention and found little evidence that there had been a shift in balance of care from hospital to community settings. Financial constraints have meant that “collaborative, preventative and person centred working is shrinking at a time when it is most needed.”

These constraints also risk the sustainability of existing services. This has been seen through service cuts, tightening eligibility criteria and reduced partner funding, leaving many people without access to essential support. At the same time, “lower-level demand” is being shifted towards underfunded and overstretched community organisations.

The Accounts Commission explicitly stated that IJBs are signposting to community-based services often run by third sector providers, whilst also reducing the funding to those providers. This reflects similar findings from the ALLIANCE’s ‘Stretched to the Limit Report’, which heard that member



organisations were experiencing increased demand for services at the same time as unprecedented financial pressures⁴.

An ALLIANCE review of IJB strategic plans found that their priorities are ambitious and broadly aligned with national objectives⁵. Despite this, they have been difficult to plan for and implement in the context of ongoing financial challenges, particularly following the unprecedented disruption of the COVID-19 pandemic.

Looking ahead to the proposed National Care Service (NCS), it is possible that the National Care Board could provide the necessary national consistency and oversight for improvement. Beyond the NCS, investment is needed to expand skills and capacity to achieve the aims of integration at local, regional and national levels. Spend on the preventative agenda is particularly important as it will reduce long term costs and build more resilience into the system.

We would note that a lack of progress towards integration is not the same thing as suggesting that integration is failing. It is clear that more support and resources are necessary to realise the objectives of integration. The Accounts Commission argue that the issues affecting IJB performance are complex and go beyond finances and cannot be tackled by IJBs alone, and that a whole-system response is required.

Question 2: What further resources would help achieve better service delivery and outcomes?

A significant investment in the workforce needs to be a priority. Recruitment and retention are amongst the biggest issues which are undermining the quality of health and social care services. The workforce must be recognised as the key asset for delivering high-quality, person centred and community-based health and social care. As such, there is a need to invest in adequate staffing across all providers, whether in the public, third or independent sector, and to clarify the role of ethical commissioning in implementing the Fair Work agenda.



Investment in the workforce should be seen as an investment in growing the economy. The Scottish Women’s Budget Group published a briefing in January 2023⁶ outlining a transformational investment in social care which would result in additional revenues equivalent to almost half (46%) of the required additional expenditure, whilst creating a total of 75,900 new jobs.

Improving retention is especially important, as the Royal College of Nursing’s (RCN) 2024 ‘Nursing Workforce in Scotland’ report described a “crisis” in the nursing workforce, with vacancies “stubbornly” high⁷. In total, nearly 4,000 whole time equivalent nursing posts were vacant by the end of 2023, amounting to around 8% of the total. This resulted in an increasing reliance on agency staff, at greater cost.

The RCN also echoed concerns that there had been insufficient progress on prevention and shifting care from hospitals to community settings. This builds on the findings by Audit Scotland in their ‘NHS in Scotland 2023’ report that prevention “still remains secondary to more immediate operational pressures.”⁸ Whilst it can be a challenge under current financial pressures and demand for acute and crisis intervention to direct spending to prevention, it is essential for the long term sustainability of health and social care services to do so. An ongoing failure to act on prevention simply continues to store up greater problems for the future.

Question 3: To what extent do current financial arrangements pose challenges for IJBs, with resources allocated from health boards and local authorities? How do these arrangements impact on, or support effective delivery?

The current financial arrangements appear to be negatively impacting on service delivery, creating uncertainty and undermining planning. Pressures in other areas of the health and social care system must be addressed in order to provide stability for IJBs to successfully plan for the future.

The Accounts Commission found that where IJBs had not agreed budgets in time, the primary reason cited for doing so was not having received



funding allocations from partner NHS Boards on time. The complexity of IJB funding arrangements, where some funds come from the NHS and some from local government, may therefore be contributing to difficulties in effective long term planning and thus delivery of services.

Issues with planning and timely allocation of funding are not limited to IJBs themselves, and often cascade downwards to commissioned services. This can be particularly acutely felt in the third sector, with an ALLIANCE survey of our membership in March this year finding that 59% of respondent organisations had not yet agreed their funding for the coming year⁹. This can have a significant negative impact on the ability of third sector service providers to maintain the consistency and quality of their services, as well as ensuring their availability and sustainability over the longer term.

