



**REPORT TO:** East Lothian IJB – Audit and Risk Committee  
**MEETING DATE:** 29 June 2022  
**BY:** Chief Internal Auditor  
**SUBJECT:** Internal Audit Report – Community Hospital Re-provisioning

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**1 PURPOSE**

- 1.1 To inform the Audit and Risk Committee of the recently issued audit report on Community Hospital Re-provisioning.

**2 RECOMMENDATION**

- 2.1 That the Audit and Risk Committee note the contents of the audit report.

**3 BACKGROUND**

- 3.1 An assurance review of Risk Management has been undertaken as part of the Audit Plan for 2021/22.
- 3.2 The main objective of the audit was to review the adequacy and effectiveness of the arrangements in place for monitoring the Community Hospital Re-provisioning within East Lothian IJB.
- 3.3 The main findings from our audit work are outlined in the attached report which has been graded Reasonable Assurance.

**4 ENGAGEMENT**

- 4.1 The findings from the review have been discussed with Management, but do not require wider engagement.

**5 POLICY IMPLICATIONS**

- 5.1 None

## **6 INTEGRATED IMPACT ASSESSMENT**

- 6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

## **7 DIRECTIONS**

- 7.1 The subject of this report does not require any amendment to or creation of Directions.

## **8 RESOURCE IMPLICATIONS**

- 8.1 Financial - None  
8.2 Personnel - None  
8.3 Other - None

## **9 BACKGROUND PAPERS**

- 9.1 None

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East Lothian  
**Integration Joint Board**



East Lothian IJB  
Community Hospital Reprovisioning  
June 2022

**Conclusion**

Reasonable Assurance

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# 1 Executive Summary: Community Hospital Reprovisioning

## Conclusion: Reasonable Assurance

The internal framework of control around Community Hospital provision is reasonably effective. However, it cannot be assured that performance is routinely measured against agreed service provision targets, or that the operation of the East Lothian Community Hospital continues to function against key deliverables identified in the Business Case for the reprovision.

### Background

The strategic objectives developed for the 2019-2022 strategic plan were developed to support all aspects of the partnership's ambitions and delivery of its priorities, to support all people in East Lothian to live the lives they want as well as possible, achieving their potential to live independently and exercising choice over the services they use. The strategic objectives as set out in the Strategic Plan 2019-22 are:

- To make health and social care services more sustainable and proportionate to need and to develop our communities.
- To explore new models of community provision which involve local communities and encourage less reliance on health and social care services.
- To improve prevention and early intervention.
- To reduce unscheduled care and delayed discharges.
- To provide care closer to home.
- To deliver services within an Integrated Care Model.
- To enable people to have more choice and control.
- To reduce health inequalities.
- To build and support partnership working.
- To support change and improvement across our services.

The ambition to deliver more and better health services in the community is not new. Community hospitals are defined by the Scottish Association of Community Hospitals as “a local hospital, unit or centre providing an appropriate range and format of accessible health care facilities and resources”.

Community hospitals aim to:

- Provide more comprehensive service locally, supporting/strengthening local capacity to manage people with long term/ambulatory care sensitive conditions in the community.
- Facilitate better joint working across health and social care.
- Plan services locally based on patient demand as projected with changing clinical strategies/rising demographics.
- Provide suitable accommodation, improving health outcomes and complying with modern health care standards.

# 1 Executive Summary: Community Hospital Reprovisioning (cont)

## Summary of findings & recommendations

The operation of the East Lothian Community Hospital (ELCH) is subject to regular monitoring and review by a number of governance groups, providing a means to raise and discuss specific service pressures with relevant personnel. Stakeholder involvement in the provision of and future direction of Community Hospitals has been noted, with strategic oversight also in place and provided by the Shifting the Balance of Care and Community Hospital and Care Home Provision Change Boards, which in turn report into the East Lothian IJB Strategic Planning Group.

