East Lothian
Integration Joint Board

REPORT TO: East Lothian IJB - Audit and Risk Committee

MEETING DATE: 15th March 2022

BY: Interim Chief Finance Officer

SUBJECT: Audit Scotland Reports of Interest

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1 PURPOSE

1.1 This report highlights audit reports from Audit Scotland on areas of interest to the IJB audit and risk committee.

2 RECOMMENDATIONS

2.1 The Committee is asked to:

Consider if any actions arising from these reports should be brought to the attention of the IJB.

3 BACKGROUND

3.1 The publications from Audit Scotland are reviewed regularly and those reports that may be of interest to the committee are highlighted for its attention.

3.2 Many of the publications since the last update are the annual accounts of a whole range of public bodies. All of the IJB's annual accounts reports have been published and it's interesting to examine a few of reports to see if there are any significant differences from the audit Scotland report to this IJB. An (admittedly high level) review suggests that there are not, with the challenges of Covid and on-going financial sustainability being key themes.

3.3 A significant report, 'Social Care Briefing' was published in January 2022. This is attached in full to this paper.

3.4 A further report 'NHS in Scotland 2021' was published on 24/2/22. This reflects on the impact of the current Covid pandemic on the NHS in Scotland and the challenge of the recovery from this position. This report is also attached in full.

3.5 Two other reports may be worthy of consideration. Those being: https://www.audit-scotland.gov.uk/uploads/docs/report/2022/nr_220120_planning_skills.pdf which is a report entitled 'Planning for Skills' which is, as its name suggests, a consideration of ensuring that the appropriate workforce skills are available. https://www.audit-scotland.gov.uk/publications/blog-statutory-performance-indicators which is a blog considering the use and application of performance indicators in the public sector.

4 ENGAGEMENT

4.1 The IJB makes its papers and reports available on the internet

5 POLICY IMPLICATIONS

5.1 This paper is covered within the policies already agreed by the IJB.

6 INTEGRATED IMPACT ASSESSMENT

6.1 There are no implications for health inequalities or general equality and diversity issues arising directly from the issues and recommendations in this paper.

7 RESOURCE IMPLICATIONS

7.1 Financial – there are none.

7.2 Personnel – there are none.

8 BACKGROUND PAPERS

8.1 None

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DATE	March 2022

Appendices

1. Social Care Briefing
2. NHS in Scotland 2021

Appendix – East Lothian IJB Audit and Risk Committee, Action Log. March 2020

Action number	Action	Action Description	Date Agreed	Owner	Update
1	CIPFA FM Mgt Code	Agree which elements of this pertain to the IJB and consider the appropriate assurance	15 March 2020	CFO	To be considered at this meeting
2	Best Value	Consider the Audit Scotland Best Value Questionnaire and develop and Best Value Framework	March '22	CFO/CO	To be considered at this meeting
3	Protocol of sharing A&R – Lothian NHS/IJB and Councils	Agree the pan-Lothian A&R sharing protocol	December '22	CIA	Agreed.

Social care

Briefing

ACCOUNTS COMMISSION

AUDITOR GENERAL

Briefing prepared by Audit Scotland
January 2022

Key messages

1 There are huge challenges facing the sustainability of social care, and the integration of health and social care more widely. There are good examples of improved service delivery, but despite efforts made by the Scottish Government, Integration Authorities, NHS, local government, and their partners in recent years, the pace of change has been slow. At the same time, the pressures from increasing demand and demographic changes are growing. Although a lot of money is spent on social care (£5.2 billion in 2019/20), progress in moving to more preventative approaches to delivering social care has been limited. This has led to tighter eligibility criteria being applied for accessing care and increasing levels of unmet need.

2 Service users and carers do not always have a say or choice about what support works best for them. Bringing together their views, knowledge and experience is critical if the Scottish Government is to deliver its long-standing ambitions for social care. There are around 700,000 unpaid carers who provide most of the social care support in Scotland. Many carers are forced to give up work because of their caring responsibilities and most are not aware of their rights under the Carers (Scotland) Act 2016.

3 The 209,690 people working in social care are under immense pressure, and the sector faces ongoing challenges with recruitment and retention. Staff are not adequately valued, engaged, or rewarded for their vitally important role. The workforce is predominantly female and poor terms and conditions for staff contribute to recruitment difficulties, rising sickness absence and high vacancy levels. This puts the capacity, sustainability, and quality of care services at a considerable risk.

4 Other challenges we have identified through this and past audit work include:

- Commissioning tends to focus on cost rather than quality or outcomes. Current commissioning and procurement procedures have led to competition between providers at the expense of collaboration and quality.
- A high turnover of senior staff in councils, the NHS and Integration Authorities, increasing short-term posts and an ageing workforce are affecting leadership capacity. Cultural differences between partner organisations are a barrier to collaborative working.
- An inability or unwillingness to share information, along with a lack of relevant data, means that there are major gaps in the information needed to inform improvements in social care.

5 The Scottish Government is planning significant changes in social care over the next five years. This includes the introduction of a new National Care Service (NCS) which will need legislation to implement it. Work is under way, but there is much to do, including establishing the true costs of reform. Stakeholders have raised concerns about the scale of reform and the time it will take to implement it. They told us about services in near-crisis, and that a lack of action now presents serious risks to the delivery of care services for individuals.

6 Regardless of what happens with reform, some things cannot wait. A clear plan is needed now to address the significant challenges facing social care in Scotland based on what can be taken forward without legislation, which could provide strong foundations for an NCS. The Scottish Government should develop this quickly, with clear timescales, to remove any uncertainty about the future direction of social care, building on lessons learned from previous reform.

Introduction

1. Our previous reports have highlighted the significant challenges facing social care and the integration of health and social care more widely. Other stakeholders have also recognised these challenges, including the Scottish Government, the NHS and local government. Despite the efforts of these stakeholders and their partners, and some good examples of improvements in service delivery, progress has been slow. There is widespread agreement that the way social care is provided still needs to change significantly.

2. Our previous reports have regularly highlighted the following key themes and challenges in delivering improvements in social care:

- the importance of the service user's perspective and voice
- the fragility of the social care workforce
- tensions between cost and quality in the commissioning of social care
- instability of leadership and leaders failing to work effectively together
- a lack of key data, and ineffective use of existing data, to inform decision-making
- increasing financial challenges and threats to the sustainability of services, including lack of progress in shifting resources to preventative approaches.

3. Since we last prepared a detailed report on health and social care, there have been significant developments in the sector, most notably:

- The Independent Review of Adult Social Care (IRASC) and the Health and Sports Committee's The Future of Social Care and Support in Scotland, both published in February 2021. These reports highlighted many of the same issues we have raised in our work.
- The Scottish Government held an extensive consultation on a new National Care Service between August and November 2021. Our response to the consultation can be viewed on our website.
- The Independent Care Review and its report The Promise published in February 2020, setting out improvements for how partner bodies can work together better to care for vulnerable children and their families.

4. While this briefing acknowledges the work planned by the Scottish Government and stakeholders, it notes that work in many of these areas cannot await the creation of a new organisation. The associated changes to governance and management structures will require legislation and several years to implement.

5. This briefing summarises the key challenges and recent progress in social care in Scotland against each of the themes listed above. We have included quotes from recent publications containing the views of people with experience of social care support and providers of social care. It should help inform Scottish Government and stakeholders' immediate planning for social care alongside longer-term plans for reform. We plan to follow this up with more detailed work on social care in 2022/23.

Social care challenges

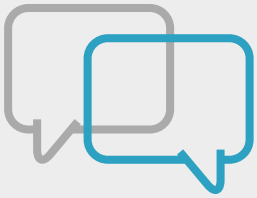
Challenges we have identified through this and past audit work include the service user's perspective and voice, pressures on the workforce, increasing financial challenges and threats to the sustainability of services.

Service users and carers do not always have a say or choice about what support works best for them

6. In our reports, we have consistently highlighted the importance of the user's perspective on what good-quality care looks like. This includes those currently providing unpaid care – family members and friends. Bringing together their views, knowledge and experience will be a critical part of supporting improvements needed for the current pressing challenges facing social care services.

7. We have highlighted in our Principles for community empowerment report that that services can be most effective when delivered in, or by, communities. People contributing to the IRASC, spoke of the need for a flexible approach that takes account of wider supports, such as the support of carers and local services offered by community organisations to enable people to fulfil their potential, goals, and outcomes.

8. Self-directed support (SDS) was introduced jointly by the Scottish Government and Convention of Scottish Local Authorities (COSLA) in 2013. It was designed to give people choice and control over their care, including personalised options for carers to take short breaks from caring. In our Self-directed support progress report, we noted that, despite many examples of positive progress, SDS has not yet been fully implemented. People using social care support who contributed to the IRASC described the hurdles encountered in accessing services and described accessing support as a battle. They summed up the process of accessing social care as notoriously difficult, over-complicated and bureaucratic.

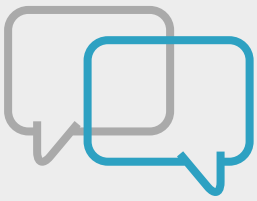


"with SDS I have control. I can choose what option I want (within the rules, of course!). I find this is much more liberating ... Basically, it has been the passport to independence."

Source: 1

Unpaid carers provide a huge amount of support

9. Unpaid carers provide most of the social care support in Scotland. There are an estimated 700,000 unpaid carers, with around 20 per cent of carers aged over 65 and four per cent under the age of 16.[1] Under the Carers (Scotland) Act 2016, carers have a right to support, information and advice. However, a 2019 survey by the Coalition of Carers found that only 16 per cent of carers knew of the Act and what rights it provides; 33 per cent had heard of it but did not know what it was about; and 51 per cent had never heard of it.[2] Women are more likely to work part-time and provide unpaid care. This results in a financial penalty, affecting women more than men and which lasts into retirement.[3] The IRASC highlighted that many carers are forced to give up work because of their caring responsibilities and that access to and options for respite care are limited.



"When unpaid carers are dealing with caring 24/7 it is very difficult for them to have any energy left to 'fight' for social care support."

Source: 4

The social care workforce is under immense pressure

10. The paid social care workforce provides support and care to people with a wide range of different needs in society, including learning disabilities, physical disabilities, and dementia. With around 209,690 people, it accounts for approximately eight per cent of all Scottish employment. There is increasing demand for social care and ongoing challenges with recruitment and retention (Exhibit 1, page 9).

11. In our 2016 Social work in Scotland publication, we reported on the difficulties in recruitment, including low pay, antisocial hours and difficult working conditions, with women making up approximately 85 per cent of the workforce. The IRASC highlighted the gender inequality this creates because the predominantly female workforce is not adequately valued, engaged, or rewarded for its vitally important role. There is too much focus on costs, rather than on high-quality, person-centred care and support. The focus on costs leads to poor terms and conditions for staff and contributes to recruitment difficulties, rising sickness absence and high vacancy levels. This presents a risk to the capacity and quality of care services.

Exhibit 1

Social care workforce

The social care workforce has high vacancy rates with many services facing recruitment problems.

209,690

people working in social care

- 159,260 full-time equivalents (FTE) in 2020
- ⇧ an increase of 1.6% from 2019

36%

of services reported having vacancies in December 2020

- ⇩ 3 percentage point decrease from 2019
- **>** three times higher than across all employers in Scotland (11%)

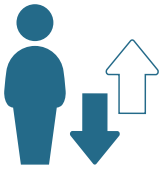
Services with high vacancy rates are:

- housing support services (60%)
- care at home services (59%)
- care homes for older people (55%)
- care homes for adults (48%)

5.1%

FTE vacancy rate for all services at 31 December 2020

- ⇩ down from 6.2% in 2019
- **>** more than two and a half times the overall vacancy rate across all establishments in Scotland (1.9%)



20%

are **not** on permanent contracts

11%

are on **zero hours** contracts

13%

of the workforce work over **50 hours a week**

15%

of social care workers work **unpaid overtime**

£9.79

average hourly pay

Source: Scottish Social Services Council (SSSC) workforce survey October 2021, FWC's Fair work in Scotland's social care sector 2019 report, Care Inspectorate and SSSC Staff vacancies in care services 2020 report, Scottish Government's Employer Skills Survey 2020

12. The Fair Work Convention (FWC) has been in place since April 2015 and acts as an independent advisory body to Scottish ministers. Following publication of its Fair Work Framework in 2016, the FWC established a social care inquiry because of concerns raised about the social care workforce during consultation on the framework. The overarching finding was that fair work is not consistently delivered in the social care sector. Despite some good practice and efforts by some employers, the wider funding and commissioning system makes it almost impossible for care providers to offer fair work.

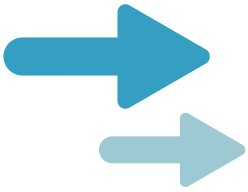
13. The Scottish Government established a Fair Work in Social Care Group, including representation from local government, private sector, third sector, trade unions, and COSLA. Since summer 2020 the group has been discussing improving pay and conditions and improving the staff consultative framework, called Effective Voice.

