



PERTH AND KINROSS INTEGRATION JOINT BOARD

Council Building
2 High Street
Perth
PH1 5PH

23 September 2019

A meeting of the **Perth and Kinross Integration Joint Board** will be held in the **Council Chamber, 2 High Street, Perth, PH1 5PH on Friday, 27 September 2019 at 10:30.**

If you have any queries please contact Scott Hendry on (01738) 475126 or email Committee@pkc.gov.uk.

Gordon Paterson
Chief Officer/Director – Integrated Health & Social Care

Please note that the meeting will be recorded and will be publicly available on the Integration Joint Board pages of the Perth and Kinross Council website following the meeting.

Voting Members

Councillor C Stewart, Perth and Kinross Council (Vice-Chair)
Councillor E Drysdale, Perth and Kinross Council
Councillor X McDade, Perth and Kinross Council
Councillor C Purves, Perth and Kinross Council
Mr B Benson, Tayside NHS Board
Ms L Birse-Stewart, Tayside NHS Board
Ms P Kilpatrick, Tayside NHS Board
Vacancy, Tayside NHS Board

Non-Voting Members

Mr G Paterson, Chief Officer, Perth and Kinross Integration Joint Board
Ms J Pepper, Chief Social Work Officer, Perth and Kinross Council
Dr D Lowden, NHS Tayside
Ms J Smith, Chief Financial Officer, Perth and Kinross Integration Joint Board

Stakeholder Members

Ms B Campbell, Carer Public Partner
Mr A Drummond, Staff Representative, NHS Tayside
Mr S Hope, Staff Representative, Perth and Kinross Council
Ms C Gallagher, Independent Advocacy Perth and Kinross
Ms L Lennie, Service User Public Partner

Perth and Kinross Integration Joint Board

Friday, 27 September 2019

AGENDA

1 WELCOME AND APOLOGIES

2 DECLARATIONS OF INTEREST

Members are reminded of their obligation to declare any financial or non-financial interest which they may have in any item on this agenda in accordance with the [Perth and Kinross Integration Joint Board Code of Conduct](#).

3 MENTAL HEALTH

3.1 UPDATE FROM THE INDEPENDENT INQUIRY INTO MENTAL HEALTH SERVICES IN TAYSIDE - UPDATE FROM MR DAVID STRANG

3.2 ADULT MENTAL HEALTH AND LEARNING DISABILITY; SERVICE REDESIGN PROGRAMME PROGRESS REPORT AND RISK REVIEW PAPER **5 - 18**

Report by Chief Officer/Director of Integrated Health & Social Care (copy herewith G/19/159)

3.3 THE MENTAL HEALTH ALLIANCE

Verbal Update by Chief Officer

3.4 INPATIENT MENTAL HEALTH BUDGET 2019/20: 2021/22 **19 - 44**

Report by Chief Financial Officer (copy herewith G/19/160)

4 FINANCE AND GOVERNANCE

4.1 AUDIT & PERFORMANCE COMMITTEE UPDATE

Verbal Update by Councillor Purves, Chair of the Audit & Performance Committee

4.2 ANNUAL ACCOUNTS 2018/19 **45 - 136**

Report by Chief Financial Officer (copy herewith G/19/161)

BREAK FOR LUNCH

5 MINUTE OF MEETING OF THE PERTH & KINROSS INTEGRATION JOINT BOARD OF 26 JUNE 2019 **137 - 142**

(copy herewith)

6	ACTION POINTS UPDATE (copy herewith G/19/162)	143 - 144
7	MATTERS ARISING	
8	FINANCE AND GOVERNANCE (CONT.)	
8.1	2019/20 FINANCIAL POSITION Report by Chief Financial Officer (copy herewith G/19/163)	145 - 160
8.2	2019/20 FINANCIAL RECOVERY PLAN Report by Chief Financial Officer (copy herewith G/19/164)	161 - 166
9	MEMBERSHIP UPDATE Verbal Update by Clerk	
10	CHIEF OFFICER UPDATES	
10.1	BRIDGE OF EARN GP PRACTICE Report by Chief Officer/Director of Integrated Health and Social Care (copy herewith G/19/165)	167 - 170
10.2	JOINT INSPECTION OF 'THE EFFECTIVENESS OF STRATEGIC PLANNING IN PERTH AND KINROSS HEALTH AND SOCIAL CARE PARTNERSHIP' Report by Chief Officer/Director of Integrated Health and Social Care (copy herewith G/19/166)	171 - 176
11	FOR INFORMATION	
11.1	ANNUAL PERFORMANCE REPORT FOR 2018/19 (copy herewith G/19/167)	177 - 226
12	FUTURE IJB MEETING / DEVELOPMENT SESSION DATES 2019 Wednesday 6 November 2019 at 9.30am (Proposed Additional Meeting) Wednesday 11 December 2019 at 2.00pm Wednesday 23 October 2019 at 2.00pm (Development Session)	



PERTH AND KINROSS INTEGRATION JOINT BOARD

27 September 2019

ADULT MENTAL HEALTH AND LEARNING DISABILITY; SERVICE REDESIGN PROGRAMME PROGRESS REPORT AND RISK REVIEW PAPER

**Report by Chief Officer/Director of Integrated Health & Social Care
(Report No. G/19/159)**

PURPOSE OF REPORT

The purpose of this report is to update the IJB on progress with the Mental Health and Learning Disability Service Redesign Programme approved in January 2018 and, in response to the recommendation in the Independent Inquiry interim report, to review the risks associated with the programme continuing or being suspended.

1. RECOMMENDATION(S)

Perth and Kinross IJB are asked to;

- Consider the content of this report and provide constructive comment
- Note the significant clinical and operational risks which the services are currently experiencing and the impact on patient safety and the quality of care.
- Endorse the continued implementation of the approved MHLDSRP and ask officers to prepare a revised programme plan with key milestones and a timeline
- Commit the Chief Officer to provide regular reports on progress, risk and delivery of the MHLDSRP
- Commit the Tayside Mental Health Alliance to provide regular update reports on their ongoing work to support the IJB in shaping their strategic outcomes for the service

2. BACKGROUND

- 2.1 The Mental Health and Learning Disability Redesign Programme (MHLDSRP) was approved for implementation in January 2018. The approval of this programme was a critically important landmark event for Mental Health Services, given that the review of clinical models of care and the inpatient accommodation from which care is provided to patients had been ongoing since 2013.

- 2.2 Over the course of 2014-15 an options appraisal process was undertaken which considered different models of care for inpatient and community services. This was undertaken with the involvement of members of multiprofessional teams, managers and support staff to identify and consider service options for General Adult Psychiatry and Learning Disability inpatient and community services.
- 2.3 The findings of this options appraisal were subsequently presented to NHS Tayside Board in March 2016, when the clinical and professional advice was that the current acute inpatient model was no longer sustainable across multiple hospital sites.
- 2.4 NHS Tayside Board requested a further options appraisal be undertaken with a wide range of stakeholders to consider the options around providing General Adult Psychiatry from one or two sites and to consider the options for the future of the Learning Disability Inpatient Services given the ageing infrastructure of Strathmartine Hospital.
- 2.5 Over the course of 2016, there were two further option appraisal processes, one involving service users, carers, voluntary and third sector organisations, and the second event involving clinical staff, partner organisations and other stakeholders. In addition, a number of standing committees and Boards were consulted, including:
- NHS Tayside Transformation Board
 - NHS Tayside Board
 - Area Clinical Forum
 - Perth & Kinross Transformation Board
 - Dundee IJB
 - Angus IJB
 - Perth & Kinross IJB
 - Clinical Care Governance Committee
 - Area Partnership Forum
 - MHSRT Programme Board
- 2.6 The preferred option was developed and presented to the Board of NHS Tayside and the Perth and Kinross, Angus and Dundee Integration Joint Boards, when it was agreed that a formal public consultation would run from July to October 2017 before a final presentation to NHS Tayside Board in December 2017.
- 2.7 Following the public consultation, a report was submitted to the Perth and Kinross Integration Joint Board which has responsibility for hosting these services on behalf of Angus and Dundee IJBs. In January 2018, the IJB approved the Mental Health and Learning Disability Service Redesign Programme (MHLSRP).
- 2.8 Given the breadth of risks associated with the redesign programme, the IJB had the benefit of the professional assessment and analysis of the Clinical

and Care Governance Committee which provided assurance that the proposal was clinically viable and sustainable and supported by the NHS Tayside Care Governance Framework. The Area Partnership Forum had a specific role to assess the potential impact of the relocation of services on staff. AS Perth and Kinross IJB host the relevant services, it was also important that Angus and Dundee IJBs were able to consider the consultation feedback received and make comment to inform the final decision of Perth and Kinross Integration Joint Board.