The following key findings and recommendations are highlighted, which have all been **agreed by the Chief Officer, East Lothian H&SCP**:

- There is no process for monitoring and reporting against service provision targets, identified through the Benefits Realisation Register/Plan or through agreement of other local and service specific measures of success. *Management have agreed to identify a suite of key performance indicators and report against them **by September 2022**.*
- Stage 3 and 4 evaluation exercises, recorded in the Business Case for the ELCH have not been scheduled. Consequently there has been no formal assessment of the service outcomes from the commissioning of the Hospital in October 2020. *Management have agreed to reschedule the evaluation exercise and link the reporting of the output to an appropriate ELIJB Change board **by September 2022**.*
- Reporting to the East Lothian IJB Change Boards does not include comparison with the expected performance as detailed within the ELCH Business Case and the anticipated benefits of the ELCH. *Management have agreed to implement a schedule for reporting performance information to the appropriate ELIJB Change Board **by September 2022**.*

## Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Current Report	-	4	-	4
Prior Report	N/A	N/A	N/A	N/A*

\* This control review is new and no prior report exists for comparison

## Materiality

The overall capital cost for the construction of the East Lothian Community Hospital amounted to £73.3 million, with the new facility having a floor area of 22,000 square metres and capacity to provide outpatient and chemotherapy treatment to 66,000 patients, alongside 112 inpatient beds across a number of clinical services. Running costs are forecast to be approximately £3.7 million per annum.

## 2 Headlines

Objectives	Conclusion	Comment
1. Service provision targets for community hospitals / meaningful local measures of success that incorporate patient and service user perspectives have been identified and are monitored against.	Limited	Utilisation of inpatient areas, and endoscopy and day services treatment within the ELCH are reported to the Clinical Care Governance Committee for the ELHSP on a quarterly basis, and we can confirm that the services identified in the Strategic Case for the ELCH are now being delivered in the ELCH. However there is no process for monitoring and reporting against service provision targets, identified through the Benefits Realisation Register/Plan or through agreement of other local and service specific measures of success.
2. Community health and service provision is monitored against a formal planning document. As such there is assurance that those services which should be provided/reinstated have been provided on a timely basis and that unintended services are not being provided or retained when not in accordance with the strategic objectives.	Substantial	NHS Lothian's Remobilisation Plan 4 (covering April 2021 to March 2022) reported the progress to date in the reinstatement of East Lothian Community Health services, with good progress noted against a number of key deliverables for the EL HSCP. These include: <ul style="list-style-type: none"> <li>• Remobilisation of Day Centres for Older People.</li> <li>• Increase from current care home capacity to previous levels to meet patient and service needs.</li> <li>• Re-establishment of provision and stabilisation of Care at Home services.</li> <li>• Adoption of 'Home First' principles within the ELCH discharge avoidance and planning arrangements.</li> </ul> Furthermore, the weekly EL HSCP General Managers meetings include the East Lothian Community Hospital as a standing agenda item. This supports the ongoing review and reporting of the services provided from the hospital. It is also noted that, to some extent, all services in place at the ELCH prior to Covid-19 have now been reinstated.
3. A formal planning document outlines intended outcomes and when these will be realised.	Limited	The events of the last two years has meant that the stage 3 and 4 evaluation exercises, recorded in the Business Case for the ELCH have not been scheduled, while service provision and delivery have been impacted by Covid-19, and areas of the hospital utilised as part of the vaccination programme. Consequently there has been no formal assessment of the service outcomes from the commissioning of the hospital in October 2020.
4. There is a clear vision of how the community hospitals need to change in order to meet the future needs of the population.	Substantial	A detailed needs analysis and capacity planning exercise was undertaken in 2013. This identified current services provided for East Lothian residents and set out population growth projections to 2017, 2022, and 2032. The ELCH has been constructed to support the capacity demands anticipated from this exercise. A Change Board has been established in May 2021 to revisit and oversee the IJB Direction 12d on the reprovision of Belhaven and Edington Community Hospitals and Eskgreen and Abbey Care Homes. The Terms of Reference for the group notes that it will consider the Community Hospital and Care Home provision throughout East Lothian.
5. The use of community hospitals is measured or reported on and the Board is aware as to how the services are contributing to the achievement of the strategic objectives.	Reasonable	Review of the output from the Change Board meetings has noted that while there is regular detailed reporting around performance and capacity issues associated with the services operating out of the ELCH, this does not include comparison with the expected performance as detailed within the ELCH Business Case and the anticipated benefits of the ELCH.
6. The East Lothian community is involved in the choice and design of services.	Substantial	The Stakeholder Groups identified and convened to provide wider consultation opportunities during the ELCH reprovision project were comprised of service users, local councillors, and a wide variety of third sector and other providers. A series of user groups supported the development of a robust design brief and the subsequent design solution, and liaised with colleagues within their respective specialties to provide informed feedback on design and functionality of the Hospital.