14. Since 2016, the Scottish Government has provided funding for adult social care staff to be paid the Real Living Wage. However, care providers have expressed concern that this may still not be enough to attract people into the sector. Recent announcements include:

- Funding announced in March 2021 for adult social care workers to receive at least the Real Living Wage of £9.50 an hour. The Real Living Wage increased to £9.90 an hour in November 2021.
- Winter funding announcement in October 2021 included additional funding of up to £48 million this financial year to enable employers to provide an uplift to the hourly rate of pay for staff offering direct care within adult social care to a minimum £10.02 per hour.
- The Scottish budget in December 2021 announced funding for local government to deliver a £10.50 per hour minimum pay settlement for adult social care workers in commissioned services.

15. 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. Additional pressures on unpaid carers, owing to the closure of day centres and respite services, have resulted in increased feelings of anxiety, depression, and mental exhaustion.[4] Surveys of staff and providers show concerning issues:

- Almost a quarter of staff leave within the first three months of joining an organisation.[5]
- 88 per cent of social care providers said that recruitment and retention was problematic.[6] Ongoing recruitment is a massive cost to the sector as providers are advertising vacancies on a rolling basis.[7]
- 63 per cent of Coalition of Care and Support Providers in Scotland (CCPS) members had to reduce the volume of care provided.[8]
- 7 per cent of CCPS members have returned care packages and 53 per cent have refused/would refuse new care packages.[9]
- 78 per cent of home care workers and 74 per cent of care home workers reported that they frequently did not have enough time with clients to deliver compassionate and dignified care.[10]
- 73 per cent of home care and care home staff reported they frequently had to do training in their own time.[11]



Commissioning focuses on cost at the expense of high-quality, person-centred care and support.

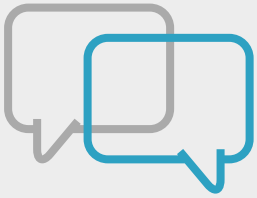
Commissioning tends to focus on cost rather than quality or outcomes

16. We have highlighted the challenging task that councils face responding to financial pressures and managing the market for providing social care services in their local area. There are tensions around making savings while ensuring high-quality services at a fair cost in an environment of increasing demand and financial pressures. However, there is scope for providers to be more involved in commissioning services and at an earlier stage. Our local government financial overview reported that 2019/20 saw a cash increase of £0.5 billion to local government, but reductions over the past seven years are still larger than in other areas of the Scottish Government budget.

17. Current commissioning and procurement procedures have led to competition between providers, at the expense of collaboration. The result is that price is often the main driver for decision-making. The Scottish Government states commissioners could be more flexible in how they procure care and support services, but that it is not being fully used by commissioners.[12] The IRASC highlighted that this focus on cost comes at the expense of high-quality, person-centred care and support. It has led to home care visits being planned on a 15-minute basis, which prioritises social care tasks at the expense of relationships. Short-term approaches to procurement also contribute to poor staff terms and conditions and to providers spending significant time and resources applying and reapplying for contracts.

18. The FWC concluded that low pay in the sector is a symptom of wider structural problems arising from the commissioning system for social care itself. The current method of competitive tendering is based on framework agreements where too often, care provider organisations do not know how many support hours are needed on a day-to-day basis. Employers pass this risk on to staff by giving them contracts that maximise employer flexibility (zero-hours, low-hours, and sessional contracts). This can mean workers having their shifts cancelled if demand falls or being asked to do extra hours at short notice if demand increases, leading to feelings of being always on-call.[13]

19. Voluntary and private sector providers deliver most social care services in Scotland, representing 20 and 57 per cent of registered services respectively.[14] The sustainability of the social care market is key to maintaining Scotland's capacity to address individual care needs. The CCPS 2020 Business Resilience Survey reported that a third of respondents from voluntary services had decided to withdraw from or not to bid for contracts considered unsustainable.[15] Scottish Care reported that half of private care at home services did not apply for local authority contracts in 2017 and 39 per cent handed work back to councils.[16] This was largely because of funding levels for contracts, requirements or penalties in contracts, extent of travel, and a lack of available staff. With the growing financial and workforce pressures facing private and voluntary providers, it is important that Integration Authorities have contingency plans in place and that the financial health of key strategic providers is monitored.



"Everything has a cost, but it is more useful to look at things as a choice rather than a cost, some things are worth the investment."
Source: 4

Capacity and cultural differences are affecting leadership

20. The health and social care sector needs stable and collaborative leadership to address the ongoing challenges, to remobilise services following the pandemic, and to implement significant reform. In recent years, we have highlighted significant challenges for 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. It highlighted that councils and Integration Authorities are experiencing high turnover of senior staff and are competing not only with each other for the best quality leaders but also with the private and third sectors. Similarly, our NHS in Scotland 2020 report highlighted the continuing lack of stable NHS senior leadership, with high turnover and short-term posts.

21. The current model of governance for Integration Authorities is complicated, with decisions made at Integration Authority, council and health board level. We have found that cultural differences between partner organisations are a barrier to achieving collaborative working. Partner organisations work in very different ways, and this can result in a lack of trust and understanding of each other's working practices and business pressures. There can also be tendency to put the organisation first when alternative actions would benefit partners.

A lack of key data limits informed decision-making

22. The lack of relevant data, or analysis of primary, community and social care data, has been a common theme across a range of our reports. Good data and analysis will be essential for implementing social care reform. For example, in our health and social care integration report, we noted that, despite work to better analyse data, there were still gaps. That report also highlighted that an inability or unwillingness to share information was slowing the pace of health and social care integration. In October 2021, the Scottish Government and COSLA published a revised Digital Health and Care Strategy. The strategy includes a focus on harnessing data for the benefit of citizens and services, with further detail to be published this year on how this will be achieved.

23. Current limitations of social care data include:

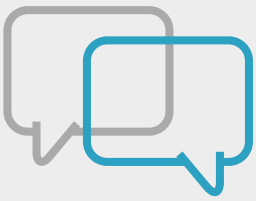
- No individual social care record in the same way that each member of society has an NHS record. This makes it difficult to assess whether social care is meeting people's needs.
- No consistent method for recording unmet need. A person may be assessed as needing social care support but may not meet the eligibility criteria in place. This makes it difficult to assess the level of unmet need and therefore what more is required to deliver a person-centred, human-rights approach to social care.
- No coordinated approach to anticipating future demand for and costs of delivering services. Although some individual health and social care partnerships base their strategic plans on data for the prevalence of conditions in their area, for example heart disease, there is limited evidence of this being used in budget decisions.

Pressure on social care spending is increasing

24. A considerable amount of money is already spent on social care and pressures are growing because of increasing demand and demographic changes. In 2019/20, total social care expenditure was £5.2 billion, most of which was on adult social care – £4.0 billion (77 per cent) (Exhibit 2, page 16).

25. By 2038, forecasts suggest that nearly a quarter of people living in Scotland will be over the age of 65.[17] Scotland's increasingly ageing population means that the demand for social care services will rise, and more resources will be required for social care over the long term. Around a fifth of the population of Scotland define themselves as having a disability and disability is more prevalent in older people. As our older population rises, the number of people with a disability, as a proportion of the population, is expected to increase too. For example, research by Horizon Housing in 2018 projected an 80 per cent increase in the population of wheelchair users by 2024.[18]

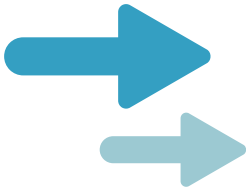
26. The Scottish Government has committed to increasing social care funding by at least 25 per cent in cash terms over the current parliamentary term. This should mean over £800 million of additional funding by 2026/27.[19] Moreover, the UK Government's announced increase in national insurance contributions will provide an estimated additional £1.1 billion to Scotland by 2024/25, some of which will go towards funding social care.[20]



"Consultation has to be honest. You won't be able to deliver on everything people want, but you have to show them how they can be involved in change"

Source: 2

27. In previous reports we have highlighted the importance of public bodies developing medium- and long-term financial plans that take account of forecast demand. The current lack of multi-year budgeting has made managing costs and potential funding shortfalls more difficult in the medium to longer term. We have also commented on the lack of progress in shifting resources from acute to community settings and preventative approaches. A preventative, person-centred approach, as set out by Christie ten years ago, is key for improving outcomes and reducing inequalities.[21] However, we repeatedly reported in our Christie: 10-years on blog that this is not being achieved consistently or at scale. Christie stated that one of the major barriers to preventative action was the extent to which resources are currently tied up in dealing with short-term problems. The report warned that without a shift to preventative action, increasing demand would swamp public services' capacity to achieve outcomes.



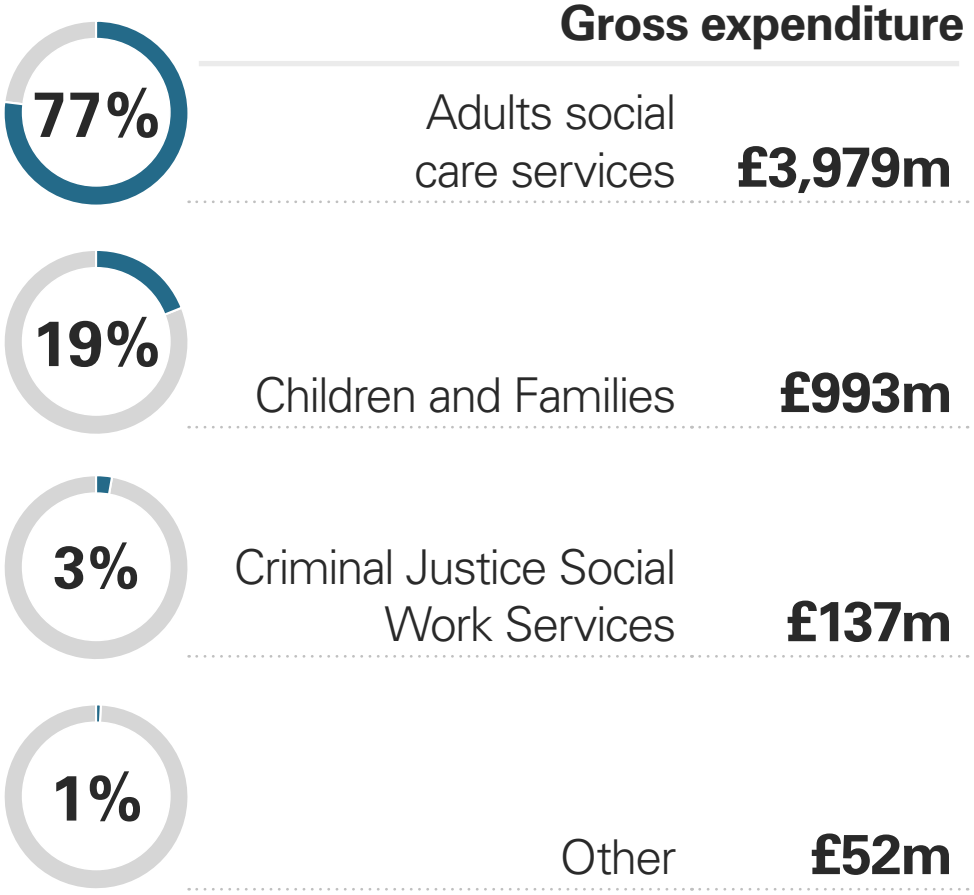
A preventative, person-centred approach, is key for improving outcomes and reducing inequalities.

28. Health and social care partnerships face ongoing challenges, with over two-thirds of Integration Authorities unable to achieve a balanced budget without additional funding from partners in 2018/19. Our report on free personal and nursing care found that abolishing charging led to councils developing eligibility criteria to manage the demand for services. Financial pressures across Scotland are leading to local variations in how those eligibility criteria are being applied to manage access to social care.

Exhibit 2

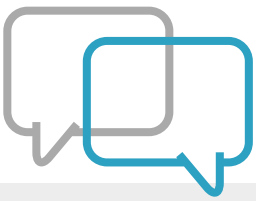
Social care expenditure in Scotland, 2019/20

Of the £5.2 billion spent on social care in 2019/20, £4.0 billion (77 per cent) was spent on adult social care.



Note: Adult social care expenditure includes an estimated £410 million from individuals funding all or part of their care in care homes. This means that total public funding for social care is £4.7 billion. Social care expenditure incurred by the NHS (e.g. occupational therapists) is not included as this is not routinely collected.

Source: Scottish Government collated information including Local Finance Returns 2019/20, Independent Living Fund Accounts 2019/20, National Care Home census 2019.



Quotes from people with experience of social care support and providers of social care.

