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East Lothian Council

Additional information:

This document constitutes written evidence to the Scottish Parliament Finance Committee about the financial implications of the Public Bodies (Joint Working)(Scotland) Bill.

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Date	27/08/13

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**EAST LOTHIAN COUNCIL
WRITTEN EVIDENCE TO THE SCOTTISH PARLIAMENT FINANCE COMMITTEE
PUBLIC BODIES (JOINT WORKING) (SCOTLAND) BILL**

1. In providing this written evidence to the Finance Committee, Council officers have answered the Committee's written questionnaire further below. By way of introduction, the Council supports the overall drive to improve outcomes by integrating health and social care services which it believes can build upon the improvements already made through joint working with our partners, and that integration should bring further benefits for service users, carers and communities.

General points

2. Officers have a number of concerns about the governance and accountability arrangements of the mechanisms proposed in the Bill, which they believe will break the link of local accountability if left unaltered. They also are concerned about Ministers being able to make decisions that affect local authorities without the agreement of the authorities concerned. Officers consider there may be scope for better use of consultative guidance rather than prescription. They acknowledge that one of the stated aims of Ministers is for consistency in health and social care across Scotland, but at the same time they would like the Committee to bear in mind the current ability of councils to make decisions as to how to profile their spending, and the accountability of elected members ultimately through the ballot box. Local democratic oversight is important if we are to avoid a collection of localised quangos making decisions, or having decisions made for them by Ministers, without reference to local needs, plans, priorities and strategies. There must be flexibility to respond to local need and produce an appropriate balance of care for local communities.
3. Officers are concerned for example that the full incorporation of a body corporate and the possible use of subordinate legislation by Ministers, as proposed in the Bill, will remove democratic local accountability from the process.
4. Given that the decisions of the body corporate can impact directly on the Council and on the Health Board and, crucially, on the services they provide to local people, officers think it appropriate that the Council should have the capability to have decisions of the body corporate "called in" and scrutinised by Council. For example, if the body corporate decided to close a local care home, we would expect there to be some democratic scrutiny of this decision. We note that community health partnerships were a formal subcommittee of the Health Board but no such arrangement is proposed for the body corporate. The fact that elected councillors will be members of the body corporate is not sufficient, as

they will be required to act in the best interests of the body corporate (however those interests may be defined) and not of the Council as a whole (nor of the people of the area).

5. Officers are also concerned about the management of integrated budgets, in particular budget-setting, in-year financial performance management and the management of acute sector provision. They believe that national guidance will be required to facilitate the creation of delegated budgets at partnership level.
6. One particular governance issue for local authorities is the potential for conflict relating to the statutory role of a council's S95 officer if budgets are passed to an independent body corporate.
7. Council officers would like to explore the continuing role and influence of GP Services in models of care. They also would be interested to participate in acute service redesign with the aim of supporting reinvestment in preventative social work and primary care services.

Finance Committee Questionnaire

8. Please see below responses to the specific questions in the Committee's questionnaire.

Consultation

1. Did you take part in either of the Scottish Government consultation exercises which preceded the Bill and, if so, did you comment on the financial assumptions made?

Yes, East Lothian Council responded to Scottish Government consultation on this issue. We commented in very general terms on financial issues.

2. Do you believe your comments on the financial assumptions have been accurately reflected in the FM?

It is difficult to say as it is not clear how figures have been calculated.

3. Did you have sufficient time to contribute to the consultation exercise?

In the opinion of Council officers, the consultation exercises could not themselves have delivered the detail required for the implementation of this Bill; it is still very much a "work in progress".

Costs

4. If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the FM? If not, please provide details?

Officers believe that the FM has not made sufficiently clear the financial implications for local authorities (and possibly others). It is not clear as to how the figures have been calculated and we cannot say whether they accurately reflect implications for

this Council. (It might have been more helpful if the FM had laid out the implications for each Council/ health board and come to a total as a result.) It would not be appropriate to make the assumption that all local authorities will be affected to a similar degree. In East Lothian, for example, we have a particularly high (and growing) proportion of the population who are older people:

- the number of people aged over 65 is forecast to grow by 77% between 2010 and 2035;
- the number of households is projected to grow by 39% between 2010 and 2035 compared to a growth of 23% in Scotland as a whole
- the main component of the increase in the number of households is forecast to be a large increase in the number of households containing one adult;
- the number of households in which the head of household is aged over 75 is forecast to double between 2010 and 2035;
- the numbers of long-stay residents aged 65+ in care homes have stayed relatively stable over a ten-year period;
- the numbers of people receiving free personal care at home in East Lothian have increased by around 50% in the past 7 years;

5. Do you consider that the estimated costs and savings set out in the FM and projected over 15 years for each service are reasonable and accurate?

See above.

6. If relevant, are you content that your organisation can meet the financial costs associated with the Bill which your organisation will incur? If not, how do you think these costs should be met?

No, officers do not believe the Council can meet extra costs. It has no extra resources and its Adult Wellbeing budget is already under significant pressure. An ageing population will only increase demand. Much more work needs to be done on modelling the costs and resources.

7. Does the FM accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?

No. There is insufficient information in the FM to do this.

Wider Issues

8. Do you believe that the FM reasonably captures costs associated with the Bill? If not, which other costs might be incurred and by whom?

It is unlikely that the FM has captured all the costs associated with the Bill. The cost of integration itself will also include:

- partnership development;
- accommodation moves;
- transition to appropriate (shared) IT systems and equipment;

- development of financial information;
- increased audit costs;
- reskilling the workforce.

These costs will be incurred by local authorities and health boards.

9. Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?

In the case of this Bill, the proposed powers for Ministers to prescribe by regulation are so wide-ranging that it is difficult to quantify the costs that might be incurred through the potential use of subordinate legislation. This is of real concern and deserves more attention.

East Lothian Council
27 August 2013