### 3 Areas where expected controls are met/good practice

No.	Areas of Positive Assurance
1.	Community health and service provision features predominately in the NHS Lothian Remobilisation Plan and East Lothian HSCP teams continue to remobilise services locally.
2.	Expansion of face-to-face patient attendance at outpatients is happening as circumstances allow. Most clinics still run with one face-to-face appointment and with the majority of follow-up appointments utilising 'Near Me' video.
3.	Current services provided for East Lothian residents out of the East Lothian Community Hospital have been designed to support population growth projections up to 2032.
4.	Strategic oversight is provided through the Shifting the Balance of Care Change Board, which itself feeds into the East Lothian IJB Strategic Change Board.
5.	Stakeholder involvement in service planning is assured through the Reference Group associated with the Shifting the Balance of Care Change Board and through the Community Hospital and Care Home Provision Change Board.



## 4 Detailed Recommendations

Monitoring			
Objective: 1	Findings and Risk 1	Grade	Recommendation
	<p>The Strategic Case for the East Lothian Community Hospital (ELCH) supports both national and local strategies by improving services in the locality. The ELCH has been designed to support a number of key service requirements, summarised below:</p> <ul style="list-style-type: none"> <li>• 112 inpatient beds – continuing care, mental health, medicine of the elderly and rehabilitation;</li> <li>• Planned Day Care – outpatients, mental health, social care, day surgery, diagnostics, hospital at home care;</li> <li>• Shared therapy facilities – gym, therapy kitchen, multifunctional rooms;</li> <li>• Community Services – carer support, social care, and community facilities; and</li> <li>• Support services.</li> </ul> <p>The benefits criteria and beneficiaries of the ELCH are intrinsically linked to the investment objectives set out in the Initial Agreement for the hospital. Baseline measurements, targets and timescales have been identified in a Benefits Realisation Register/Plan. The plan also sets out who is responsible for the delivery of specific benefits and how they will be delivered.</p> <p>However, while It can be positively reported that the services listed in the Strategic Case for the ELCH are in place, facilitating the integration of health and social care services by locating them on one single site, it cannot be reasonably concluded that there is in place a process for monitoring and reporting against service provision targets, identified through the Benefits Realisation Register/Plan or through agreement of other local and service specific measures of success.</p> <p>There is a risk that without an agreed and effective means of monitoring service provision, utilising key performance indicators where appropriate, the perceived success or otherwise of services provided out of the ELCH cannot be assessed. Consequently appropriate corrective actions to improve performance cannot be identified and implemented.</p>	<p><b>Medium</b></p>	<p><b>1.1 Management should identify a suite of key performance indicators associated with the services operating out of the ELCH, these should incorporate the benefits criteria and critical success factors identified in the Business Case for the hospital, alongside patient and service user perspectives.</b></p> <p><b>Once done, a method for monitoring and reporting against the KPIs should be agreed and implemented.</b></p>
Management response		Responsible officer & target date	
<p><b>Agreed. This will be completed as part of a management action plan currently being developed which will be in place by September 2022.</b></p>		<p><b>Service Manager – Out Patients, Endoscopy &amp; Day Unit and Site September 2022</b></p>	