"There are many, many people who do not speak the language, they will never know who to contact, where to phone, what they get or don't get. Just think about it, their situations, where they're just left, in such a dire situation sometimes." Source: 1

"Disabled people are apprehensive about moving home from one local authority area to another because they know that they will have to go through yet another assessment process. Most of them will have battled with social services for years to get the support that they have currently and are not keen to have to repeat the trauma..." Source: 2

"We are hearing repeatedly from unpaid carers that carers assessments are not being undertaken, that they feel undervalued and their human rights as people are being ignored. Unpaid carers are relentlessly providing care, night and day, with many paying for provision themselves in order to get a break from their caring responsibilities." Source: 4

"I think [we need] recognition that care work is really important and is essential. [...] I think if it was better pay and it was more secure and the hours were better than I wouldn't be so afraid that my personal assistant would leave." Source: 1

"It took 2 years and 6 different social workers to finally get a budget for my daughter." Source: 2

"There is an understanding that eligibility criteria act as a device for local authorities to manage limited resources, however this has resulted in service provision being focused on critical care responses rather than prevention. Social care should be considered an investment and not a cost." Source: 3

Social care next steps

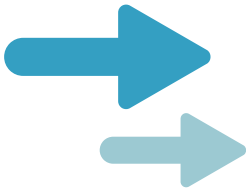
There is much to do to improve social care. Stakeholders have raised concerns about the scale of reform and how a lack of action now presents serious risks.

The Scottish Government is planning significant changes in social care over the next five years

29. On 1 September 2020, the Cabinet Secretary for Health and Sport confirmed the Scottish Government was commissioning a review of adult social care. The cabinet secretary said that the pandemic had 'shone a light on the pressing work we need to do to improve those services and support those who need them and those who work in them'. The key developments and anticipated timescales for social care reform are set out on page 19.

30. The IRASC recommendations were focused on adult social care. The Scottish Government NCS consultation goes further and sets out a vision to create a community health and social care service that supports people of all ages and with a wider range of needs. This includes children's services, community justice, alcohol and drug services, and social work. The proposals are not costed. It states that all proposals will be assessed for value for money as the consultation feedback is considered but there is still much to do to establish the true costs of reform.

31. It is still early days for the Scottish Government's plans for reform. However, stakeholders have raised concerns about the extent of the proposals for reform and the time it will take to implement them. Many of the issues cannot wait for the Scottish Government to implement an NCS. Stakeholders told us of services in near-crisis and explained that a lack of action now presents serious risks to the delivery of care services for individuals. And this in turn will affect the delivery of the Scottish Government's ambitions for social care in Scotland. The social care workforce was frequently described as undervalued, with low wages for the responsibilities of their work, and vacancies hard to fill owing to similar or better wages paid in retail and hospitality sectors.



Stakeholders have raised concerns about the extent of the proposals for reform and the time it will take to implement them.

Timeline for social care reform

2021	**3 February**	the IRASC advisory panel published its report and made 53 recommendations for improvement
	16 February	the Scottish Government confirmed it accepted the IRASC recommendations
	24 March	the Scottish Government and COSLA issued a joint statement of intent outlining how they would work together to deliver the intentions of the IRASC
	20 July	the Social Care Covenant Group held its first meeting. Chaired by the Minister for Mental Wellbeing and Social Care and including members with first-hand experience, the group was set up to establish a common set of values and beliefs for social care
	9 August to 2 November	the Scottish Government held a wide-ranging consultation on a national care service (NCS) for Scotland
	August and October	the Scottish Government held a series of engagement events at which stakeholders, individuals, and communities came together to share their views on the consultation
	2 September	the Scottish Government awarded a contract to PricewaterhouseCoopers for setting up a programme management structure for an NCS
	2 November	the Scottish Government tendered work on developing an operating model and business case for an NCS
2022	**January/ February**	the Scottish Government expects to publish the results of the consultation in early 2022
	June	the Scottish Government has committed to begin the legislative process to set up an NCS
2026	**May**	the Scottish Government expects that an NCS would be fully operational by the end of the current parliamentary term.

Implementing reform will take significant work, but some things cannot wait

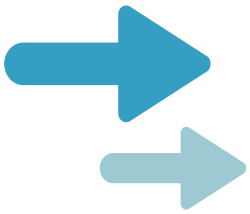
32. The Scottish Government's commitments to an NCS indicates that it recognises the significance of the challenge, but it is at an early stage, with little planning having yet taken place. As we and others have indicated, the need for improvements in social care are now urgent and the government and key stakeholders need to remain focused on making improvements in the areas we have highlighted. The need to address the significant and pressing challenges facing social care in Scotland cannot wait to be solved by a new NCS.

33. The pandemic has exacerbated the long-standing challenges facing the social care sector, highlighting the precarious situation of many vulnerable people who rely on social care or support. The Scottish Human Rights Commission (SHRC) reported on the negative impact Covid-19 had on people requiring support and their rights. The SHRC expressed deep concern about future levels of social care support likely to be available to people whose packages were reduced or withdrawn during the pandemic. It highlighted the need to invest in a social care system, based on human rights, that meets people's needs and improves outcomes.[22]

34. Although there is still uncertainty about what social care reform will look like in terms of scope, the additional funding needed will be significant. It is important that the additional investment set out in paragraph 26 is used effectively to make the changes required in social care and that services do not continue to be funded and delivered in the same way.

Next steps for the Scottish Government

35. Following the end of its consultation, the Scottish Government needs to establish what is included in an NCS and the legislative programme needed to progress it. It should also identify what can be taken forward now without legislation, which could provide a strong foundation for an NCS. Considerable work has already been carried out in some areas on the improvements required, for example on the workforce (Fair Work Commission) and commissioning (CCPS, Healthcare Improvement Scotland).



The Scottish Government should identify where improvement can be made now, drawing on existing work and recommendations and bringing together key stakeholders.

36. It is important the Scottish Government develops a clear scope quickly, with timescales for implementing each workstream, to remove uncertainty about the future direction of social care. The Scottish Government needs to consider the following in developing a plan:

- the functions where there may be value in adopting a national approach to achieve consistency and equity
- areas where improvement can be made now, drawing on existing work and recommendations, by bringing together key stakeholders with a clear remit to deliver the changes required
- developing an understanding of the longer-term costs and funding, including effective exit strategies from current services, identifying double-running costs while setting up new services, and moving more resources into preventative services
- prioritising developing a long-term, integrated workforce plan to address the crisis in the social care workforce and to implement the FWC's recommendations
- developing an understanding of what a preventative and human rights-based approach to social care looks like and a plan for co-producing it. This includes how it will continue to embed the voice of care experienced people in all aspects of developing, planning, and delivering effective social care for people who require support and their carers.

37. The Scottish Government will need to link plans for social care with developments in other policy areas, such as the NHS and housing. This includes the Scottish Government's plans to set up a new care and wellbeing portfolio to focus on reducing inequality, prioritising prevention and early intervention, and improving health and wellbeing outcomes.

38. Lessons also need to be learned from past restructuring and public service reform, for example health and social care integration, police and fire reform, college sector regionalisation, and the development of social security responsibilities in Scotland. Our reports in these sectors have found that reform is challenging and public bodies have experienced difficulties implementing elements of reform – expected benefits are not always clearly defined and, even if they are, reform does not always deliver the expected benefits, particularly in the short term. Any difficulties in implementing social care reform could have a significant negative impact on vulnerable people who rely on care and support. Key learning points include the importance of including:

- realistic costs in financial memorandums accompanying parliamentary bills for legislative change
- a comprehensive business case, clearly setting out the purpose and objectives of reform, timescales, key roles, responsibilities and accountability, risks, and the budget
- evidence to support major changes and being clear about how they will improve outcomes, options appraisal, and economic modelling
- good baseline information and a clear plan for measuring performance and improvement
- governance, accountability, roles and responsibilities in the new structure, and ensuring a shared understanding and agreement among key stakeholders
- strong, consistent strategic leadership from the outset
- an understanding of the time and effort needed to implement major change and complex restructuring, and of the cultural differences between partners.

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Social care

Briefing

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NHS in Scotland 2021

AUDITOR GENERAL

Prepared by Audit Scotland
February 2022

Contents

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Key messages

1 **The NHS in Scotland is operating on an emergency footing and remains under severe pressure.**
The success of the vaccinations programme has reduced deaths but the ongoing impact of responding to variants of Covid-19 has created a growing backlog of patients waiting much longer for treatment. The backlog poses a significant risk to the Scottish Government's recovery plans, which aim to transform how care is delivered. Reform is key to the sustainability of the NHS, and it must remain a focus, building on the innovation seen throughout the pandemic. Crucially, the public must be kept aware of and involved in changes to service provision. But transforming services will be very difficult to deliver against the ongoing competing demands of the pandemic and an increasing number of other policy initiatives, such as plans for a National Care Service.

2 **NHS and social care workforce planning has never been more important.**
Frontline NHS and social care staff, leaders and civil servants have shouldered a heavy burden over the last two years, and this has affected their wellbeing. The Scottish Government has introduced measures to support staff and is monitoring their effectiveness. But it must also prioritise addressing workforce availability challenges if its recovery plan is to be successful. Its plans to recruit and retrain staff are ambitious and will be challenging to achieve given the NHS's historical struggles to recruit enough people with the right skills.

3 **The NHS's ability to plan for recovery from Covid-19 remains hindered by a lack of robust and reliable data across several areas.**
This includes workforce data, as well as primary, community, social care and health inequality data. The collection and use of this data must improve to support decision-making and to ensure policy decisions are delivering the best outcomes for people.

4 **The NHS was not financially sustainable before the pandemic and responding to Covid-19 has increased those pressures.**
In 2020/21, the Scottish Government allocated £2.9 billion for pandemic-related costs. It has committed additional funding for health and social care in 2021/22 and beyond but there is uncertainty about future Covid-19 funding levels and the longer-term financial position. The Scottish Government plans to bring financial planning, service planning, workforce planning and capital investment together under a new Care and Wellbeing Portfolio. This has the potential to help the NHS become sustainable, but it is very early days. The key to financial stability remains a clear focus on the Scottish Government's long-standing commitment to transform how health and social care services are delivered.

Recommendations

The Scottish Government should:

- address the wellbeing risks affecting staff in the Scottish Government's Health and Social Care directorate as well as the NHS and social care workforce (paragraph 18).

The Scottish Government and NHS boards should:

- work with partners in the social care sector to develop a long-term, sustainable solution for reducing delayed discharges from hospital (paragraph 15)
- publish data on performance against the clinical prioritisation categories, to enable transparency about how NHS boards are managing their waiting lists (paragraph 39)
- work with patients on an ongoing basis to inform the priorities for service delivery, and be clear on how services are developed around patients' needs (paragraph 57)
- take a cohesive approach to tackling health inequalities by working collaboratively with partners across the public sector and third sector, and be transparent on how it will do this (paragraphs 62 and 63)
- improve the availability, quality and use of workforce data to ensure workforce planning is based on accurate projections of need (paragraph 87)
- monitor and manage risks around the impact of additional work outlined in the NHS recovery plan on the NHS workforce, to make sure recovery does not negatively affect staff wellbeing (paragraph 90)
- communicate widely with the public on changes to how services are delivered so that people are aware of how best to access services, and monitor the effectiveness of that communication (paragraph 95)
- prioritise the prevention and early intervention agenda as part of the recovery and redesign of NHS services, to enable the NHS to be sustainable into the future (paragraph 98)
- improve the availability, quality and use of data on primary, community and social care so that service planning is based on accurate measures of existing provision and demand (paragraph 99).

Introduction

1. The Covid-19 pandemic continues to provide a unique and difficult challenge for the NHS in Scotland. This report builds on our coverage of the response to the pandemic in our NHS in Scotland 2020 report.[1] It also follows our Covid-19 briefings on personal protective equipment and the vaccination programme.[2] [3] The report examines the continued impact of the pandemic on services and people's health in 2021. It also considers the Scottish Government's recovery plans for the NHS and looks at how services might be delivered in the future to better meet changing demand. We also provide an overview of financial performance across the NHS in Scotland in 2020/21 and consider the financial challenges that lie ahead. Our audit approach is set out in the Appendix.

2. The Scottish Government and the NHS continue to respond to Covid-19 as the pandemic progresses, while pushing ahead with plans for recovery. Policy and guidance are being updated frequently and our findings reflect the situation at January 2022, using information available before publication. The Scottish Government and the NHS are working in a quickly changing environment, as the emergence of the Omicron variant in late 2021 has shown. A lot of the work we cover in the report is at an early stage. It is too early for us to make judgements on some of these programmes of work.

3. We would like to acknowledge the support and assistance provided by the Scottish Government and NHS boards that has enabled us to prepare this report.

The ongoing response to the pandemic

The NHS continues to operate under extremely challenging circumstances with an ongoing focus on the response to Covid-19 and providing emergency and urgent care

4. The NHS in Scotland is still operating in extremely challenging circumstances. NHS staff have continued to demonstrate their extraordinary commitment to public service, working under significant pressure for a period longer than anyone could have predicted at the outset.

5. Responding to the Covid-19 pandemic is still putting NHS boards under considerable strain and the Scottish Government has confirmed that the NHS will continue to operate on an emergency footing until at least March 2022. This means that non-urgent care and treatment may continue to be postponed, so that NHS boards can manage the immediate demands of responding to Covid-19 and continue to provide emergency and urgent care.