2.9 The programme approved redesign programme seeks to deliver better, safer, more effective services based on the following model;

- Single centre for General Adult Psychiatry Inpatient Service based at Carseview Centre, Dundee
- Single centre for Inpatient Learning Disability Services based at Murray Royal Hospital, Perth
- Tayside-wide Intensive Psychiatric Care Unit based at Carseview Centre, Dundee
- Rehabilitation, Substance Misuse and Low and Regional Medium Secure Forensic Services based at Murray Royal Hospital, Perth

2.10 The rationale for the site configuration proposed is outlined in the table below:

Service Configuration	Rationale
In Patient General Adult Psychiatry, Dundee	Dundee has largest population centre and highest prevalence of mental illness in Tayside. Dundee has significant areas of deprivation and health inequalities compared to other areas in Tayside and Scotland. Carseview Centre has the accommodation capacity to meet demand. No other site in Tayside can physically accommodate the inpatient demand. Creates a centre for excellence. Majority of nursing students applying for posts in GAP prefer Dundee, which supports supply and recruitment
In Patient Learning Disability Services, Perth	The Murray Royal Hospital site provides all Tayside wide specialist services. The redesign programme creates a centre of excellence for Learning Disability Inpatient Services. This brings an opportunity to significantly improve environment of care for Learning Disability Users. RLDN graduate from University of Edinburgh supports supply and demand

2.11 In summary, the aim of the MHLDR Programme was to create a single specialist centre for Inpatient General Adult Psychiatry at Carseview Centre in Dundee and a single specialist centre for Inpatient Learning Disability Services at Murray Royal Hospital, in Perth.

2.12 The Mental Health and Learning Disability was underpinned by data and intelligence that predicted the impact of a number of key challenges that the service was facing at that time and into the future, these included:

- National shortage of specialist clinical mental health staff both medical and nursing
- Workforce demographics and predictions around retiral Registered Mental Health Nurses and Registered Learning Disability Nurses
- The likely supply of newly qualified nurses and medical workforce
- The ability to maintain training opportunities and suitable training environment with appropriate levels of senior clinician supervision in particular relating to Doctors in Training
- Workforce availability and the ability to deliver safe and sustainable care across three General Adult Psychiatry acute admission inpatient units in Tayside and two Learning Disability inpatient sites
- The ability to provide safe out-of-hours cover running multiple site rotas
- The challenges associated with a heavy dependency on locum doctors
- The impact of the limitations, likely deterioration and standards of the physical environment at both Strathmartine and Carseview, as consistently highlighted in reports by the Mental Welfare Commission
- The critical need to act to create centres of excellence, to enhance the learning and development environment for Doctors in Training, Student Nurses and other staff, enhance attraction, recruitment and retention
- The Health and Safety Improvement Notice dated 3rd December 2015 which sets out the requirements for NHS Tayside to ensure that necessary controls are in place to address identified ligature anchor points on Moredun Ward and across the other NHS Tayside Mental Health wards as a matter of urgency.

2.13 In addition, the delivery of the approved redesign programme was recognised as critical in enabling the service to address a number of environmental risks. These related to the fabric of the build and the safety of the physical facilities within the inpatient wards including ligature anchor points and fire prevention. The programme sought to create modern, purpose built, person-centred environments of care.

2.14 The service is now in a situation whereby these predicted risks are now a reality which requires positive action to manage. It is facing critical staffing shortages, continues to be managed over multiple sites and the General Adult Psychiatry training programme is at risk and is under 'enhanced monitoring' by the GMC.

3. PROGRESS TO DATE

3.1 Whilst the programme has had a number of achievements, the scale, complexity and challenges experienced have impeded the pace and extent of progress.

- 3.2 The original plan aimed to have all of the General Adult Psychiatry and Learning Disability service re-located by July 2020. Despite facing a number of obstacles to the relocation of the services in line with the programme, significant achievements and progress has been made, including;
- Rohallion Clinic new clinical model for low secure care, reducing from three wards to two wards to create capacity for low secure learning disability inpatient service (Flat 1 Strathmartine)
 - Faskally ward, is a modern fit for purpose area and is ready to accommodate Flat 1 Low Secure patients
 - Rannoch ward at Murray Royal is ready and available to accommodate Learning Disability Assessment Unit from Carseview. It provides a modern, fit for purpose environment with additional environmental improvements complete to support specific needs of client group
 - Standardised safe room specification phase 1 agreed for all inpatient mental health and learning disability services in Tayside. This removes ligature anchor points reducing risk of patients at risk of self harm
 - Standardised room specification phase 2 completed to establish overall layouts, fixtures and fittings to ensure safety, privacy and dignity for patients. This was co-designed with input from service users and carers
 - Environmental improvements with replacements windows in Mulberry Ward and Ward 1 at Carseview
 - Installation of new bedroom door sets with door top alarms in Moredun
 - Ligature anchor point risk assessments complete across all of the mental health inpatient specialities and a new programme team is in place to develop and deliver a prioritised programme
- 3.3 Whilst these achievements are significant and reflect the commitment and hard work of staff, it is essential that the planned relocation of service progresses to complete the refurbishment programme to create safe and modern physical environments to improve patient care The level of refurbishment work required on wards is such that it is not safely practicable or feasible to undertake in wards occupied by patients and staff and as such a decant ward is required.
- 3.4 The Mental Health and Learning Disability Service Redesign Programme has encountered a number of delays to the original timeframes, the reasons for these are outlined in the table below:

Logistic Plan	Date	Reason for delay
The use the vacant ward on the Carseview site to commence a refurbishment programme required since 2015	February 2017	An urgent contingency arrangement was initiated to relocate Mulberry Ward, Stracathro Hospital to the vacant Ward on the Carseview site in February 2017. This meant at the start of the programme there was no decant facility to commence refurbishments of General Adult

		Psychiatry Wards on the site Mulberry staff were in a lengthy period of contingency arrangement from the time of relocation up to January 2019 under the organisational change process. This meant an intensive period of HR, staff side, and management commitment to ensure a stabilised position with limited ability to commence plans for LDAU and Flat 1 relocation
Flat 1 Strathmartine to relocate to Faskally Ward, Rohallion Clinic Murray Royal to create a single site low secure service and support Learning Disability Assessment Unit (LDAU) at Carseview to relocate to Strathmartine	September 2018	Complex patient admitted to LD services on Strathmartine site requiring significant adaptations to accommodation. Any movement of staff would de-stabilise the site and create risks relating to site response to clinical emergencies
Proposed relocation of the LDAU from Carseview to Strathmartine site	October 2018	Building risk assessment completed highlighted that work required to support interim refurbishments to the accommodation were not feasible from both a building and cost perspective. This meant LDAU move did not take place as there was no suitable accommodation to relocate to on the Strathmartine site
Amulree and Rannoch rehabilitation ward merger on the Murray Royal site	September 2018	Urgent arrangements required to be implemented to support the delivery of safe care across the rehabilitation and general adult psychiatry ward on the Murray Royal site. This created a vacant ward on the site and a solution to the relocation of LDAU
Planning commenced to relocate LDAU to Rannoch ward by spring 2019.	May 2019	Minor works completed to the vacant ward which included; returning 2 bedrooms from flat accommodation; remedial painting and testing of all facilities; purchase and installation of

		<p>an assisted bath and ceiling hoist; installation of a controlled multi-sensory environment (Snoezelen), new OT equipment and therapy kitchen equipment all in place to support LDAU service relocation. All bedrooms are now ready and have all furnishings in place.</p> <p>Transition team highlighted that there was insufficient staff to progress move of LDAU to Rannoch under the organisational change process. Contingency arrangements required to be explored which was not supported by Area Partnership Forum</p>
Urgent consolidation of small wards on the Strathmartine site to address significant workforce pressures	August 2019	Consolidation was implemented.
Standard bedroom and ensuite bathroom specification designed and prepared for viewing – Carseview site	September 2019	There is now an urgent requirement to progress revised logistical plan to support roll out of the bedroom design across the Carseview site

- 3.5 The Tayside Mental Health Alliance has been established and tasked with mapping out the end to end clinical pathways for mental health services to ensure that the people of Tayside receive the best possible mental health and wellbeing, care and treatment, with a focus on early intervention and reducing stigma.
- 3.6 The Mental Health Alliance, early into its transformation journey, has identified the requirement for a stabilisation phase to bring together a number of initiatives including the MHLDSRP and to allow a coherent programme to be developed to stabilise the services and create a platform for whole system change.
- 3.7 The work of the Alliance will identify strategic opportunities for improvement which will be fed into the respective IJBs and NHS Board to inform their strategic planning decisions in relation to the relevant services. Similarly the Alliance will play an important role in helping to shape operational delivery

models to deliver strategic outcomes of the IJB and NHS Board. Working together we are well placed to transform existing services and to create more efficient, effective and sustainable services which better meet our citizen's needs.