## 4 Detailed Recommendations

### Post Implementation Review and Evaluation

Objective 3	Findings and Risk 1	Grade	Recommendations
	<p>We sought to confirm that a formal planning document is in place that outlines the intended outcomes and when these will be realised, along with the actions in place to assess the Hospital's performance against the outcomes.</p> <p>The Business Case for the ELCH has recorded the arrangements for post implementation review and project evaluation reviews. These reviews are intended to determine whether the anticipated benefits identified at the outset have been/are being delivered. Post project evaluation is provided in stages, Stages 1 and 2 relate to procurement and construction.</p> <p>Stage 3 is the initial project evaluation of the service outcomes and should be undertaken 6 to 12 months after the new facility has been commissioned (October 2020). The objective is to determine the success of the commissioning phase and the transfer of services into the new facilities. Stage 4 is a follow-up project evaluation scheduled 2 years into the operational phase and designed to assess the longer term service outcomes and ensure that the project's objectives continue to be delivered.</p> <p>However, the events of the last two years has meant that the stage 3 and 4 evaluation exercises have not been scheduled while service provision and delivery have been impacted by Covid 19, and areas of the hospital utilised as part of the vaccination programme.</p> <p>Additionally, while an appropriate Change Board has been identified to oversee future Community Hospital reprovisioning, this has not been done for the ELCH and output from the evaluation exercises.</p> <p>There is a risk that without a formal post-project evaluation exercise, the ELCH is not performing against key project deliverables and assurance cannot be provided that the hospital is delivering the strategic outcomes intended.</p>	<b>Medium</b>	<p><b>3.1 The ELCH stage 3 &amp; 4 evaluation exercises should be rescheduled as part of the recovery programme from COVID.</b></p> <p><b>3.2 An East Lothian IJB Change Board should be allocated responsibility for strategically overseeing the evaluation exercises and ensuring that lessons learned are incorporated into future strategic service reprovisioning.</b></p>

Management response	Responsible officer & target date
<p><b>Agreed. As part of an action plan that will be in place by September 2022, stage 3 &amp; 4 of the ELCH evaluation exercise will be rescheduled and a link to an appropriate ELIJB Change board will be put in place via the Service Improvement and Strategic Planning Directorate.</b></p>	<p><b>Service Manager – Out Patients, Endoscopy &amp; Day Unit and Site September 2022</b></p>

## 4 Detailed Recommendations

### Training and Awareness

Objective 5	Findings and Risk 1	Grade	Recommendation
	<p>We sought to identify and assess the controls in place to ensure that the use of ELCH is measured and reported on and as such the Board is given assurance as to how the services are contributing to the achievement of the strategic objectives.</p> <p>The Clinical Care Governance Committee for the East Lothian Health and Social Care Partnership receive monthly Group Service Managers Summary Reports at each of its quarterly meetings. Against the Delivery of Service – Performance subject area of each report, service areas are required to provide an update of the current position and any performance or capacity issues occurring. This covers the utilisation of inpatient areas, and endoscopy and day services treatment within the ELCH.</p> <p>Further reporting is also made to the Shifting the Balance of Care Change Board, which has been established by the East Lothian IJB Strategic Planning Group to contribute to the support of the projects and programmes to deliver the East Lothian IJB’s strategic priorities, operational priorities and IJB Directions. Papers from the Shifting the Balance of Care Change Board meetings from the 12 January 2022, 10 February 2022 and 13 April 2022 were reviewed and it is noted that Direction D01h – East Lothian Community Hospital is a standing agenda item, alongside other Directions covering emergency admissions, occupied beds, delayed discharges, and the Hospital to Home and Home Care Services Review, all of which are relevant to the ongoing operation of the ELCH and the services provided therein.</p> <p>Review of the output from the Change Board meetings has noted that while there is regular detailed reporting around performance and capacity issues associated with the services operating out of the ELCH, this does not include comparison with the expected performance as detailed within the ELCH Business Case and the anticipated benefits of the ELCH.</p> <p>Without regular reporting against an agreed suite of performance indicators, the Change Board and subsequently the East Lothian IJB Strategic Planning Group are unable to adequately assess the performance of the ELCH and implement actions or advice to improve specific performance issues.</p>	<b>Medium</b>	<b>5.1 The Shifting the Balance of Care Change Board should request and approve a set of KPI’s that is reported regularly, identifying expected and actual performance of the ELCH.</b>

### Management response

**Agreed. As part of the exercise to identify and monitor hospital activity against key performance indicators, a schedule for reporting into the appropriate ELIJB Change Board identified will be established.**

### Responsible officer & target date

**Service Manager – Out Patients, Endoscopy & Day Unit and Site  
September 2022**

# A Recommendation Grading/Overall Opinion Definitions

Recommendation	Definition
<b>High</b>	Recommendations relating to factors fundamental to the success of the control objectives of the system. The weaknesses may give rise to significant financial loss/misstatement or failure of business processes.
<b>Medium</b>	Recommendations which will improve the efficiency and effectiveness of the existing controls.
<b>Low</b>	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.

Levels of Assurance	Definition
<b>Substantial Assurance</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
<b>Reasonable Assurance</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Limited Assurance</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
<b>No Assurance</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.