6. The ongoing need to implement public health measures to prevent and control infection continues to affect NHS capacity and resources. The Scottish Government and the NHS have put in place several programmes of work as part of the ongoing response:

- **The Covid-19 vaccination programme.** In September 2021, we published a briefing paper on the rollout of the Covid-19 vaccination programme. The NHS has made excellent progress in vaccinating a large proportion of people aged 18 years and over.[4] The programme has since been extended to offer vaccines to children aged five years and over, and to offer third doses for more vulnerable people and booster vaccinations for adults aged over 18 years. Uptake has been very high: at 16 February 2022, 92.2 per cent of those aged 12 years and over have received at least one dose of a Covid-19 vaccine.[5]
- **Test and Protect.** Scotland's approach to testing and contact tracing has developed as the pandemic has progressed. At 16 February 2022, more than 15.3 million PCR Covid-19 tests had been carried out, and more than 1.1 million of these were positive.[6] [7] In December 2021, the Scottish Government published an evaluation of the asymptomatic testing programme.[8] This found that between 25 November 2020 and 27 June 2021, more than

Covid-19: Vaccination programme
September 2021

7,000 positive cases were identified through this programme. These cases may not have otherwise been detected if they remained asymptomatic or may have been diagnosed later once symptomatic. The evaluation found that there were some barriers to maximising the impact of the programme, including concerns about the perceived reliability of the tests, and the consistency of people self-reporting results.

- **Distribution of personal protective equipment (PPE).** PPE has been supplied to the NHS and social care services, free of charge, throughout the pandemic. The Scottish Government has committed to continue this until at least March 2022. This is currently expected to cost £158.9 million in 2021/22. It is not yet clear what arrangements will be in place after March 2022. Our briefing paper on PPE (June 2021) noted that the Scottish Government and NHS National Services Scotland (NHS NSS) have been working with partners to develop a longer-term approach to supplying and distributing PPE.

Covid-19: Personal protective equipment
June 2021

7. NHS boards' ability to implement their remobilisation plans for 2021/22 is highly dependent on how the pandemic progresses. These outlined NHS boards' priorities for increasing activity while maintaining their capacity to treat Covid-19 patients.

8. The assumptions in these plans understandably included a lot of caveats because of the uncertain ongoing impact of the pandemic on the NHS. The Scottish Government reviewed the strength and content of the remobilisation plans and identified several themes, including:

- good coverage of priorities encompassing acute, primary, community and social care
- the importance of looking after the wellbeing of the workforce
- a clear commitment to doing things differently, building on lessons learned and on innovations such as the redesign of urgent care and Near Me
- the importance of working in partnership with the public sector and third sector, with staff and clinical colleagues, and with local communities.

9. The review also highlighted several risks that had been identified by NHS boards and that could considerably affect the scale and pace of remobilisation during 2021/22. These include:

- uncertainty about how the Covid-19 pandemic will develop and the potential impact of future surges on the NHS
- workforce issues, including the need to make sure that staff have time and support to rest and take leave and concerns about sustainability because of retirals, recruitment challenges, redeployment and having the appropriate skills mix

- concerns about the longer-term impact of Covid-19 on the population and the way in which health and social care services will be delivered. Examples include the resources needed to further develop the role of public health services; the ongoing need for enhanced infection prevention and control measures; and the impact of unidentified and unmet healthcare needs on the demand for services.

The Scottish Government and NHS boards took action to prepare for a challenging winter

10. The Scottish Government acknowledged that winter 2021/2022 was likely to be extremely challenging for the NHS and, along with NHS boards, took action to prepare. The usual winter pressures, such as respiratory illnesses and falls, need to be managed along with Covid-19. The NHS has been rolling out its most extensive flu vaccination programme yet to minimise the spread of infection and the impact on services.

11. The Scottish Government asked NHS boards to update their remobilisation plans in Autumn 2021, to help ensure they were well prepared for the winter. In addition, in October 2021, the Scottish Government published a health and social care winter overview, outlining its winter planning preparations.[9] This was based on four principles:

- maximising capacity through investment in staffing, resources and facilities
- caring for staff by ensuring timely access to wellbeing support, so that they can continue to work safely and effectively
- reducing delayed discharge from hospitals and increased access to care in a range of community settings
- improving outcomes by investing in delivering the right care in the right setting.

12. The emergence of the Omicron variant at the start of winter 2021/22 demonstrated how the uncertain path of the pandemic can impact on NHS services. Covid-19 case numbers spiked dramatically throughout December and into early January followed by a spike in hospital admissions and moderate increases in deaths and ICU stays. This added to the pressure on the NHS during an already difficult winter season. This was further exacerbated by staff absences owing to Covid-19 while case numbers grew and isolation guidelines were tightened.

13. The Covid-19 vaccine booster programme was accelerated in line with updated clinical guidance following the emergence of the Omicron variant. While this was expected to reduce the health impact of the virus it added to the pressure on vaccination teams.

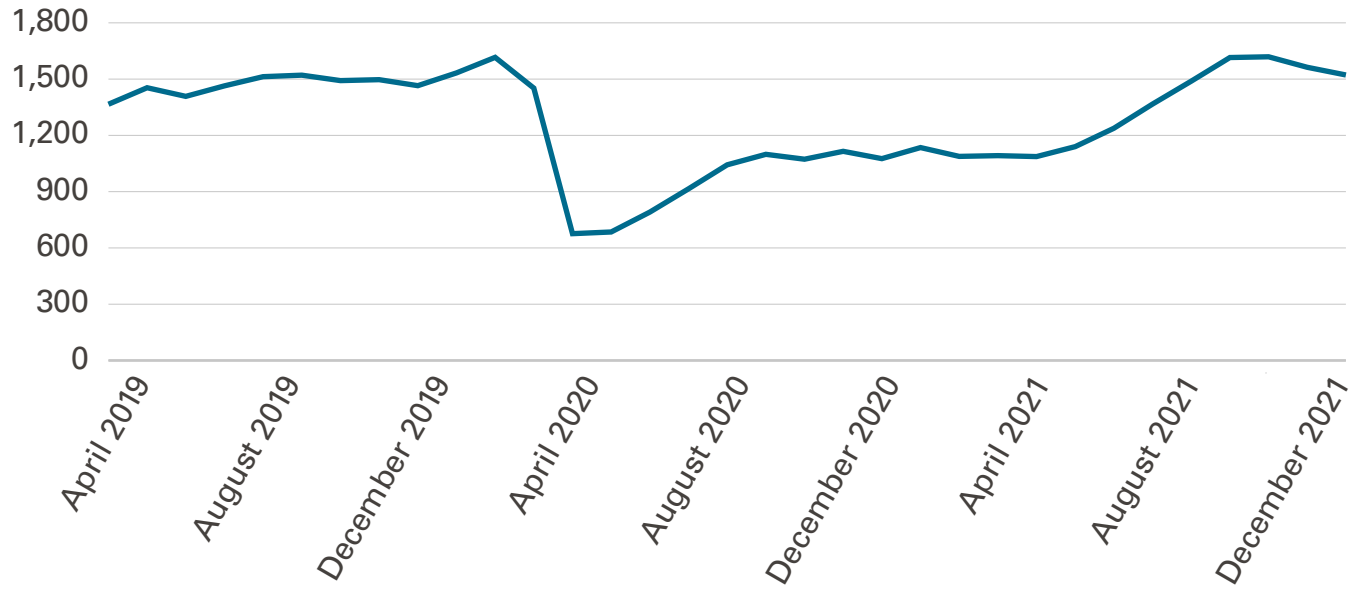
14. At the start of the Covid-19 pandemic, the Scottish Government introduced a rapid discharge strategy aiming to increase capacity in acute hospitals. This was effective, resulting in a substantial drop in delayed discharges between March and April 2020 (Exhibit 1). Delayed discharges gradually increased after April 2020 and had reached pre-pandemic levels by September 2021, putting additional pressure on NHS hospitals. The Scottish Government has said that this is because there have been increasing numbers of people admitted to hospital requiring care packages on discharge.

15. In its health and social care winter overview, the Scottish Government committed to providing £62 million, to increase the capacity for providing care at home, and funding of £40 million, to move people delayed in hospital into care homes on a short-term basis. This aimed to free up capacity in hospitals over the winter. By December 2021 there had been a small decrease in the average daily bed days occupied by delayed discharges (Exhibit 1). The measures to reduce delayed discharges, particularly during the first wave of the pandemic, were effective in the short term but a longer-term, more sustainable solution is needed.

Exhibit 1.

Average daily bed days occupied by patients whose discharge from hospital was delayed – April 2019 to December 2021

There was a substantial decrease in delayed discharges at the start of the Covid-19 pandemic, but they have since returned to pre-pandemic levels.



Source: Public Health Scotland

The unprecedented pressures of the pandemic continue to limit the capacity of the NHS workforce

16. Scottish Government and NHS staff have been working relentlessly to support the ongoing response to the pandemic and deliver services. Staff absences attributable to Covid-19 continue to limit capacity (Exhibit 2, page 11).[10] Vacancy rates for nursing and midwifery, and allied health professionals, such as physiotherapists, were higher in September 2021 than in any of the previous four years.[11]

17. The Scottish Government recognises that the risks relating to workforce capacity and wellbeing are significant. This has been reflected throughout the year in the Scottish Government's Health and Social Care Risk Register. The Scottish Government has introduced a range of controls to mitigate the risks. For example, it developed a recruitment plan to address winter pressures and winter disease. It also set up a Sustainable Vaccination Workforce Group to ensure that delivering the vaccination programme did not put further pressure on the wider healthcare system. It is too early to tell how effective these measures have been.

18. The workforce risks included in the Health and Social Care Risk Register refer only to health and social care staff. The Scottish Government should also consider risks affecting staff in the Scottish Government's Health and Social Care directorate.

19. Our NHS in Scotland 2020 report highlighted the negative impact of the pandemic on NHS staff wellbeing. This impact persists almost two years into the pandemic. Staff surveys carried out by trade unions and regulators continue to show a high number of staff saying their physical and mental wellbeing has been negatively affected. The results of the annual iMatter staff experience survey are currently being analysed and the Scottish Government intends to publish the report in early 2022.

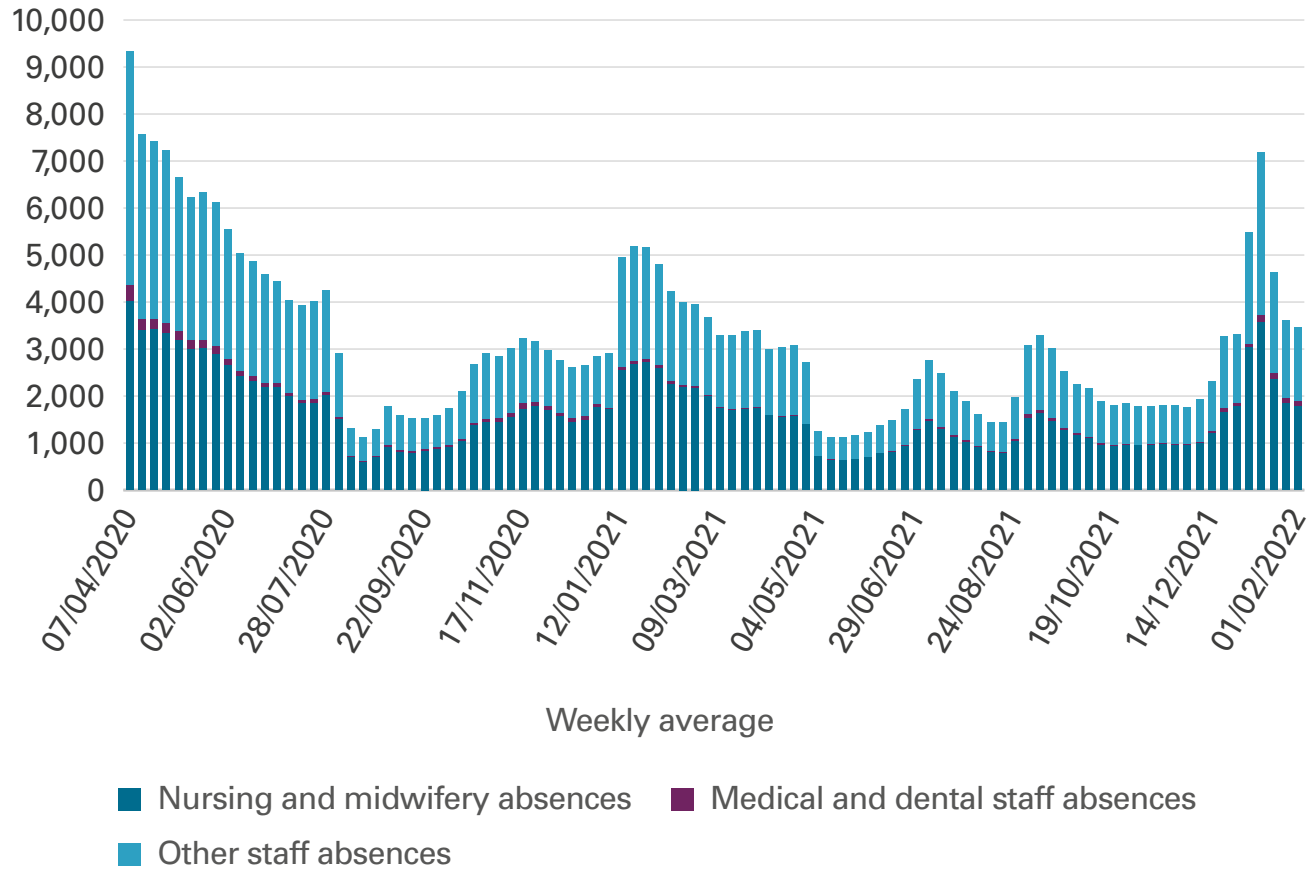
20. The 2021 Royal College of Nursing (RCN) Employment survey found that 40 per cent of nursing staff in Scotland are working beyond their contracted hours on most shifts.[12] Also, 67 per cent said they were too busy to provide the level of care they would like and 72 per cent said they were under too much pressure at work. It also found that 61 per cent are thinking about leaving their current position, with the main reasons being feeling undervalued, feeling under too much pressure, low staff levels and low pay. In comparison, 36 per cent of respondents to the RCN UK-wide Pay and Working Conditions Survey at the start of the pandemic said they were thinking of leaving their current position.[13]

21. The percentage of sickness absence attributable to stress and/or poor mental health increased for most NHS boards in 2020/21, compared with 2019/20. It is not clear whether those increases were caused by work-related stress or poor mental health owing to the pressures of the pandemic. The data also needs to be considered in the context of overall lower rates of non-Covid-19 sickness absence in 2020/21.