4. INDEPENDENT INQUIRY INTO MENTAL HEALTH SERVICES IN TAYSIDE

- 4.1 In May 2018, John Brown, the former Chairman of NHS Tayside and Malcolm Wright, former Chief Executive of NHS Tayside, announced that they were commissioning an Independent Inquiry into Mental Health Services in Tayside. The purpose of the commissioned inquiry was to review end-to-end mental health services and how NHS Tayside was implementing recommendations from Healthcare Improvement Scotland and Mental Welfare Commission inspection reports that had taken place.
- 4.2 In May 2019, the Independent Inquiry interim report was published "Capturing the Experiences of Mental Health Services in Tayside". This report presents the views of those people with a lived experience of mental health and their carers who responded to the Inquiry's 'call for evidence'. It also includes the views of some of the organisations who support service users and some staff.

On the basis of the information that the Inquiry had received, the interim report advised;

"There is clearly a need for comprehensive review of mental health strategy rather than simply undertaking a move of beds and sites"

"The proposed changes should not be implemented before there is a comprehensive review of the wider needs of the community, beyond inpatient requirements" (Section 4.6.4)

- 4.3 In response, John Brown, NHS Tayside's Interim Chairman indicated that a review of the risks would be carried out to determine whether to accept this recommendation from the interim report.
- 4.4 Whilst it is acknowledged that end-to-end redesign of mental health care and treatment pathways is required, this will take time and does not address the current clinical and operational risks that the MHLDSRP will mitigate. A review of the relevant risks is outlined in the section below.

5. RISK REVIEW

- 5.1 While respecting the recommendation in the Interim Report, it is important to note that the delivery of the approved MHLDR programme does not preclude the development of a wider mental health strategy that delivers effective and timely inpatient and community support for patients/service users and their carers. These need not be and are not mutually exclusive.
- 5.2 A comprehensive review of mental health services in Tayside and the development of a workplan is now being driven by the Tayside Mental Health

Alliance. As we work together to develop that strategy and to review and redesign care pathways, we cannot lose sight of the fact that some patients will sometimes need bed-based services, which at present are not sustainable in their current model. The MHLDSRP provides the opportunity to ensure that these inpatient services are of the highest quality, are sustainable and that they provide the best environments to deliver patient-centred care.

- 5.3 Furthermore implementation of the MHLDSRP will deliver a better day to day care experience for these patients now, without having to wait for the development and implementation of a wider service strategy and wholesale redesign. Crucially however, as the MHLDSRP is a key strand of the wider strategy it does not cut across or undermine the successful delivery of whole system change in the longer term.
- 5.4 The strategic risks associated with mental health services are clearly documented and reported through NHS Tayside's Care Governance Committee and Strategic Risk Management Group. The risk exposure and the impact are both high. While the developing work of the Tayside Mental Health Alliance will help to reduce the mental health risk profile it is the MHLDR programme that will contribute significantly to reducing the risks in relation to **Workforce** and **Environment of Care**, as follows;

5.4.1 Workforce

Consultant Psychiatrists are a critical component of mental health service delivery. Psychiatrists are medical graduates who have undertaken extended postgraduate training to understand the interdependencies between biological, psychological and social influences on mental (and physical) ill health.

Workforce challenges associated with the supply, recruitment and retention to consultant-grade Psychiatrist posts are recognised as a long-standing national problem. In acknowledgement of this, Scottish Government prioritised psychiatry as the first speciality to go forward as part of their International Recruitment Campaign. Interviews associated with this initiative are complete and offers made to two candidates, both of which will be NHS Locum positions as they do not have the necessary qualifications / experience to practice as a Consultant Psychiatrist and will require development and supervision.

The medical workforce position as of September is that **we currently have 8.85 whole time equivalent Consultant Psychiatrists across the Tayside service, which will reduce to 7.85 in November against a required establishment of 23.6**. Despite successive and imaginative attempts to recruit, including through an appeal via the Scottish Government to other NHS Board areas, we have been unsuccessful.

With only 37% of our Consultant Psychiatrist workforce service delivery is at a critical stage and we are at great risk of not providing safe, effective and sustainable patient care. Until we have redesigned services and created

posts that are less dependent on Consultant Psychiatrists we need to consolidate our limited specialist expertise. There is a strong senior clinical view that this is best achieved by delivering the MHLDSRP and with increasing pace.

Nurses

The NHS National Services Scotland Workforce Report published in June 2019 indicates that there are 495.6 whole time equivalent vacancies for Mental Health Nurses across Scotland.

The current age profile of the RMHN workforce in Tayside is such that 36.5% of the workforce is over 50, who can either retire in the next five years or are already working past 55 years. This amounts to not only a significant reduction in workforce numbers, but also a loss of valuable skills, knowledge and experience.

The main source of Registered Mental Health Nurse recruitment in Tayside is through the mental health undergraduate nurse programmes at the University of Dundee and the University of Abertay. Currently there are two opportunities each year to recruit Newly Qualified Practitioners (NQPs) from the local programmes. Recruitment of NQPs has consistently been between 45 - 50 NQPs a year, which enables recruitment to broadly keep pace with rates of retirement only. However, some Registered Nurses leave for reasons other than retirement and may be promoted or attracted to other posts within different services.

57 NQPs have been recruited to services this year from the 2019 graduate group.

Locum Doctors

There are currently nine services with no substantive Consultant Psychiatrist as outlined in the list below. These services are fully dependent upon Locum Agency Consultant.

- Dundee Community Mental Health Team West
- Angus Community North
- Rehabilitation in patient ward
- Intensive Psychiatric Care Unit at Carseview,
- Crisis Care and Home Treatment Service,
- Moredun Ward at Murray Royal Hospital,
- Ward 1 at Carseview,

The cost pressure for Inpatient Mental Health and Learning disability services is as a result of locum premium costs to fill the medical vacancies circa £1,700k. This is over and above the funding released through the medical vacancy.

Doctors in Training

Doctors in training contribute significantly to the service whilst gaining their clinical experience. However, failure to provide a suitable learning environment with day-to-day Consultant Supervision creates a significant risk to the withdrawal of approval for training. NHS Tayside is already on enhanced monitoring which is a condition attached to our training status by the General Medical Council (GMC) due to concerns about the quality of the training environment.

Doctors in training have already been transferred to other areas due to the quality of the training environment and a lack of appropriate Consultant grade support and supervision. There is an action plan whereby progress is reported quarterly to East of Scotland Deanery, to NHS Education for Scotland (NES) through to Scottish Government a condition initiated for all Boards under enhanced monitoring arrangements. There will be a further visit by the GMC and NES in October and it is critical we are able to demonstrate that action has been taken to optimise our Consultant workforce to support delivery of effective supervision and support to our trainees.

5.4.2 Environment

The importance of accelerating the inpatient ward refurbishment through the planned relocation of services has been stressed in this paper. Failure to pursue the programme places patients at risk, in particular through denying access to a purpose-built specification that promotes safety, privacy and dignity within the care environment. This is a core element of Scotland's National Health and Care Standards (2018) which set out what service users should expect from health and social care services; "I experience a high quality environment if the organisation provides the premises"

- 5.5 The continuation and acceleration of the current MHLDSRP will enable clinical and operational risks which compromise the safety and sustainability of the service to be addressed in a planned and effective way.
- 5.6 The current risks are critical and were the programme to be delayed or deferred there is every likelihood that the need for NHST to ensure patient safety and adequate clinical care will necessitate an operational intervention to address these issues, as a matter of urgency.
- 5.7 An assessment of the risks/benefits of progressing or deferring the MHLDSRP are outlined below;

Implications of Deferring the MHLDSRP	Benefits of Accelerating MHLDSRP
We continue to have insufficient medical staff to provide required safe and sustainable services across inpatient and community.	We optimise the substantive consultant workforce to ensure safe delivery of care and treatment to patients.

The continuation of Doctors in Training within the service will be jeopardised due to the lack of available Consultant grade supervision	We build our reputation as an effective learning environment for doctors, nurses and other professionals in training, creating centres of excellence optimising use of our skilled staff.
We will face reputational risk and complaints from carers who have already visited the refurbished Rannoch Ward at Murray Royal ahead of the planned move	We honour our commitment and ensure our service users have access to appropriately designed environments of care.
The Ligature Anchor Point Reduction programme for GAP will cease and NHS Tayside will not be compliant with the Health and Safety Executive Improvement Notice.	We demonstrate our commitment to the carefully planned redesigned programme taking cognisance of the original drivers for change, the current service pressures and the rigorous process applied in reaching the approval stage to create safe environment of care for service users.
The planned refurbishment of inpatient wards will cease	We demonstrate our commitment to service users who have actively engaged in the development of the design of environments of care, and we follow through on our plans. Our new environments will greatly enhance the safety, privacy and dignity of services users and staff

6. CONCLUSION

- 6.1 The compelling reasons that informed the design of the approved MHLDR Programme remain and this report has sought to outline the risks that would arise were we to suspend the current programme.
- 6.2 It is acknowledged that there is a requirement for end to end pathway design across the mental health services in Tayside; however this is not predicated on the suspension of the redesign programme. The new Tayside Mental Health Alliance will engage with service users and carers and with the third sector to explore opportunities and to help inform the design and delivery of new models of care. The priorities for the work programme are identified and design authority groups will be established to progress the work, sponsored and overseen by the Tayside Mental Health Alliance. This work is now incorporated into the Transforming Tayside Strategic Programme, which reflects the priority being given to the work of the Alliance. It also brings programme resource, robust governance and effective engagement activity.
- 6.3 As reflected in the national Mental Health Strategy the balance of care must shift towards community-based services, whilst ensuring that people who need inpatient care have access to specialist, high quality care environments that support their recovery. In particular, in conjunction with the three HSCPs with their focus on community services, there is now an urgent requirement to re-model the current in-patient mental health service in a way that makes the

best use of our skilled workforce to provide patients with the right care, in the right place, at the right time.