Question 6: What impact, if any, is ongoing uncertainty around potential future changes to governance arrangements, arising from proposals for the creation of a National Care Service, having on budget setting conversations for IJBs?

Whilst the ALLIANCE cannot speak directly to the budget setting process for IJBs, it is reasonable to assume that the ongoing uncertainty around the NCS is contributing to difficulties in planning and budgeting. At the time of writing, it is still unclear what amendments will be successfully made to the NCS Bill, and then whether it will pass at all.

In this context, it is likely to be difficult for IJBs to be able to plan for all of the potential scenarios that may arise. The Accounts Commission have stated that “uncertainty around the direction of plans for a National Care Service and continued instability of leadership in IJBs have also contributed to the difficult context for planning and delivering effective services.”

About the ALLIANCE

The Health and Social Care Alliance Scotland (the ALLIANCE) is the national third sector intermediary for health and social care, bringing



together a diverse range of people and organisations who share our vision, which is a Scotland where everyone has a strong voice and enjoys their right to live well with dignity and respect.

We are a strategic partner of the Scottish Government and have close working relationships with many NHS Boards, academic institutions and key organisations spanning health, social care, housing and digital technology.

Our purpose is to improve the wellbeing of people and communities across Scotland. We bring together the expertise of people with lived experience, the third sector, and organisations across health and social care to inform policy, practice and service delivery. Together our voice is stronger and we use it to make meaningful change at the local and national level.

The ALLIANCE has a strong and diverse membership of over 3,600 organisations and individuals. Our broad range of programmes and activities deliver support, research and policy development, digital innovation and knowledge sharing. We manage funding and spotlight innovative projects; working with our members and partners to ensure lived experience and third sector expertise is listened to and acted upon by informing national policy and campaigns, and putting people at the centre of designing support and services.

We aim to:

- Ensure disabled people, people with long term conditions and unpaid carers voices, expertise and rights drive policy and sit at the heart of design, delivery and improvement of support and services.
- Support transformational change that works with individual and community assets, helping people to live well, supporting human rights, self management, co-production and independent living.
- Champion and support the third sector as a vital strategic and delivery partner, and foster cross-sector understanding and partnership.



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¹ The ALLIANCE, 'We Need to Talk About Integration' (June 2018), available at: <https://www.alliance-scotland.org.uk/wp-content/uploads/2018/06/We-Need-to-Talk-About-Integration-Anthology.pdf>

² The ALLIANCE, 'We Need to Talk About Integration: Views from the Public Sector' (May 2019), available at: <https://www.alliance-scotland.org.uk/wp-content/uploads/2019/05/Health-and-Social-Care-Integration-How-is-it-for-you-Views-from-the-Public-Sector.pdf>

³ Accounts Commission and Audit Scotland, 'Integration Joint Boards: Finance and performance 2024' (July 2024), available at: <https://audit.scot/publications/integration-joint-boards-finance-and-performance-2024#main-report>

⁴ The ALLIANCE, 'Stretched to the Limit' (September 2023), available at: <https://www.alliance-scotland.org.uk/blog/news/stretched-to-the-limit/>

⁵ The ALLIANCE, 'Review of Integration Authority Strategic Plans' (March 2024), available at: <https://www.alliance-scotland.org.uk/blog/news/new-report-explores-priorities-for-health-and-social-care-integration/>

⁶ Scottish Women's Budget Group, 'Towards a transformative universal adult social care support service for Scotland' (January 2023), available at: <https://www.swbg.org.uk/content/publications/Towards-a-transformativeuniversal-adult-social-care-support-service-for-Scotland.pdf>

⁷ Royal College of Nursing, 'The Nursing Workforce in Scotland 2024' (May 2024), available at: <https://www.rcn.org.uk/-/media/Royal-College-Of->



[Nursing/Documents/Countries-and-regions/Scotland/2024/The-Nursing-Workforce-in-Scotland-2024.pdf](#)

⁸ Audit Scotland, 'NHS in Scotland 2023' (February 2024), available at: https://audit.scot/uploads/docs/report/2024/nr_240222_nhs_in_scotland_2023.pdf

⁹ The ALLIANCE, 'ALLIANCE member survey highlights continuing pressure on third sector finances' (March 2024), available at: <https://www.alliance-scotland.org.uk/blog/news/alliance-member-survey-highlights-continuing-pressure-on-third-sector-finances/>