Exhibit 2.

The number of NHS staff absent because of Covid-19 – April 2020 to February 2022

Staff absence due to Covid-19 has varied but has been high throughout the pandemic.



Note: This graph shows the weekly average of daily absences.

Source: Scottish Government

The Scottish Government and NHS boards worked quickly to support staff wellbeing, but it is too soon to assess the effectiveness of the measures put in place

22. The Scottish Government and NHS boards worked quickly to increase the support available for the health and social care workforce. In 2020/21, the Scottish Government allocated £8 million for wellbeing support and announced a further £4 million in October 2021 to support wellbeing during the winter pressures.[14] [15] Seven measures have been introduced at a national level to support staff. These include access to support via a National Helpline, an online National Wellbeing Hub and a

Workforce Specialist Service offering specialist support in understanding the mental health needs of health and social care professionals who may be reluctant to seek help or struggle to find confidential care.

23. The measures put in place so far are appropriate, but it is too soon to fully assess their effectiveness. Governance arrangements for the programme of work are in place and include project teams, an oversight group and a programme board. The Scottish Government is monitoring the uptake of the measures and gathering feedback from service users.

24. The Scottish Government has reviewed the first 100 service users of the Workforce Specialist Service, usage of the National Wellbeing Helpline and examined analytics of the National Wellbeing Hub. Feedback has suggested that they have had a positive impact on wellbeing, although the National Wellbeing Helpline has had low call volumes. The Scottish Government will continue to evaluate the staff support measures it has introduced.

25. The scale of need for support is not clear. It is important that the Scottish Government continues to engage with the health and social care workforce and take account of the experiences of different staff groups as this programme of work develops.

26. The Scottish Government established a short life working group, including representatives from the health and social care sector, to provide recommendations to support workforce recovery. These fed into the NHS recovery plan published in August 2021.[16] The Scottish Government is exploring opportunities for a panel of health and social care staff to share their experiences. Our social care briefing, published in January 2022, highlights the immense pressure social care staff are under and the ongoing challenges with recruitment and retention within the sector.[17]

Social care briefing
January 2022

27. The Scottish Government told us that there is not a culture of seeking help in the health and social care sector. Support needs to be improved, for example by ensuring that wellbeing is part of conversations between staff and their managers. Achieving this will take time and involve managing the tension between the competing demands of staff wellbeing, the pandemic response, and remobilisation.

The Scottish Government and NHS are implementing lessons learned during the pandemic

28. Some changes brought in during the pandemic were specific to the response required and will not be adopted permanently. But other changes can bring ongoing benefits to health services and can aid the recovery effort and improve future service delivery.

29. The Scottish Government and NHS have acted quickly to learn from changes brought in during the pandemic and have started to embed that

learning across NHS services. The Scottish Government commissioned a report, published in August 2021, on lessons identified from the health and social care response to Covid-19 in Scotland during the first six months of the pandemic.[18]

30. The report concluded that a considerable amount of work had gone into identifying what had worked well and what opportunities exist for new ways of working. It identified clear examples of good practice at individual board level and through national programmes. It also recommended clearly defining roles and responsibilities for implementing lessons learned exercises, with the Scottish Government coordinating and overseeing to avoid overlap and duplication.

31. The findings have informed other work, for example, the NHS recovery plan, the Programme for Government, and the development of a Care and Wellbeing Portfolio (paragraph 103). The Scottish Government created an action tracker outlining progress against recommendations and additional commitments. It shows where lessons could inform future pandemic preparedness and the development of policy and reform work. It also outlines how lessons identified are being addressed in the creation of its Care and Wellbeing Portfolio.

32. It is important that new ways of delivering services continue to be evaluated to assess the ongoing appropriateness and effectiveness of the changes, and to avoid exacerbating or creating health inequalities.

Scottish ministers are setting up a public inquiry to investigate the handling of the Covid-19 pandemic in Scotland

33. In December 2021, the Deputy First Minister announced terms of reference and the appointment of a chair for a public inquiry into the handling of Covid-19 in Scotland.[19] The inquiry will look at the strategic response to the pandemic and cover 12 areas of investigation, to identify lessons to be learned and recommendations. It will look across pandemic preparedness, the direct and indirect health impacts, education and financial support. The inquiry will cover the period from 1 January 2020 to 31 December 2022 but will also include pandemic planning undertaken before then. The terms of reference for the inquiry were set by the Scottish Government and informed by public engagement.

The continuing health impact of Covid-19

The pandemic continues to have an impact on the health of people in Scotland, but fewer people are dying from Covid-19

34. By the end of January 2022 Covid-19 had caused or contributed to more than 12,900 deaths in Scotland. The number of people dying from Covid-19 has been significantly lower since the rollout of the vaccination programme from late 2020, despite higher numbers of positive cases (Exhibit 3, page 15).

35. From September 2021, there has been another increase in people with Covid-19 being admitted to hospital. This is putting considerable pressure on hospitals at a time when they are already under enormous strain. There is also the risk that if new variants of the virus continue to emerge, the vaccines may become less effective.

36. On average there has been a higher number of deaths from other causes during the pandemic. From the week beginning 24 May 2021, deaths were above average levels for 32 consecutive weeks. For 2021 as a whole, excess deaths were ten per cent above the average for the five-year period 2015 to 2019.[20] The Scottish Parliament has launched an inquiry to investigate what factors have led to this increase.

The Covid-19 pandemic has led to a considerable backlog of people waiting for NHS diagnosis and treatment

37. Responding to the Covid-19 pandemic has severely affected the ability of NHS boards to continue to see and treat people with other healthcare needs. The Scottish Government directed NHS boards to pause non-urgent treatment and screening programmes during the first wave of the pandemic. The NHS has been working to resume the full range of healthcare services but capacity in hospitals continues to be limited. This has led to increasing numbers of people waiting much longer for diagnosis and treatment (Exhibit 4, page 16).

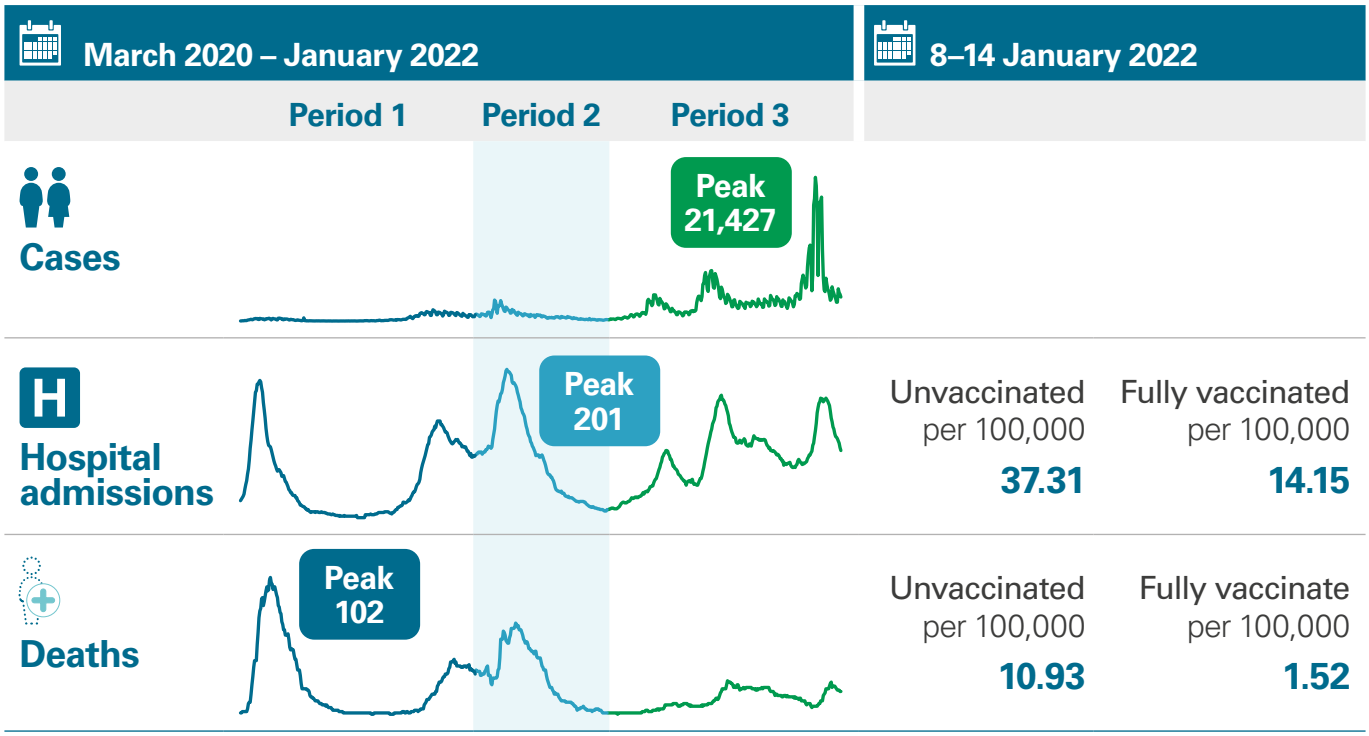
38. In November 2020, the Scottish Government published a clinical prioritisation framework outlining how NHS boards should prioritise patients for treatment during the Covid-19 pandemic.[21] This approach means that patients in most urgent need should be seen first and those of lower clinical priority will need to wait longer. Patients are categorised in priority levels as follows:

- Level 1a emergency – operation needed within 24 hours
- Level 1b urgent – operation needed within 72 hours
- Level 2 surgery – scheduled within four weeks
- Level 3 surgery – scheduled within 12 weeks
- Level 4 surgery – may be safely scheduled after 12 weeks.

Exhibit 3.

Covid-19 cases, deaths and hospital admissions – March 2020 to January 2022

The Covid-19 vaccination programme has helped to reduce the number of people needing hospital treatment or dying from Covid-19.



Period 1 – Before the vaccination programme
Period 2 – 8 December 2020: Vaccination programme began
Period 3 – 7 May 2021: 98% of priority groups 1–9 had received their first dose of a Covid-19 vaccine

Notes:
1. The data for Covid-19 deaths and hospital admissions are based on the average number of registered deaths and the average number of people admitted to hospital over the previous seven days.
2. People who are fully vaccinated are defined as having a third dose or booster shot.
3. The hospitalisation and mortality rates per 100,000 are age-standardised per 100,000 people per week, standardised to the 2013 European Standard Population.

Source: Public Health Scotland

Exhibit 4.

National trends in demand for hospital services and activity April 2019 – September/December 2021

Hospital activity is increasing but remains lower than pre-pandemic levels. Demand for services and the numbers waiting considerably longer for tests and treatment have increased.