7. RECOMMENDATION

Perth and Kinross IJB are asked to;

- Consider the content of this report and provide constructive comment
- Note the significant clinical and operational risks which the services are currently experiencing and the impact on patient safety and the quality of care.
- Endorse the continued implementation of the approved MHLDSRP and ask officers to prepare a revised programme plan with key milestones and a timeline
- Commit the Chief Officer to provide regular reports on progress, risk and delivery of the MHLDSRP
- Commit the Tayside Mental Health Alliance to provide regular update reports on their
- ongoing work to support the IJB in shaping their strategic outcomes for the service

Author(s)

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Sign Off

Name	Designation
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Professor Peter Stonebridge	Interim Medical Director, NHS Tayside

September 20 2019



PERTH & KINROSS INTEGRATION JOINT BOARD

27 September 2019

INPATIENT MENTAL HEALTH BUDGET 2019/20: 2021/22

Report by Chief Financial Officer (Report No. G/19/160)

PURPOSE OF REPORT

This report recommends setting the 2019/20 budget for Inpatient Mental Health Services.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board (IJB):-

- (i) Approve the 2019/20 Financial Plan for Inpatient Mental Health Services and set the budget thereon noting the gap of £1.521m which remains.
- (ii) Request that the Chief Officer to work with NHS Tayside to identify an action plan for reducing medical locum costs.
- (iii) Ask the Chief Officer to issue the necessary Direction to NHS Tayside to implement the actions within the 2019/20 Financial Plan
- (iv) Note that on approval of the Inpatient Mental Health Financial Plan, the formal budget deficit for the IJB for 2019/20 is £4.104m.

2. 2019/20 BUDGET SETTLEMENT FROM NHS TAYSIDE

- 2.1 For 2019/20, NHS Tayside received a 2.6% uplift on its base budget. In addition it received £2.200m further NHS Scotland Resource Allocation Committee (NRAC) funding as part of the Scottish Government's commitment to move all NHS Boards towards NRAC parity. NHS Tayside will pass through a full share of the 2.6% baseline funding uplift from the Scottish Government. This equates to £0.577m for Inpatient Mental Health Services. There has been no allocation of the additional 2019/20 NRAC funding to Inpatient Mental Health Services.
- 2.4 The budget settlement will be supplemented by £0.155m of non-recurring 2019/20 Scottish Government Mental Health Outcomes funding which will supported the Police Triage Service across Tayside. Confirmation is required

from the Scottish Government at the earliest opportunity that this non-recurring funding will be received recurringly in future years.

3. 2019/20 SUMMARY FINANCIAL PLAN

- 3.1 The 2019/20 Financial Plan is attached at Appendix 1 and this sets out pressures and essential service developments and offsetting savings and benefits. Overall the in year budget required from NHS Tayside is £1.521m more than has been provided as part of the 2019/20 budget settlement.
- 3.2 It has been important to consider both the recurring budget to be set as well as the in year position as it is not sustainable to accept a number of pressures on a recurring basis. The 2019/20 Financial Plan is therefore presented on a recurring and in year basis. On a recurring basis, a gap of £0.200m is presented however in year increasing medical locum costs are driving a very significant overspend leading to the overall in year gap of £1.521m. Whilst learning disability service is forecasting an overspend on nursing costs due to vacancies and high sickness levels, this is largely being offset in year by reduced costs from the temporary reconfiguration of beds at Strathmartine.

4. 2019/20 PRESSURES AND ESSENTIAL SERVICE DEVELOPMENTS

- 4.1 The Executive Summary at Appendix 2 provides a detailed explanation of the cost pressures and essential service developments identified for 2019/20. As noted at 3.2 above, a number of material pressures have been included on a non-recurring basis since it would not be sustainable to consider these to be recurring.

5. 2019/20 PROGRAMME OF EFFICIENCY AND REDESIGN

- 5.1 The Executive Summary at Appendix 2 provides a detailed explanation of the savings and benefits that have been identified for 2019/20 to move the service towards recurring and in year financial balance.

6. FURTHER FINANCIAL RISKS

- 6.1 There are a number of specific further financial risks that are expected to impact on the financial position of the Inpatient Mental health Service that have not been able to be quantified and included in the Financial Plan:-
- Additional medical locum costs associated with implementation of a consultant out of hour rota to support doctors in training
 - Staff superannuation costs for which additional Scottish Government Funding to be received by NHS Tayside is insufficient to cover actual costs
 - NHS Tayside Transforming Tayside Staffing costs to support Mental Health transformation over and above the service and quality improvement team.

7. IMPLICATIONS FOR IJB 2019/20 BUDGET

- 7.1 The 2019/20 Financial Plan for Inpatient Mental Health reflects the implications of the 2019/20 budget offer from NHS Tayside. This is summarised together with the previously Financial Plans for Core Services, prescribing and Other Hosted Services in Appendix 3 attached.
- 7.2 Overall, the IJB will have a formal budget deficit of £4.104m.

8. PROVISIONAL BUDGETS FOR 2020/21 & 2021/22

- 8.1 The Partnership is committed to developing a medium term financial plan for all delegated services however the Inpatient Mental Health Service has faced significant service challenges during 2018/19 which have prohibited longer term planning. It is anticipated however that a 3 Year Financial Plan will be developed for 2020/21: 2022/23.

9. CONCLUSION

- 9.1 Following robust financial planning and the development of an efficiency and redesign plan, a gap on Inpatient Mental Health Services of £1.521m is set out. In net terms this is almost wholly driven by medical locum costs, with other pressures and essential service developments offset by savings and income. A robust service plan to redesign workforce models across hospital and community mental health services and appropriately reduce reliance on medical staffing is now urgently required. The Chief Officer will bring further proposals forward to the IJB to address this.
- 9.2 The necessary Direction should now be issued to NHS Tayside to implement the actions within the 2019/20 Financial Plan for Inpatient Mental Health Services. This is attached at Appendix 4.
- 9.3 A number of further financial risks have been identified which are very likely to impact on the financial position in future months.
- 9.4 It is anticipated that the 3 Year Financial Plan for Inpatient Mental Health 2020/21: 2022/23 will be developed as part of normal budget setting timescales moving forward for consideration and approval by the IJB by 31 March 2020.

Author(s)

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
HSCP Strategic Commissioning Plan	Yes
Transformation Programme	None
Resource Implications	
Financial	Yes
Workforce	None
Assessments	
Equality Impact Assessment	None
Risk	None
Consultation	
External	None
Internal	Yes
Directions	Yes
Communication	
Communications Plan	None

1. Strategic Implications

1.1 Strategic Commissioning Plan

The IJBs Strategic Commissioning Plan has five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- 1 prevention and early intervention;
- 2 person centred health, care and support;
- 3 work together with communities;
- 4 inequality, inequity and healthy living; and
- 5 Best use of facilities, people and resources.

1.1.2 This report relates to all of these objectives.

2. Resource Implications

2.1 Financial

There are no direct financial implications arising from this report other than those reported within the body of the main report.

3. Consultation – Patient/Service User first priority

3.1 Internal

The Chief Officer and Executive Management Team have been consulted in the preparation of the Provisional Draft Financial Plan 2019/20

4. Directions

There will be a legal requirement on the IJB to issue Directions to NHST in relation to the contents of this paper.

5. BACKGROUND PAPERS/REFERENCES

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this report.

6. APPENDICES

Appendix 1 2019/20 Inpatient Mental Health Financial Plan

Appendix 2 Executive Summary

Appendix 3 IJB Approved Budget 2019/20

Appendix 4 Direction to NHS Tayside

In Patient MH - Summary		Recurring 19/20 £'000	Non-recurring 19/20 £'000	2019/20 £'000
Expenditure Pressures				
Brought Forward unmet savings	In Patient MH unmet recurring savings from 2018/19	292		292
Pay & Price pressures	Pay Uplift	559		559
Essential Service Developments	Angus 7 Day Enhanced Home Treatment Team	170		170
	Police Triage & Crisis Care	293		293
Cost Pressures	Protection-Organisational Change- Transformation	50		50
	Medical Locum Premium Costs		1,700	1,700
	Nursing establishment overspend (LD wards)		362	362
	Senior Management & Quality Improvement staff cost pressure	367		367
	Total Expenditure Pressures	1,731	2,062	3,793
Savings & Income Proposals				
Savings	Admin restructure	50	136	186
	Senior Management restructure	81		81
	Non Pay spend efficiencies	100		100
	Temporary merger of GAP Rehabilitation Wards Murray Royal Hospital (MRH) / Workforce redesign	300	250	550
	Temporary Merger of Learning Disability Wards Strathmartine		200	200
	Ward Redesign: Carseview/Mulberry	220		220
	Workforce Redesign General Adult Psychiatry Acute Admissions Murray Royal Hospital	203		203
	Sub-Total Savings	954	586	1,540
Income	NHST Uplift Funding share	577		577
	SG Mental Health Outcomes Framework (N/R)		155	155
	Sub-Total Income	577	155	732
	Total Savings and Income Proposals	1,531	741	2,272
	Overall Gap/(surplus)	200	1,321	1,521

REVENUE BUDGET 2019/22
SERVICE – Inpatient Mental Health
EXECUTIVE SUMMARY
11th September 2019

APPENDIX 2

	<u>Expenditure Pressure & Impact Analysis</u>	Expenditure Pressures
		2019/20 £000
1	2018/19 Unmet Savings Target In 2016/17 NHS Tayside applied a significant % savings target to all services including those devolved to the HSCP's. Since then the IPMH service has been working to identify efficiency savings plans to reduce this legacy budget gap. Progress has been made but a balance of £292k remains.	292
2	Pay uplift pressures For 2019/20, the anticipated cost of pay award increases.	559
3	Angus 7 Day Enhanced Home Treatment In January 2018 a commitment was provided as part of the Mental Health and Learning Disability Redesign Programme approved by P&K Integration Joint Board to fund £350K to enable a seven day home treatment service to be developed in Angus. This was described as essential to redress the imbalance in community provision following the move of Mulberry ward from Stracathro to Carseview Centre (under organisational change process). Half of the funding is required in 2019/20 to support the implementation of the home treatment service in Angus North to cover 7 days. There will require to be further budget provision of £180k in 2020/21 to implement the service to South Angus.	170

	<u>Expenditure Pressure & Impact Analysis</u>	Expenditure Pressures
		2019/20 £000
4	<p>Police Triage and Crisis Care</p> <p>Police Triage</p> <p>The police triage service commenced in January 2017. The purpose of the service is to support police who are dealing with a suspected mental health incident. The persons are initially triaged via a telephone consultation, assessing the needs and assisting the police in their decision making. This multi-agency approach intends to provide a more timely intervention by mental health professionals where required, and avoiding unnecessary detentions in police stations and hospitals.</p> <p>In 2017 this service was implemented with no budget (3.0 WTE Band 6 staff) Non recurring funding was identified in 2018-19 from the Scottish Government Mental Health Innovation fund. This income has been confirmed again on a non-recurring basis from the Scottish Government and has been included in the Income and Budget Settlement Section below. It is not clear yet whether this 'recurring non-recurring' funding will be made recurring from 2020/21.</p> <p>Crisis Care</p> <p>Increased staffing requirement due to capacity and demand has remained unfunded for a number of years (equivalent to 3.0 WTE staff in a team of 34.5 WTE covering Tayside-wide Crisis Care and Dundee Home Treatment).</p>	<p>155</p> <p>138</p>
5	<p>Organisational Change – Protection & travel costs</p> <p>'No-detriment' protection costs for staff that moved from in-patient wards in Mulberry to community teams in Angus, following move of Mulberry ward to Carseview Centre and excess travel costs for staff relocated to Carseview. Under HR policy, this will continue for 4 years (From April 2019).</p>	<p>50</p>

	<u>Expenditure Pressure & Impact Analysis</u>	Expenditure Pressures
		2019/20 £000
6	<p>Medical Locum Premium Costs</p> <p>It is widely recognised that there is a national shortage of General Adult Psychiatry Consultant posts and we have been unable to recruit to vacant posts. Locally, the current workforce shortages within General Adult Psychiatry services are impacting significantly on the ability of clinical teams across Tayside to provide safe and effective care for patients across all parts of the system, including inpatient services, crisis care and home treatment services and community services.</p> <p>As of August 2019, there are 8.85 WTE Substantive Consultant grade staff in post against a WTE budget of 23.6. This represents a vacancy rate of 63%.</p> <p>In order to keep hospital and community services running there are 12 WTE Locum Consultants/Specialty Doctors in post (51%) with a 2WTE vacancy. There are a number of services with no substantive Consultant Psychiatrists increasing the number of services that are fully dependent upon Locum Agency Consultant to 9.</p> <p>This is the main driver of the In Patient Mental Health and Learning Disability cost pressure.</p> <p>Premium costs for Medical Locum staff have increased in 2019 due to a 20% VAT charge now being added to costs with effect from Feb 2019. Furthermore over 2019 a further 6 consultants have left the service with a further retiral expected in November.</p> <p>This compares to an overspend in 2018/19 of £1092k, with 8.8 wte locums being in post in March 2019.</p>	1,700

	<u>Expenditure Pressure & Impact Analysis</u>	Expenditure Pressures
		2019/20 £000
7	Nursing establishment – Learning Disabilities Within the learning disability service there are three key drivers impacting on the use of supplementary staffing and therefore increasing costs over budget:- <ul style="list-style-type: none"> • Registered Nurse vacancy (11.4 WTE) • High levels of sickness absence • Patient acuity and complexity requiring additional staff This pressure is considered to non-recurring with a range of measures being taken to reduce the requirement for supplementary staffing.	362
8	Senior Management / Quality Improvement Cost pressures Investment is required in the management structure to ensure sufficient leadership capacity. In addition, investment in a quality improvement team is deemed essential to embed a culture of continuous improvement across Inpatient Services. (4.5 WTE). This is offset by savings of £81k from the management restructure set out at Saving No. 2 below.	367
	TOTAL PRESSURES	3,793

	<u>Saving / Impact Analysis</u>	Net Saving
		2019/20 £000
1	Admin Restructure Various posts currently vacant. Review of admin function across the service with budgets to be realigned and restructured which is anticipated to release £50k on recurring basis and £136k on an in year basis. Current vacancies and staffing skill-mix will result in the additional in-year underspend however the majority require to be filled to support service delivery.	186
2	Senior Management restructure Removal of surplus posts / budgets following restructure of senior management and net removal of 1.0 WTE post. This offsets the wider investment in senior management as set out at Cost Pressure No. 8 above.	81
3	Non Pay Spend efficiencies General review of non-pay budgets to remove surplus spend and underutilised budgets across all wards and teams. This is standard budget housekeeping.	100
4	<i>Temporary merger of GAP Rehabilitation Wards Murray Royal Hospital (MRH)/Workforce redesign</i> In the 2018/19 Financial Plan for Inpatient Mental Health Services approved by the IJB, savings of £148k were agreed from the redesign of rehabilitation beds in Amulree ward in MRH. This recognised that whilst 16 beds were open and operational, staffing establishment was in place for 20 beds. These savings were realised in line with the approved plan and reduced the unmet savings target to be carried forward to 2019/20 (Cost Pressure 1).	

	<u>Saving / Impact Analysis</u>	Net Saving
		2019/20 £000
	<p>Thereafter in late 2018 a contingency decision was taken by NHS Tayside to merge Amulree Ward with Rannoch Ward on a temporary basis due to a sustained difficulty in recruiting nursing staff and ensure safe patient care. The temporary merger reduced the overall requirement for nursing staff by 5.94 WTE. This has given a short term financial benefit in 2019/20 of £250k. Whilst discussions are now progressed around a sustainable bed model for rehabilitation beds moving forward. There has been no reduction in beds as a result of this short term action with 22 beds fully operational.</p> <p>Aside from the contingency merger above, the service have taken the opportunity to review the overall workforce requirements and skill mix opportunities within the inpatient rehabilitation service. Effective workforce planning and redesign is essential across all services to ensure responsiveness to the changing shape and scale of available workforce. Overall recurring savings of £300k are deliverable from the review and redesign of the nursing workforce (equivalent of 10.56 WTE). This is proposed as a recurring saving recognising that even when the future of rehabilitation beds on MRH is agreed; these workforce savings will be sustained.</p>	<p>250</p> <p>300</p>
5	<p>Temporary Merger of Learning Disability Beds Strathmartine</p> <p>In summer 2019 as a result of sustained nursing staff shortages, a contingency decision was taken to merge wards on the Strathmartine site. This was a temporary consolidation based on available staffing. This is a short term contingency plan to ensure provision of safe care to patients. A short term financial benefit from reduced requirement for supplementary staffing has been realised of £200k which offsets Cost Pressure No 7 above,</p>	200
6	<p>Ward Redesign: Carseview/Mulberry</p> <p>Following the approval of the Inpatient Mental Health Redesign Programme by Perth & Kinross IJB, the transfer of beds from Mulberry ward in Angus to Carseview Hospital in Dundee has now been</p>	220