Demand			% change
	April 2019 to September 2021		
Number waiting for diagnostic tests	92,239	125,557	↑ 36.1%
	June 2019 to September 2021		
Number waiting for an inpatient or day case admission	75,608	106,496	↑ 40.9%
Number waiting for a new outpatient appointment	323,408	425,242	↑ 31.5%
Activity			**% change**
	April 2019 to December 2021		
Number of scheduled elective operations in theatre system	27,204	17,836	↓ -34.4%
	April 2019 to September 2021		
Number of inpatient and day case admissions	70,691	45,449	↓ -35.7%
Number of new outpatient appointments seen	361,944	286,935	↓ -20.7%
Length of waits			**% change**
	April 2019 to September 2021		
Number waiting longer than 6 weeks for diagnostic tests	16,446	53,023	↑ 222.4%
	June 2019 to September 2021		
Number waiting longer than 12 weeks for an inpatient or day case admission	23,930	66,602	↑ 178.3%
Number waiting longer than 12 weeks for a new outpatient appointment	86,450	220,888	↑ 155.5%

Source: Public Health Scotland

39. We recommended in our NHS in Scotland 2020 report that data on waiting times based on the categories in the clinical prioritisation framework should be published. This will enable transparency and scrutiny of how NHS boards are managing their waiting lists. Public Health Scotland and NHS boards continue to progress this recommendation and the Scottish Government should work with them to publish this information as soon as possible.

NHS in Scotland 2020
February 2021

40. Referrals are increasing but the impact of delayed or missed diagnosis is a big risk. There is evidence that some people avoided accessing health services, particularly during the first months of the pandemic. This creates the risk that health conditions will go undetected for longer, leading to potentially worse outcomes for people.

41. The first port of call for most people with medical concerns is their GP, who can refer them to specialist services where required. Data on the number of GP appointments carried out is not available, so the extent to which people avoided seeing their GPs during the Covid-19 pandemic is based on survey information and referrals to hospital services.

42. A survey by YouGov has been carried out since the start of the pandemic, to monitor public opinion in Scotland. In December 2021, it found that 25 per cent of respondents would avoid contacting a GP for immediate medical concerns unrelated to Covid-19. This has improved since April 2020 (when it was 45 per cent), but it indicates the significant unknown need that is present.[22]

43. Referrals for outpatient appointments, cancer treatment and psychological therapies decreased significantly between April and June 2020. This is concerning, as it is unlikely to be because of a reduced occurrence of illness. There are longer-term risks associated with delayed or missed diagnosis, such as people becoming more acutely unwell and requiring more intensive treatment.

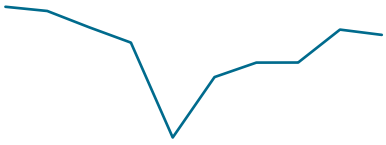
44. Referrals increased throughout 2021, indicating that more people are now seeking help for medical concerns than at the start of the pandemic (Exhibit 5, page 18). Referrals for psychological therapies have now exceeded pre-pandemic levels, and similar trends may be seen in other specialties in future.

45. Clearly the pandemic is having an impact on people's health beyond the direct effects of Covid-19. The scale of delayed diagnosis and treatment and what this means for NHS services and patients is not yet known. The Scottish Government does not yet have an overall strategy for monitoring the wider health impact of Covid-19. Public Health Scotland is monitoring some specific areas, such as the number of undiagnosed cancer cases. But a cohesive strategy is needed to better understand what the wider health impact of Covid-19 will be on NHS services and inform future service provision.

Exhibit 5.

Trend in referrals – April 2019 to September 2021

There were significantly fewer referrals for outpatient appointments, cancer and psychological therapies at the start of the pandemic, but levels have been increasing steadily since.

	April 2019 to September 2021			% change
Number of additions to the outpatient waiting list	464,691		403,770	↓ -13.1%
Referrals to start cancer treatment within 31 days of decision to treat	6,582		6,329	↓ -3.8%
Referrals to start cancer treatment within 62 days of referral	3,907		4,011	↑ 2.7%
Referrals for psychological therapies	38,314		40,528	↑ 5.8%

Source: Public Health Scotland

Demand for urgent and emergency care is putting significant pressure on hospitals

46. During the first few months of the pandemic, the number of people attending accident and emergency departments (A&E) fell significantly, and there were fewer emergency hospital admissions. These have both now increased and are similar to pre-pandemic levels.

47. Additional measures to prevent the spread of Covid-19, such as enhanced infection prevention and control measures, impact on productivity and flow in A&E.[23] This means that it is much more challenging to see and treat people within the four-hour target. For example, between 27 December 2021 and 23 January 2022, 72.9 per cent of unplanned attendances at A&E were seen within four hours, compared with 84 per cent between 30 December 2019 and 26 January 2020.[24]

48. The Scottish Ambulance Service (SAS) has also been under significant pressure. The need for additional PPE has increased the length of time that ambulance crews are spending with patients at the scene, and ambulances are also waiting outside hospitals for considerably longer. This is limiting the ability of ambulance crews to respond to other calls and leading to longer wait times for people who need an ambulance. SAS has required military support to supplement ambulance drivers and staff mobile testing centres. In September 2021, 225 military personnel were drafted in to support SAS.

49. SAS is working to improve the situation. It has accelerated plans to establish a navigation hub to direct paramedics to the most appropriate care for their patients. It is also in the process of recruiting GPs to assess the needs of patients waiting for an ambulance to prioritise their urgency more effectively.

Referrals for mental health services are now exceeding pre-pandemic levels, reflecting the impact of Covid-19 on people's mental health

50. The pandemic has had a considerable impact on mental health. It has been a difficult period for everyone, and lockdowns and physical distancing meant that some people were isolated from friends and family for months. There was, however, a considerable decrease in referrals for both adult and children's mental health services in 2020/21.[25] This is likely to reflect the impact of school closures and limited access to GPs and other services from which referrals are often made, rather than a reduction in demand.

51. In October 2020, the Scottish Government published its mental health transition and recovery plan, to respond to the mental health impacts of the pandemic.[26] The plan contains more than 100 actions, and the Scottish Government has committed £120 million in 2021/22 to take this work forward.[27] Referrals to mental health services and the number of appointments offered have now returned to pre-pandemic levels. In 2022, we plan to carry out further performance audit work on mental health services.

The Scottish Government has started to plan for Long Covid rehabilitation, but the extent of this condition is still unknown

52. Long Covid consists of prolonged symptoms, following a Covid-19 infection, that continue for more than four weeks and are not explained by an alternative diagnosis. In January 2022, an estimated 1.9 per cent of people in Scotland[28] were experiencing Long Covid symptoms.[29] The prevalence of Long Covid in Scotland is based on self-reported data, so this figure may not accurately represent the number of people with the condition. The figure only covers people living in individual

households and does not cover those in communal places of residence, such as care homes.

53. The Scottish Government has funded nine studies to develop the clinical knowledge base for Long Covid and its impact on people's health, which will also inform planning for the expected demand on NHS services.

54. In September 2021, the Scottish Government announced a £10 million Long Covid Support Fund and published its approach to supporting those affected. The approach is based on four key elements: self-management, primary care and community-based support, rehabilitation support, and secondary care services.[30] Many people are able to recover from Covid-19 at home, and the Scottish Government plans to promote self-management where possible. Self-management will also reduce any additional pressure being placed on NHS services. Several pieces of work are under way, including a self-management marketing campaign launched in October 2021.

The Scottish Government aimed to make public health measures inclusive, but some people were disproportionately affected

55. The Scottish Government and NHS Scotland took action to make attempts to control the virus as inclusive as possible. The Scottish Government carried out equality impact assessments (EQIAs) of several measures introduced to respond to the pandemic, such as the expansion of the Near Me video consulting programme. Other measures taken to support an inclusive approach included the following:

- Covid-19 vaccination programme – the Scottish Government and NHS boards worked with partners to increase vaccination uptake and reduce vaccine hesitancy through methods such as improving the accessibility of information, tailoring messages to specific communities and outreach work targeting groups that may be less likely to come forward for vaccinations.
- Test and Protect – working with partners to reach under-represented groups, for example by improving access to testing in targeted settings such as places of worship, making contact tracing scripts more accessible for non-native English speakers and people with other needs, and providing financial support for those self-isolating.

56. The Health and Social Care Alliance Scotland was invited by the Scottish Government to lead engagement work on people's experience of changes to health and social care during the pandemic.[31] The findings of this work included variation in access to services, such as GP services and specialist services. For some, such as those with chronic pain, the reduced access to support resulted in concerns about managing their health. Disability Equality Scotland also reported that disabled people

were anxious about the impact of cancelled or postponed appointments on their health.[32]

57. The Scottish Government and NHS boards should work with patients on an ongoing basis to inform the priorities for service delivery and be clear on how services are developed around patients' needs.

A collaborative approach is required to tackle long-standing health inequalities

58. Our NHS in Scotland 2020 report highlighted that some people have been more adversely affected by the pandemic than others. Those from the most deprived areas and from some ethnic minority backgrounds were more likely to die from Covid-19. Further data has shown that disabled people were more likely to have died from Covid-19.[33] Adults with learning disabilities were also at a greater risk of being hospitalised or dying from Covid-19.[34]

NHS in Scotland 2020
February 2021

59. The pandemic has exacerbated long-standing health inequalities. Life expectancy in Scotland had not changed since 2012–14, and the number of years that people live in good health has started to decrease. The trends in healthy life expectancy show that people living in more deprived areas could expect to live more than 20 fewer years in good health than those living in less deprived areas.[35]

60. Health inequalities continue to be a significant problem in Scotland since we last reported on this topic.[36] The disproportionate impact of Covid-19 on certain groups has led to the Scottish Government increasing its focus on tackling health inequalities, but there is no overarching strategy. Several programmes of work are under way targeting specific areas, for example on improving women's health and mental health, and improving race equality.

61. In September 2021, the Scottish Government published its Race Equality: Immediate Priorities Plan.[37] This aims to ensure a fair and equal recovery from Covid-19 for minority ethnic communities. It sets out the work taking place on race equality across government, as well as the actions being taken to implement the recommendations from the Expert Reference Group for Covid-19 and Ethnicity.

62. While it is positive that these programmes of work are taking place, it only targets some of the groups experiencing health inequalities. For instance, there are no separate plans for people with disabilities or those experiencing homelessness. The Scottish Government should develop an overarching strategy for tackling health inequalities and develop work programmes for all target groups.

63. Improving health and reducing health inequalities require holistic action across the Scottish Government and its partners. Public sector partners can play an important role in changing behaviours. As well as

providing health services, it is necessary to create the conditions that lead to good health, such as employment, education and good quality housing. Better health will also have wider benefits to society and the economy.

64. In December 2020, the Scottish Government established the new Health Inequalities Unit (HIU) within its Population Health Directorate. The HIU aims to embed equity and human rights in the response to the pandemic and across wider healthcare services.

65. The HIU is developing a single health equity vision. This aims to provide NHS boards with clear priorities, but this work is at a very early stage. The HIU includes a fair health team that focuses on the social and economic drivers of health inequality, such as low income, inadequate housing and poverty. The team will work with other government departments including education, social justice and housing, to bring a cross-government approach.

66. The work of the HIU will be crucial to building a sustained approach to reducing health inequalities. Such work should focus on cross-government initiatives and emphasise tackling the wider factors contributing to inequality. The fair health team will have a role in driving this work forward.

Public Health Scotland has had an important role in responding to the pandemic, and work on its wider priorities is now under way

67. Public Health Scotland (PHS) became operational in April 2020, at the start of the pandemic. PHS was established to enable and support local and national bodies to work together to improve health and wellbeing in communities. It has a key role in working with its partners to reduce health inequalities.

68. Since PHS was established, its focus has largely been on responding to the pandemic. This has included developing the Covid-19 daily dashboard, providing public health advice and supporting the Covid-19 vaccination programme. As a newly established body, PHS has also been developing its leadership and organisational structures.

69. PHS has identified priorities as part of its strategic plan 2020–23 and delivery plan 2021–23.[38] [39] These are Covid-19; mental wellbeing; communities and place; and poverty and children. These are complex challenges that will need collective action from PHS and partners across government and the public sector and third sector. Despite the pandemic being a core focus for PHS so far, several pieces of work are now under way, including:

- working with Police Scotland to produce real-time data on suicide and drug-related deaths to allow preventative action

- working with partners to support communities and local planning partners to better consider how climate change will affect their local area and on health and wellbeing
- working with children to develop mental health indicators that capture the key issues for children and young people
- providing guidance to local government on housing and homelessness.

More robust data is needed to understand and respond to long-standing health inequalities

70. Data on health inequalities is often confined to focusing on deprivation and sex, and less data is available on characteristics such as disability and ethnicity. The Scottish Government recognises this and has initiated programmes of work to improve the availability of data that can help inform decision-making. For instance, data is now being collected on Covid-19 vaccination uptake by ethnicity. This provides a better understanding of any inequity in the uptake of the Covid-19 vaccines, which will also allow appropriate action to be taken to increase uptake where it is lower in specific minority ethnic groups.

71. The Scottish Government is developing the Equality Data Improvement Programme. This aims to better understand what equality data is available and the barriers to collecting it, and to promote good practice in collecting better evidence. Some pieces of work have progressed quickly, for example the Scottish Government's chief statistician is leading a programme of work to improve data collation and analysis, by linking healthcare data with other datasets such as census and university data. This aims to improve the analysis of equality characteristics and to enable more preventative work to take place when tackling health inequalities (Case Study 1).