	<u>Saving / Impact Analysis</u>	Net Saving
		2019/20 £000
	effected on a permanent basis. A full review of nursing staffing has been undertaken including review of skill mix. The nursing staff requirement in the newly established GAP ward is lower than the staffing required for the stand alone Mulberry ward due to economies of scale from centralisation. The reduction of 8.21 WTE and the associated saving of £220k was fully anticipated within Inpatient Mental Health Redesign Business Case.	
7	<i>Saving No 7 General Adult Psychiatry Acute Admissions Moredun Ward</i> The Mental Health and Learning Disability Service Redesign Programme approved by the IJB agreed to the reduction in beds within Moredun from 26 to 22 beds. This has lead to a reduction in 4.39 WTE and this saving was anticipated as part of the Programme.	203
	SUB-TOTAL SAVINGS	1,540

	<u>Budget Settlement & Income</u>	Budget Settlement & Income Benefit/ (Reduction)
		2019/20 £000
	Impact of Indicative 2019/20-2021/22 Recurring Budget Settlement NHS Tayside	
	Share of 2.57% baseline uplift funding	577
	Mental Health Outcomes Framework (non-recurring)	
	Non-recurring funding from in-year Scottish Government allocation for 19/20 to support Community Police Triage posts	155
	TOTAL BUDGET SETTLEMENT / INCOME	732
	Overall Gap	1,521

Appendix 3

Perth & Kinross IJB
2019/20 Financial Plan

	Core Health & Social Care £m	Other Hosted Services £m	GP Prescribing £m	Inpatient Mental Health £m	Total £m
Recurring Budget	93.793	7.378	25.645	22.346	149.162
Pressures	11.497	1.147	2.747	3.793	19.184
Total Expenditure	105.290	8.525	28.392	26.139	168.346
less: Savings/Other Income	(2.630)	(0.426)	(0.928)	(1.540)	(5.524)
Budget Required	102.660	8.099	27.464	24.599	162.822
Ring fence for Partnership Priorities	0.457	0.000	0.000	0.000	0.457
Requisition	103.117	8.099	27.464	24.599	163.279
 Proposed Partner Budget	 100.275	 8.099	 26.712	 23.078	 158.164
 Further Assumed SG Income	 0.000	 0.000	 0.000	 0.000	 0.000
 Shortfall/(Surplus) PKHSCP	 2.842	 0.000	 0.752	 1.521	 5.115
Shortfall/(Surplus) PKIJB	2.842	0.000	0.752	0.510	4.104



DIRECTION FROM PERTH & KINROSS INTEGRATION JOINT BOARD

1	Reference Number	6/2019-20/190927
2	Date of direction issued by Integration Joint Board	27 September 2019
3	Date from which direction takes effect	1 April 2019
4	Direction to:	NHS Tayside (NHST)
5	Does this direction supersede, amend or cancel a previous direction – if yes, include the reference number (s)	No
6	Functions covered by direction	Inpatient Mental Health Services
7	Full text of direction	NHST will carry out the functions set out in Appendix A, and will deliver those services listed in Appendix B, where those services are included in the Inpatient Mental Health Services Financial Plan. Those services not included in the Financial Plan will be the subject of further separate directions in due course.
8	Budget allocated by Integration Joint Board to carry out direction	£23.078m
9	Performance monitoring arrangements	Performance will be monitored in accordance with the regular financial monitoring to the IJB.
10	Date direction to be reviewed.	31 March 2020

Functions Covered by Direction¹

<i>Column A</i>	<i>Column B</i>
The National Health Service (Scotland) Act 1978	
All functions of Health Boards conferred by, or by virtue of, the National Health Service (Scotland) Act 1978	Except functions conferred by or by virtue of—
	section 2(7) (Health Boards);
	section 2CB (functions of Health Boards outside Scotland);
	section 9 (local consultative committees);
	section 17A (NHS contracts);
	section 17C (personal medical or dental services);
	section 17 I (use of accommodation)
	section 17J (Health Boards' power to enter into general medical services contracts);
	section 28A (remuneration for Part II services);
	section 38 (care of mothers and young children);
	section 38A (breastfeeding);
	section 39 (medical and dental inspection supervision and treatment of pupils and young persons);
	section 48 (residential and practice accommodation);
	section 55 (hospital accommodation on part payment);
	section 57 (accommodation and services for private patients);
	section 64 (permission for use of facilities in private practice);
	section 75A (remission and repayment of charges and payment of travelling expenses);
	section 75B (reimbursement of the cost of services provided in another EEA state);
	section 75BA (reimbursement of the cost of services provided in another EEA state where expenditure is incurred on or after 25 October 2013);
	section 79 (purchase of land and moveable property);

¹ Perth & Kinross Integration Scheme – Part 1 of Annex 1

Column A	Column B
	section 82 (use and administration of certain endowments and other property held by Health Boards);
	section 83 (power of Health Boards and local health councils to hold property on trust);
	section 84A (power to raise money, etc., by appeals, collections etc.);
	section 86 (accounts of Health Boards and the Agency);
	section 88 (payment of allowances and remuneration to members of certain bodies connected with the health services);
	Section 98 (payment of allowances and remuneration to members of certain bodies connected with the health services);
	paragraphs 4, 5, 11A and 13 of Schedule 1(c) to the Act (Health Boards);
	and functions conferred by—
	The National Health Service (Charges to Overseas Visitors) (Scotland) Regulations 1989;
	The Health Boards (Membership and Procedure) (Scotland) Regulations 2001/302
	The National Health Service (Clinical Negligence and Other Risks Indemnity Scheme) (Scotland) Regulations 2000;
	The National Health Services (Primary Medical Services Performers Lists) (Scotland) Regulations 2004;
	The National Health Service (Primary Medical Services Section 17C Agreements) (Scotland) Regulations 2004;
	The National Health Service (Discipline Committees) (Scotland) Regulations 2006;
	The National Health Service (General Ophthalmic Services) (Scotland) Regulations 2006;
	The National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009; and
	The National Health Service (General Dental Services) (Scotland) Regulations 2010; and

Column A	Column B
	The National Health Service(Free Prescriptions and Charges for Drugs and Appliances)(Scotland) Regulations 2011
Disabled Persons (Services, Consultation and Representation) Act 1986	
Section 7 (Persons discharged from hospital)	
Community Care and Health (Scotland) Act 2002	
All functions of Health Boards conferred by, or by virtue of, the Community Care and Health (Scotland) Act 2002.	
Mental Health (Care and Treatment) (Scotland) Act 2003	
All functions of Health Boards conferred by, or by virtue of, the Mental Health (Care and Treatment) (Scotland) Act 2003.	Except functions conferred by— section 22 (Approved medical practitioners); section 34 (inquiries under section 33:co-operation); section 38(duties on hospital managers: examination, notification etc.); section 46 (hospital managers' duties: notifications); section 124 (transfer to other hospital); section 228 (request for assessment of needs: duty on local authorities and Health Boards); section 230 (appointment of patient's responsible medical officer); section 260 (provision of information to patient); section 264 (detention in conditions of excessive security: state hospitals); section 267 (orders under sections 264 to 266:recall) section 281 (correspondence of certain persons detained in hospital); and functions conferred by- The Mental Health (Safety and Security) (Scotland) Regulations 2005 The Mental Health (Cross border transfer:

Column A	Column B
	<p>patients subject to detention requirement or otherwise in hospital) (Scotland) Regulations 2005;</p> <p>The Mental Health (Use of Telephones) (Scotland) Regulations 2005; and</p> <p>The Mental Health (England and Wales Cross border transfer: patients subject to requirements other than detention) (Scotland) Regulations 2008.</p>
Education (Additional Support for Learning) (Scotland) Act 2004	
Section 23 (other agencies etc. to help in exercise of functions under this Act)	
Public Services Reform (Scotland) Act 2010	
All functions of Health Boards conferred by, or by virtue of, the Public Services Reform (Scotland) Act 2010	Except functions conferred by—
	section 31(Public functions: duties to provide information on certain expenditure etc.); and
	section 32 (Public functions: duty to provide information on exercise of functions).
Patient Rights (Scotland) Act 2011	
All functions of Health Boards conferred by, or by virtue of, the Patient Rights (Scotland) Act 2011	Except functions conferred by The Patient Rights(complaints Procedure and Consequential Provisions) (Scotland) Regulations 2012/36.
Carers (Scotland) Act 2016	
Section 31 (duty to prepare local carer strategy)	

**Services currently provided by NHS Tayside which are to be integrated.
The functions listed in Appendix 1 are delegated only in relation to these services:²**

Accident and emergency services provided in a hospital

Inpatient hospital services relating to the following branches of medicine:

- General medicine
- Geriatric medicine;
- Rehabilitation medicine;
- Respiratory medicine;
- Psychiatry of learning disability.

Palliative care services provided in a hospital

Inpatient hospital services provided by general medical practitioners

Services provided in a hospital in relation to an addiction or dependence on any substance

Mental health services provided in a hospital, except secure forensic mental health services.

District nursing services

Services provided outwith a hospital in relation to an addiction or dependence on any substance

Service provided by allied health professionals in an outpatient department, clinic, or outwith a hospital

Public dental services

Primary medical services provided under a general medical services contract, and arrangements for the provision of services made under section 17C of the National Health Service (Scotland) Act 1978, or an arrangement made in pursuance of section 2C(2) of the National Health Service (Scotland) Act 1978

General dental services provided under arrangements made in pursuance of section 25 of the National Health (Scotland) Act 1978

² Perth & Kinross Integration Scheme – Part 2 of Annex 1

Ophthalmic services provided under arrangements made in pursuance of section 17AA or section 26 of the National Health Service (Scotland) Act 1978

Pharmaceutical services and additional pharmaceutical services provided under arrangements made in pursuance of sections 27 and 27A of the National Health Service (Scotland) Act 1978

Primary medical services out-of-hours

Geriatric medicine outwith a hospital

Palliative care outwith a hospital

Community learning disability services

Mental health services provided outwith a hospital.

Home renal services

Continence services provided outwith a hospital.

Services provided by health professionals that aim to promote public health



PERTH AND KINROSS INTEGRATION JOINT BOARD

27 SEPTEMBER 2019

ANNUAL ACCOUNTS 2018/19

Report by Chief Financial Officer (Report No. G/19/161)

PURPOSE OF REPORT

This report presents the IJB's Audited Annual Accounts for the period to 31 March 2019 to the Integration Joint Board (IJB) for approval.

1. BACKGROUND

On 26 June 2019 the IJB approved the Unaudited Annual Accounts for 2018/19. The Unaudited Annual Accounts for 2018/19 were then submitted to Audit Scotland on 28 June 2019. The Annual Accounts were prepared in accordance with the 2018 CIPFA Code of Practice on Local Authority Accounting ('the code'). These accounts also comply with the Local Authority Accounts (Scotland) Regulations 2014. The Unaudited Annual Accounts were available for public inspection between 1 July and 19 July (inclusive). KPMG, the IJB's external auditors, received no objections during this period.

2. ANNUAL ACCOUNTS 2018/19

The audit of the Annual Accounts took place between July and August 2019 during which time KPMG considered whether the Annual Accounts 2018/19:-

- Gave a true and fair view in accordance with applicable law and the 2018/19 Code of the state of the affairs of the IJB as at 31 March 2019 and of its income and expenditure of the IJB for the year then ended;
- Had been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code;
- Had been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.
- KPMG's findings are set out in the Annual Audit Report to members and the Controller of Audit provided to the IJB at Appendix 2.

The key messages from the 2018/19 audit are set out at within the Executive Summary at Page 3 and are summarised as follows:-

- Unqualified independent auditor's report on the 2018/19 financial statements;
- The IJB has effective scrutiny and governance arrangements, supported by joint internal audit staff from both partners, and with adequate focus on risk management. The IJB conducts its business in an open and transparent manner.
- The IJB set two of four components of its 2019-20 budget in advance of 31 March 2019, which decreases the ability of members to scrutinise and hold management to account. The IJB has robust controls over the monitoring of expenditure against budget, with regular reports going to public meetings of the IJB. KPMG recognise the increasing need for the Board to have timeous information in order to make effective and informed decisions.
- Financial capacity is appropriate for the purposes of delivering services.
- The IJB faces ongoing financial pressures in respect of salary costs, price pressures, legislative change and demand. Overspends are forecast in both health and social care budgets and the integration scheme may require both partners to contribute further to the IJB. KPMG remain satisfied that the IJB is financially sustainable in the short term as a result of the ongoing commitment of the two joint venture partners.
- KPMG are satisfied that the ongoing development of a three year revenue budget will help the IJB plan for future pressures, and will allow management to have quality conversations when discussing future budget settlements but the approach to risk sharing should be agreed and implemented consistently.
- The arrangements in place to investigate and prevent fraud are appropriate.
- Membership of the IJB has become more stable, however, two Council voting members have been suspended from their political group and removed from the Council's Administration post year end. A motion proposing their removal from the Board was defeated by an amendment, at a special Council meeting on 2 September 2019. Further changes to membership or tension between members could significantly impair the IJB's ability to operate effectively.
- KPMG consider that the IJB has appropriate arrangements for using resources effectively and continually improving services. KPMG note that the workforce plan is overdue and while service level consideration occurs, preparation of a corporate view has not commenced. KPMG believe it is also important that the IJB forms a Strategic Plan. The Chief Officer plans to address key gaps in corporate capacity and KPMG consider this is important in order to ensure the effectiveness of the IJB and that officers are able to form strategic and corporate approaches for consideration by the IJB members.

The Audited Accounts are attached to this report at Appendix 2.

3. CONCLUSION AND RECOMMENDATIONS

It is recommended that the Integration Joint Board:-

- Note that the Audit and Performance Committee have considered the Audited Annual Accounts, the Letter of Representation and KPMG'S Annual Audit Report at it's meeting on 16 September 2019;
- Consider the contents of KPMG's Annual Audit Report to Members of Perth & Kinross IJB and the Controller of Audit on the 2018/19 Audit;
- Approve the Audited Annual Accounts for 2018/19;
- Approve the Letter of Representation for signature by the Chief Financial Officer.

Author(s)

Name	Designation	Contact Details
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Appendices

1. Annual Audit Report to the Members of Perth and Kinross Integration Joint Board and the Controller of Audit
2. 2018/19 Audited Annual Accounts
3. Letter of Representation



Perth and Kinross Integration Joint Board

Annual Audit Report to the Members of Perth and Kinross Integration Joint Board and the Controller of Audit
for the year ended 31 March 2019

27 September 2019

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Contents

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	Page
Executive summary	3
Scope and responsibilities	4
Financial statements and accounting	5
Wider scope and Best Value	14
Appendices	22

About this report

This report has been prepared in accordance with the responsibilities set out within the Audit Scotland's *Code of Audit Practice* ("the Code").

This report is for the benefit of Perth and Kinross Integration Joint Board ("the IJB") and is made available to Audit Scotland and the Controller of Audit (together "the Beneficiaries").

This report has not been designed to be of benefit to anyone except the Beneficiaries. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Beneficiaries, even though we may have been aware that others might read this report. We have prepared this report for the benefit of the Beneficiaries alone.

Nothing in this report constitutes an opinion on a valuation or legal advice.

We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the introduction and responsibilities sections of this report.

This report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the Beneficiaries) for any purpose or in any context. Any party other than the Beneficiaries that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Beneficiary's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Beneficiaries.

Complaints

If at any time you would like to discuss with us how our services can be improved or if you have a complaint about them, you are invited to contact Michael Wilkie, who is the engagement leader for our services to the IJB, telephone 0141 300 5890, email: Michael.Wilkie@kpmg.co.uk who will try to resolve your complaint. If your problem is not resolved, you should contact Hugh Harvie, our Head of Audit in Scotland, either by writing to him at Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG, by telephoning 0131 527 6682 or email hugh.harvie@kpmg.co.uk. We will investigate any complaint promptly and do what we can to resolve the difficulties. After this, if you are still dissatisfied with how your complaint has been handled you can refer the matter to Fiona Kordiak, Director of Audit Services, Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN.

Executive summary

Audit conclusions

Page 8

We intend to issue an unqualified audit opinion on the annual accounts of Perth and Kinross Integration Joint Board ("the IJB") following their approval by the IJB on 27 September 2019.

We identified two significant risks in the audit of the IJB, which relate to fraud risk from management override of controls and fraud risk from revenue and expenditure recognition, (the latter of which was rebutted). As documented on pages ten and 11, we have concluded satisfactorily in respect of the significant risks and audit focus areas identified in the audit strategy document.

The annual accounts, governance statement and remuneration report were received at the start of the audit fieldwork. We have no matters to highlight in respect of adjusted audit differences or our independence.

Financial management and financial sustainability

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Page 13

The financial plan approved in June 2018 showed a £0.9 million shortfall and the IJB did not set a balanced budget.

The IJB faces ongoing financial pressures due to salary costs, price pressures and increasing demand for services. We remain satisfied that the IJB is a going concern as a result of the integration scheme and the financial sustainability of the partners.