Drug- and alcohol-related deaths remain a serious concern

72. Despite Covid-19 being at the centre of government activity, other significant public health challenges remain. Drug and alcohol-related deaths have increased year on year, with 1,339 drug-related deaths and 1,190 alcohol-specific deaths registered in 2020. Deaths are higher among those living in deprived areas. Scotland's drug related death rates are the worst in Europe, and alcohol specific deaths rates are one of the worst in the United Kingdom.[40] [41]

73. A cross-government approach will be fundamental to providing holistic support for people at risk of drug and alcohol misuse. In the 2020/21 Programme for Government, the Scottish Government committed to investing an additional £250 million over this Parliament's term specifically to tackle the drug death emergency.[42] This will focus on community based support, quick access to treatment and expanding residential rehabilitation.

Case Study 1.
Data linkage to identify the risk factors to homelessness

Linking health data with data on homelessness has illustrated the impact that data can have on outcomes for vulnerable people.

Work led by the Scottish Government's chief statistician has connected these datasets to identify what happened to people before they became homeless. For example, people often go to see their GP about alcohol or drug use, and this information can be linked to other issues such as domestic abuse or involvement in the justice system. Using data in this systematic way helps to predict who is at risk of losing their homes, so that they can receive support to prevent them from becoming homeless in the first place. The use of data in this way supports a multi-agency and preventative approach to homelessness.

Source: Scottish Government

74. The Scottish Government has also committed to publishing quarterly data on drug-related deaths, to enable enhanced monitoring. Data from January to September 2021 shows a four per cent improvement compared to the same period in 2020.[43] But suspected drug deaths remain at a high level and there continues to be an upward trend over the period for which data is available. It is likely that results from new initiatives will take longer to show.

75. We published a drug and alcohol briefing in 2019 and plan to publish a further update in March 2022.[44] This will summarise the ongoing challenges for drug and alcohol services and the improvements needed.

Drug and alcohol services: An update
May 2019

NHS recovery and remobilisation

The Scottish Government's plans for the recovery and redesign of NHS services are ambitious but will be challenging and take a long time to realise

76. The Scottish Government and NHS Scotland are having to balance the immediate priorities of responding to Covid-19 and tackling the ever-increasing backlog of patients waiting to be seen. At the same time, they are planning for how healthcare services can be delivered more sustainably in the future. There is a long road ahead, and it will be challenging to make sufficient progress while dealing with the substantial pressures already in the system, which have been exacerbated by the pandemic.

77. The Scottish Government recognises that innovation and service redesign will be essential for the recovery of NHS services. It has published its NHS recovery plan, which aims to address the substantial backlog in planned care while continuing to meet ongoing urgent health and care needs.[45] The NHS intends to achieve this by increasing the capacity of healthcare services and redesigning patient pathways.

78. Key actions will include opening National Treatment Centres (NTCs) across Scotland to help increase inpatient and day case activity to 20 per cent above pre-Covid levels by 2025/26. Within the same timescale, redesigning care pathways is expected to contribute to an increase in outpatient activity to ten per cent above pre-pandemic levels. The Scottish Government has developed a Centre for Sustainable Delivery (CfSD), which aims to support boards to redesign how services are delivered and embed best practice across Scotland.

79. The ambitions in the plan will be stretching and difficult to deliver against the competing demands of the pandemic and an increasing number of other policy initiatives, such as plans for developing a National Care Service (NCS). The recovery plan will involve new ways of delivering services and these will take a lot of work. There is not enough detail in the plan to determine whether ambitions can be achieved in the timescales set out.

80. In our NHS in Scotland 2017 report we noted the growing complexity in how healthcare is planned, with a mix of local, regional and national planning.[46] The NTCs, CfSD and the NCS have the potential to add to this complexity. It is not yet clear how planning across these

NHS in Scotland 2017
October 2017

different levels will work in practice. It is important that roles and responsibilities, and how they link together, are well defined to ensure:

- there is clear accountability
- it is clear how public money is being used
- the public are easily able to access health and social care services that are joined up effectively.

81. We welcome the Scottish Government's commitment to publishing annual updates on the NHS recovery plan to inform the public on the progress being made.

There are several risks associated with the successful recovery and redesign of NHS services

82. Making significant and ambitious changes in how services are delivered inevitably involves risks. The Scottish Government and the NHS must manage these risks carefully if the objectives set out in the recovery plan are to be achieved.

83. The NHS recovery plan and other key strands of recovery, such as the new Care and Wellbeing Portfolio and the new Digital Health and Care Strategy (paragraph 108), show that the Scottish Government and the NHS have plans in place to manage some of the risks. But it remains to be seen how some other risks will be managed. These are set out in the rest of this section.

New Covid-19 variants could derail recovery plans

84. The emergence of the Omicron variant towards the end of 2021 shows that the future course of the Covid-19 pandemic, and the impact on people's health and NHS services, remains uncertain. There is potential for any new variant to spread more easily, to be more resistant to vaccines, or to result in more severe symptoms. These possible outcomes could all potentially divert efforts away from recovery and back towards the immediate pandemic response.

The Scottish Government must prioritise addressing workforce availability challenges if its recovery plan is to be successful

85. The workforce commitments set out in the recovery plan are significant and build on substantial existing commitments from previous plans (Exhibit 6, page 27).

86. The additional numbers of staff needed to meet the plan's ambitions, alongside existing and potential recruitment challenges, mean that the Scottish Government will need to use innovative recruitment methods to fill positions. The recovery plan includes a commitment to invest £11 million over the next five years in new national and international

recruitment campaigns and establish a Centre for Workforce Supply. There are also plans to increase the number of undergraduate places to study medicine by 100 per year.

87. We have highlighted in previous reports that the NHS has struggled to recruit enough people with the right skills to certain positions, and that the UK's departure from the EU could further reduce the pool of workers available in future years.[47] We also highlighted a lack of robust and reliable workforce data in our NHS workforce planning – part 2 report, particularly in relation to primary care.[48] We are yet to see evidence that this has improved, and there is a risk that it inhibits effective workforce planning. It will also make it difficult to monitor progress in achieving workforce objectives.

NHS workforce planning – part 2
August 2019

Exhibit 6.

New and existing workforce commitments

Existing committments from the Integrated National Workforce Plan 2018

- 800 new mental health workers by 2022
- 500 advanced nurse practitioners
- Increase the GP workforce by 800 by 2027
- 225 new advanced musculoskeletal practitioners by 2024/25
- 30 new reporting radiographer training places over the next three years
- 30 new training places in cardiac physiology

Staffing committments – NHS Recovery Plan 2021/26

- 1,500 new clinical and non-clinical staff for National Treatment Centres by 2026
- 1,000 additional staff in primary care mental health
- 100 more undergraduate medical places per annum and more widening access places
- New recruitment campaigns and establish a Centre for Workforce Supply (£11 million)
- Youth employment opportunities through the Young Person's Guarantee
- Additional training opportunities through the NHS Academy

Source: Scottish Government

88. The Scottish Government, in conjunction with the Convention of Scottish Local Authorities (COSLA), aims to publish a new national workforce strategy for health and social care in early 2022. This will include high level objectives, an action plan covering the short, medium and long term, and projections for anticipated workforce growth. It is crucial that this strategy is aligned with the NHS recovery plan and leads to a more integrated approach to workforce, service and financial planning. Recovery ambitions cannot be met if the right people with the right skills are not in place. We plan to carry out further audit work on this in due course.

Meeting ambitious targets must not come at the expense of staff wellbeing

89. There is clear commitment at Scottish Government and NHS board level to support staff wellbeing, and it features prominently in the NHS recovery plan. However, the plan also outlines significant additional demands on NHS staff that could negatively impact their wellbeing. The ambition to significantly increase activity could undermine the desire to improve staff wellbeing.

90. It will be important for the Scottish Government and health and social care bodies to work together to monitor the progress and evaluate the effectiveness of the new staff wellbeing measures (paragraph 22), and to better understand and provide for staff support needs.

Supporting and developing NHS leaders is vital

91. Leaders in the NHS and Scottish Government have been under considerable pressure throughout the pandemic. The planned NCS will see responsibility for social care transfer from local authorities to Scottish ministers. It will require significant reform which will add further pressure, along with the challenges of responding to the pandemic and the recovery and redesign of NHS services. We set out key risks and challenges in developing a NCS in our response to the Scottish Government's consultation.[49]

92. The recovery and reform of health and social care services needs stable, effective and capable leadership. We have previously highlighted issues with high turnover and short tenures in some NHS leadership positions, as well as concerns about a lack of succession planning and support for new leaders.

93. Over three years ago, the Scottish Government introduced Project Lift. This is a leadership development programme designed to create a more person-centred approach to leadership in the health and social care system. The Scottish Government is now developing a National Leadership Development Programme (NLDP), building on the progress made under Project Lift. The NLDP is at an early stage and is initially

focusing on senior and executive leaders. We will continue to monitor the impact of the NLDP in future audit work.

94. The NLDP includes a workstream on succession planning, aimed at creating a system to identify and develop talent for senior leadership roles. In our NHS in Scotland 2018 report we found that a similar succession planning programme was under way.[50] It is not clear how the new workstream links to this previous work.

NHS in Scotland 2018
October 2018

The Scottish Government needs to ensure that new ways of delivering services are clearly communicated

95. The Scottish Government and NHS boards need to continually engage with the public in a meaningful way to shape priorities for recovery and develop sustainable, person-centred ways of delivering health and social care services. The public will have to access services differently, and that will require a culture change. The Scottish Government and NHS need to clearly communicate to the public any changes to how services should be accessed.

96. The Scottish Government commissioned Health and Social Care Alliance Scotland to engage with the public to identify priorities for accessing services. The priorities it identified put people at the centre of decision-making. The Scottish Government and NHS boards should incorporate these priorities into their plans for the recovery and redesign of NHS services.

The Scottish Government and NHS need to prioritise prevention, early intervention and equity in their recovery plans

97. Early intervention and preventative care are fundamental to the long-term sustainability of NHS services and can help reduce health inequalities. The Scottish Government and NHS need to make sure that the importance of prevention is not lost as they continue to respond to the pandemic and transform how care is delivered. In his September 2021 blog, the Auditor General for Scotland discussed the slow progress in making the shift towards prevention and in improving long-term outcomes for individuals and communities set out in the Christie report.[51]

98. The NHS must prioritise this while also dealing with immediate pressures based on clinical priority and urgency. It will have to address the challenge of moving funding into early intervention and preventative care when there are existing pressures in emergency and planned healthcare.

The collection and use of health and social care data must improve to support decision-making and monitor progress in delivering outcomes

99. The lack of, or analysis of, primary, community and social care data has been a common theme in Audit Scotland reports for several years. This data is important for informed decision-making, planning and scrutiny. It is also needed to demonstrate whether, and the extent to which, government policies and initiatives are delivering improved outcomes. There should be stronger data linkages across the NHS and public sector to help deliver better outcomes for people.

100. Data is a prominent theme throughout the refreshed Digital Health and Care Strategy (paragraph 108). It commits the Scottish Government and COSLA to developing a Data Strategy for Health and Social Care. It also acknowledges the impact that poor data sharing and access to health records can have on the delivery of care and continuity between services. Information governance, assurance and cyber-security will be key elements of the data strategy.

Meeting net zero targets could make the recovery process more challenging

101. Like all public bodies in Scotland, NHS boards are required by law to reduce carbon emissions and become net zero by 2045. NHS Scotland aims to bring this forward to 2040 following consultation on its draft NHS Scotland Climate Emergency and Sustainability Strategy.[52]

102. Net zero requirements add to the challenges of the NHS recovery process and will need additional investment. It is vital that the Scottish Government and NHS make the most of the opportunities arising during the pandemic to reduce carbon emissions in the health sector.

The Scottish Government is developing a Care and Wellbeing Portfolio to improve outcomes and health and social care services

103. The Scottish Government has recognised that a new long-term strategy is needed for health and social care to direct and oversee the recovery and redesign of services. It has set up a Care and Wellbeing Portfolio to set the strategic direction for health and social care in Scotland and to oversee four programmes of work. The programmes and their aims are:

- integrated planned care – to be flexible and adaptable to respond to emerging challenges, embrace rapid change in the delivery of health and care services and be inclusive in the approach to recovery, and promote transformation and innovation to deliver a world class service

- **integrated unscheduled care** – to take a whole system approach to the redesign of services, with an overarching aim of improving outcomes for people and delivering the right care in the right place
- **preventative and proactive care** – to proactively keep people well, independent and in the most appropriate care setting for their needs
- **place and wellbeing** – communities, third sector and public sector organisations working jointly to drive improvement in health and wellbeing and reduce health inequalities of the population within local communities.

104. The Care and Wellbeing Portfolio is at an early stage of development. It has considerable potential and ambitious aims but achieving these will be challenging. The Scottish Government is committed to designing a new coherent and sustainable system, focused on reducing inequality, prioritising prevention and early intervention, and improving health and wellbeing outcomes.

105. Its objectives include developing a decision-making framework that prioritises prevention and early intervention. This is promising, but more detail is needed to determine how it will work in practice.

106. This work will require long-term, dedicated resources and commitment from leaders. It should take a whole-system approach, involving staff across government and other partners across public services and the third sector. The portfolio should embed service redesign, workforce planning, financial planning and capital investment in its approach and governance structure, to ensure that strategies are aligned and are working towards the same goals.

The NHS has implemented a range of new ways of working to improve access to healthcare services

107. Several new ways of working have been introduced throughout the pandemic to enable the NHS to improve access to healthcare services not related to Covid-19. The pandemic has also accelerated improvements that were already under way. The examples shown in Exhibit 7 (page 32) demonstrate the range of and potential for new ways of delivering services emerging from the crisis.

The Scottish Government is committed to embracing digital technologies

108. The Scottish Government is committed to increasing the use of digital technologies as part of the recovery and remobilisation of NHS services. The Scottish Government and COSLA published a revised Digital Health and Social Care Strategy in October 2021.[53] It highlights the progress made during the pandemic, and identifies gaps that need to

Maintaining patient access

The rapid rollout of NHS Near Me and other non-face-to-face consultations helped to maintain some access to healthcare services during the early stages of the pandemic (Exhibit 7).

Exhibit 7.

The NHS has introduced innovative new ways of working throughout the pandemic

There is scope to roll out new ways of delivering services beyond the pandemic with potential benefits to future healthcare provision

Theme	Case study	Benefits
Maintaining patient access	The rapid rollout of NHS Near Me and other non-face-to-face consultations helped to maintain some access to healthcare services during the early stages of the pandemic.	Reduced need for physical attendance at a hospital or GP practice, helping maintain patients at home during the pandemic while reducing the risks associated with delayed diagnosis. There are also timesaving, environmental and travel safety benefits. It helps to reduce the number of missed appointments and cuts back on PPE usage.
Technological innovation in treatment, diagnosis and monitoring	Rollout of faster, simpler alternatives to endoscopic procedures for diagnosing conditions like Barrett's Oesophagus, a known risk factor for oesophageal cancer.	Procedures can be carried out in locations other than traditional hospital environments, like community health centres and GP practices. It frees up senior staff and capacity within endoscopy units and reduces the cost and time needed to diagnose and treat patients.
Using data to improve services	PHS is collaborating with some Scottish universities on the EAVE-II study, which tracks the progress of the Covid-19 pandemic in near real-time across Scotland.	EAVE II shows the difference Covid-19 vaccines make, but it shows that by linking data we can learn about the difference a whole series of interventions can make to Scotland's health. This approach offers opportunity to study other conditions, to describe their risk and the public health benefit of treatments in the future.
Introducing new operational models	The Redesign of Urgent Care (RUC) programme is designed to address the demand issues in urgent and unscheduled care.	The Scottish Government continues to review the new model, but if successful it should reduce A&E waiting times and relieve pressure on A&E staff and ambulance services.
Multi-agency and collaborative working	Local multidisciplinary teams from NHS boards and councils enhanced the oversight of local care homes and wider social care services during the pandemic.	The relationships built up in these multi-disciplinary teams enhanced support for social care services. These relationships will hopefully lay the foundations for further collaborative working and strengthen health and social care integration.

Source: Scottish Government and Audit Scotland

be addressed, particularly digital exclusion. The Accounts Commission's September 2021 blog post on digital exclusion highlights how Covid-19 has exacerbated inequality in this area.

109. The revised strategy aims to improve the care and wellbeing of people in Scotland by making best use of digital technologies and delivery of services. It has three main aims:

- Aim 1 – Citizens have access to, and greater control over, their own health and care data, as well as access to the digital information, tools and services they need to help maintain and improve their health and wellbeing.
- Aim 2 – Health and care services are built on people-centred, safe, secure and ethical digital foundations that allow staff to record, access and share relevant information across the health and care system, and to use digital technology confidently to improve the delivery of care.
- Aim 3 – Health and care planners, researchers and innovators have secure access to the data they need to increase the efficiency of our health and care systems and develop new and improved ways of working.

110. Adopting digital technologies will be crucial to the transformation needed to make sure NHS services are sustainable in the future. But this cannot be done in isolation. It must be part of wider overall service redesign plans that are built around the needs of patients and staff.

NHS finances

The Covid-19 pandemic resulted in significant additional expenditure across the NHS in 2020/21

111. Responding to the Covid-19 pandemic resulted in significant additional costs. In 2020/21, £2.9 billion of funding was allocated across health and social care for Covid-19-related costs.[54] Of this, £1.7 billion was allocated to NHS boards and integration authorities (IAs). In 2020/21, NHS boards' total funding allocation was £16.3 billion (Exhibit 8, page 35). This is 19 per cent more in cash terms than in 2019/20 (£13.7 billion).

112. The Scottish Government provided clear direction to NHS boards about how Covid-19 expenditure should be monitored and reported throughout 2020/21. External auditors found that financial management associated with Covid-19 expenditure was appropriate across all NHS boards, with a clear distinction between reporting of Covid-19 and non-Covid-19 expenditure. Our NHS in Scotland 2020 report sets out detail of the monitoring and reporting arrangements in place during 2020/21.

NHS in Scotland 2020
February 2021

Covid-19 had a considerable impact on NHS boards' ability to achieve efficiency savings

113. Responding to the Covid-19 pandemic has had a considerable impact on NHS boards' ability to deliver efficiency savings. In recognition of this, in February 2021, the Scottish Government stated that it would fully fund NHS boards and Health and Social Care Partnerships (HSCPs) to achieve financial balance for 2020/21.[55]

114. Several NHS boards relied on this support from the Scottish Government in 2020/21. In total, the Scottish Government allocated £102 million to 14 NHS boards for this purpose. The shortfall is recurring, and boards will need to achieve the savings in future years, adding to the substantial financial pressures which existed in the NHS before the pandemic.

115. The Scottish Government is providing additional support to six NHS boards facing a particularly challenging financial position. As part of this, since autumn 2021 these NHS boards have been submitting monthly plans to the Scottish Government on how they plan to achieve savings, with the aim of improving their positions by the start of the 2022/23

Exhibit 8.
A breakdown of NHS funding in 2020/21 and key areas of spending

Total Scottish Government health budget including Covid-19 funding

£18bn

£2.9bn

Of which is Covid-19 funding

35%
of total Scottish budget

£1.7bn
Central Spend

NHS Scotland including Covid-19 funding

£16.3bn

£15.8bn	**£480m**
Revenue	**Capital**
£13.7bn Territorial boards	**£391m** Territorial boards
£2.1bn National boards	**£89m** National boards

Examples of key areas of spend

£8.6bn
Staffing costs
£7.6bn in 2019/20

£2.7bn
Drug and medical supplies
£2.4bn in 2019/20

Notes:
1. Staffing costs include medical and dental (£2bn), nursing (£3.3bn), and other (£3.3bn).
2. Drugs and medical supplies includes prescribed drugs secondary care (£818m), prescribed drugs primary care (£1.1bn), PPE and testing kits (£286m), and medical supplies (£492m).
3. Central spending is the amount spent centrally on behalf of NHS boards – this includes initiatives such as non-discretionary payments (Family Health Services), the £500 thank you payments and the nursing bursary.

Source: Scottish Government 2020/21 Spring Budget Revision, Scottish Government 2020/21 consolidated accounts

financial year. These boards are NHS Ayrshire and Arran, NHS Borders, NHS Dumfries and Galloway, NHS Fife, NHS Highland and NHS Orkney.

116. NHS Tayside has been subject to ongoing parliamentary attention in recent years. In December 2020, we presented a sixth consecutive Section 22 report to the Scottish Parliament on NHS Tayside.[56] This found that NHS Tayside was making progress under its new executive leadership team, financial management was stronger and there were some improvements in service performance. However, there were still

The 2019/20 audit of NHS Tayside
December 2020

Case Study 2.
NHS Tayside

The board operated within its revised financial targets for 2020/21 and achieved its planned efficiency savings of £28.1 million. This was after repaying £3 million to the Scottish Government of its outstanding £7 million borrowed and returning £7 million of its allocated funding to the Scottish Government for re-allocation in 2021/22. In common with all NHS boards, the Covid-19 pandemic has had a significant impact on the focus and priorities of NHS Tayside, and the effect of this on the board's longer-term financial position and savings targets is still uncertain.

Improvements are being made in mental health services in Tayside although significant work is still required. NHS Tayside is considering its response to the recent independent inquiry into mental health services in Tayside, Trust and Respect, Progress Report 2021. The Minister for Mental Wellbeing and Social Care has recently appointed an independent group to provide oversight and assurance, and support progress in improving Tayside's mental health services. We will monitor the board's progress in this area in 2021/22.

In June 2021, the Scottish Government de-escalated NHS Tayside from stage 4 on the escalation framework to stage 2, in relation to financial position, governance and leadership, and performance; and to stage 3, in relation to mental health performance. This further reflects the improvements made by the board.

Source: Audit Scotland

matters to be addressed. The 2020/21 annual audit found that NHS Tayside is continuing to make progress (Case Study 2).

NHS boards face an uncertain and challenging financial position in 2021/22 and beyond

117. The NHS was not financially sustainable before the Covid-19 pandemic, with boards relying on additional financial support from government or non-recurring savings to break even. The scale of the financial challenge has been exacerbated by the pandemic. The cost of delivering services has risen and additional spending commitments made by the Scottish Government add to NHS boards' financial pressures.

118. The Programme for Government 2021-22 sets out the Scottish Government's intention to increase funding for frontline healthcare services by at least £2.5 billion by 2026/27.[57] It also commits to increasing primary care funding by 25 per cent, and to reviewing the NHS funding formula to ensure that the funds are distributed equitably. The Scottish Government has not yet set a date for this review to be completed.

119. The Programme for Government also sets out the commitment to invest £10 billion over the next ten years to replace and refurbish healthcare facilities across Scotland. Of this, a considerable amount, £400 million, will be spent on the NTCs. The Scottish Government has also now committed to bringing forward its target date for the NHS estate to achieve net zero emissions from 2045 to 2040. This will require substantial investment and it is not yet clear whether additional capital funding will be needed to achieve this over and above the £10 billion already announced.

120. The Scottish Government required NHS boards to produce one-year financial plans for 2021/22 because of the ongoing uncertainty about the costs and financial impact of Covid-19 and about what funding would be available. In September 2021, NHS boards and HSCPs submitted updated projections of the costs associated with Covid-19 and remobilisation for the 2021/22 financial year. These showed that they expect to spend £1.5 billion, including predicted unachievable savings of £116.6 million. The main areas of expected spending are as follows:

- Covid-19 vaccination programme – £203.7 million
- testing – £184.6 million
- additional PPE – £158.9 million
- additional staff costs – £95.1 million.

121. The Scottish Government has confirmed that all frontline health-related Barnett consequentials received from the UK Government would continue to be passed on to health and social care in Scotland.[58] At

February 2022, the Scottish Government has confirmed £2.5 billion in Covid-19 health-related consequentials in 2021/22.

122. There is uncertainty in the longer term about what Covid-19 related expenditure will be needed and about what funding will be available. NHS boards should return to medium-term financial planning in 2022/23, to help identify the known factors in NHS funding over the next three to five years and ensure a balance between policy ambitions and available resources.

123. The Scottish Government is working with NHS boards to determine which Covid-19 related costs are likely to become recurring. Uncertainty about how the pandemic will progress makes this particularly challenging. Greater certainty about costs would enable the Scottish Government to develop more accurate funding requirements for NHS boards and would enable NHS boards to develop more accurate financial plans.

124. The Scottish Government has committed to revising the health and social care medium-term financial framework. The timing of this will depend on the impact of Covid-19 across health and social care and planned reforms, including the impact of the Care and Wellbeing Portfolio and establishing an NCS.

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Appendix

Audit methodology

This is our annual report on the NHS in Scotland. Given the continuing challenges of the Covid-19 pandemic in 2021, the report focuses on:

- the ongoing response to the Covid-19 pandemic
- the health impact of the pandemic on the population of Scotland
- the impact of the pandemic on the NHS workforce
- the progress being made towards the recovery and remobilisation of NHS services
- the financial impact of the Covid-19 pandemic on the NHS in Scotland in 2020/21, and challenges for 2021/22 and beyond.

Because of the Covid-19 pandemic, the audit was carried out remotely. Our findings are based on evidence from sources that include:

- strategies, frameworks and plans for responding to Covid-19
- the audited annual accounts and auditors' reports on the 2020/21 audits of NHS boards
- activity and performance data published by Public Health Scotland
- publicly available data and information including results from surveys
- Audit Scotland's national performance audits
- interviews with senior officials in the Scottish Government and some NHS boards.

We reviewed activity and demand information at a national level to present the national picture. We focused on a sample of indicators that cover some of the main activities in the NHS.

NHS in Scotland 2021

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