We are satisfied that the ongoing production of a three year revenue budget will help the IJB plan for future pressures, and will enable management to have valuable conversations when discussing future budget settlements. We consider the arrangements regarding financial management are effective.

Financial position

Page 5

The IJBs final outturn was an overspend against budget of £1.1 million for the year. Funding changes were made after the final outturn were agreed, such that increased funding was received from NHS Tayside and Perth and Kinross Council in order to deliver a break even position against budget. Associated with specific funding, the IJB increased its reserves from £nil to £2.5 million.

The integration scheme states that in the event of an overspend from 2018-19, the partners can opt to allocate the overspend on a proportional basis. The partners informally agreed to fund overspends for which they have operational responsibility in 2018-19.

Governance and Transparency, and Value for money

Page 19

The IJB has appropriate governance arrangements in place that support the scrutiny of decisions by the board.

The annual performance report shows significant improvement with most of the indicators above the national average.

Scope and responsibilities

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Purpose of this report

The Accounts Commission has appointed KPMG LLP as auditor of Perth and Kinross Integration Joint Board ("the IJB") under part VII of the Local Government (Scotland) Act 1973 ("the Act"). The period of appointment is 2016-17 to 2021-22, inclusive.

Our annual audit report is designed to summarise our opinions and conclusions on significant issues arising from our audit. It is addressed to both those charged with governance at the IJB and the Controller of Audit. The scope and nature of our audit are set out in our audit strategy document which was presented to the Audit and Performance Committee on 6 March 2018.

Audit Scotland's Code of Audit Practice ("the Code") sets out the wider dimensions of public sector audit which involves not only the audit of the financial statements but also consideration areas such as financial performance and corporate governance.

Accountable officer responsibilities

The Code sets out the IJB's responsibilities in respect of:

- corporate governance;
- financial statements and related reports;
- standards of conduct for prevention and detection of fraud and error;
- financial position; and
- Best Value.

Auditor responsibilities

This report reflects our overall responsibility to carry out an audit in accordance with our statutory responsibilities under the Act and in accordance with International Standards on Auditing (UK) ("ISAs") issued by the Financial Reporting Council and the Code. Appendix one sets out how we have met each of the responsibilities set out in the Code.

Scope

An audit of the financial statements is not designed to identify all matters that may be relevant to those charged with governance.

Weaknesses or risks identified are only those which have come to our attention during our normal audit work in accordance with the Code, and may not be all that exist.

Communication by auditors of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Under the requirements of ISA 260 *Communication with those charged with governance*, we are required to communicate audit matters arising from the audit of financial statements to those charged with governance of an entity.

This report to those charged with governance and our presentation to the Audit and Performance Committee, together with previous reports to the audit and performance committee throughout the year, discharges the requirements of ISA 260.

Financial position

Overview

The Public Bodies (Joint Working) (Scotland) Act 2014 specifies that integration joint boards should be treated as if they were bodies falling within section 106 of the Local Government (Scotland) Act 1973. The financial statements of the IJB should therefore be prepared in accordance with the 1973 Act and the 2018-19 Code of Practice on Local Authority Accounting in the United Kingdom (“the CIPFA Code”).

The Board is responsible for the strategic planning and delivery of health and adult social care services in Perth and Kinross. The Integration Scheme sets out those services the Board has delegated responsibility for, which includes ‘hosted’ services which are provided by the IJB on behalf of the other integration joint boards in the Tayside region, Dundee City and Angus.

IJB financial management overview

The IJB budget process begins in September each year with final approval by March in advance of the financial year. Delegated baseline budgets for 2018-19 were compared to actual expenditure in previous years in order to build up the budget. Detailed forecasts have been prepared of anticipated salary, price and demand pressures along with the cost of meeting legislative changes and planned service developments.

In 2018-19, the IJB participated in the PKC budget process in order to commence early discussion over funding and anticipated expenditure pressures. This communication and co-operative working supports the long-term aims of the integration of health and social care.

The Perth and Kinross IJB Financial Plan 2018-19 approved in June 2018 showed a shortfall of £0.9 million, and therefore the IJB failed to set a balanced budget.

Legislation empowers the Board to hold reserves. The integration scheme and the reserves strategy set out the arrangements between the partners for addressing and financing any overspends or underspends. Financial management is discussed further on page 15.

During 2018-19, the IJB had an overspend of £1.1 million. The integration scheme states how overspends are resolved and a result was funded from NHS Tayside and PKC in order to break even against budget (see page six). The final accounting position shows a surplus of £2.5 million which increased the general fund reserve.

Funding contributions from Perth and Kinross Council £51.7 million	Funding contributions from NHS Tayside £153.9 million	Gross expenditure £203.1 million	Surplus on provision of services £2.5 million
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This reserve is held within the IJB, and is retained for use in future years for application against spending commitments. Management have earmarked these reserves for 2019-20, and is discussed further on page 17.

The Board does not have any fixed assets, nor does it directly incur expenditure or employ staff. The Chief Officer and the Chief Financial Officer are appointed officers of the IJB. All funding and expenditure is delegated to the partner organisations and is recorded in the partner organisation’s accounting records.

Financial position (continued)

2018-19 financial position

The annual accounts are prepared on a going concern basis. A deficit of £1.1 million was reported in the final outturn in June 2019 for the year ended 31 March 2019. The integration scheme states that 'In the event that an overspend is evident following the application of a recovery plan, use of reserves or, where the Strategic Plan cannot be adjusted, the following arrangements will apply:-

- First 2 financial years of the Integration Joint Board - the overspend will be met by the Partner with operational responsibility unless agreed otherwise through a tripartite agreement between the Integration Joint Board and the Partners;
- 3rd financial year of the Integration Joint Board onwards – the overspend may be allocated based on each Partner's proportionate contribution to the Integration Joint Board's Budget Requisition for that financial year on a like for like basis.'

An underlying overspend of £0.3 million was reported against health services where operational responsibility lies with NHS Tayside. Against social care budgets, where operational responsibility remains with Perth and Kinross Council ("PKC"), an overspend of £0.8 million was reported. In line with the integration scheme, both NHS Tayside and PKC devolved further non-recurring budget to the IJB to balance income with expenditure in order to break even against budget on an operational responsibility basis.

The health overspend is made up of the following significant variances:

- Inpatient Mental Health: overspend £0.5 million. Primarily driven by medical locum costs, supplementary nursing costs, and a historic brought forward balance of undelivered savings.
- Planning and other services: overall year-end underspend of £0.7 million due to savings and cost containments.
- Prescribing: overspend of £0.8 million. Due to nationally negotiated rebates for specific drugs which was higher than expected.

The social care overspend is made up of the following significant variances:

- Older People and Physical Disability Service: overspend of £0.5 million. Primarily due to demographic growth issues and savings not being fully realised in 2018-19. This is offset by a underspend of £0.3 million on the NHS Tayside resulting in a net overspend position of £0.2 million.

Expenditure	2018-19 Budget (£M)	2018-19 Actual (£M)	(Under)/ over spend (£M)
Older peoples service/physical disabilities	66.3	66.5	0.2
Learning disabilities/mental health/addictions	24.1	24.5	0.4
Planning/management/other services	7.9	7.2	(0.7)
Prescribing	26.7	27.5	0.8
General medical services	24.1	24.1	0.0
Family health services	17.4	17.4	0.0
Hosted services	21.0	21.4	0.4
Large hospital set aside	14.3	14.3	0.0
Total expenditure	201.8	202.9	1.1
Additional Budget from Partner Bodies:			
NHS Tayside			(0.3)
Perth & Kinross Council			(0.8)
Total			0.0
Reserves:			
Earmarked Reserves		2.5	
Total Reserves		2.5	

Source: Annual Performance Report

- Learning Disabilities and Mental Health continued to experience a sustained increase in the costs of individual care packages, partially offset by a number of one-off underspends, resulting in a net underspend position of £0.1 million.

Financial position (continued)

Comprehensive income and expenditure statement

As noted previously, NHS Tayside assigns some services that are devolved to an IJB ("hosted services"), rather than split it across the three IJBs for which it partners. This results in differences between the budget that management and members receive, which show the services the IJB are responsible for, and the comprehensive income and expenditure statement ("CIES"). The two therefore are not directly comparable, and the hosted services explain the significant differences between the two.

Recurring baseline budget

In previous years the Scottish Government provided funding to IJBs across Scotland for the IJB to use to transform services, support integration and to reduce delayed discharges. However, as all IJBs have matured this is no longer funded directly from the Scottish Government, now funded as part of the IJB's recurring baseline budget from partners from 2018-19. The recurring baseline budget for 2018-19 included a £1.5 million deduction within the PKC budget proposition and a £2 million uplift from NHS Tayside.

Related party transactions

NHS Tayside receives the recurring baseline budget on behalf of the IJB and expenditure is drawn down through NHS Tayside. As PKC uses the baseline budget to deliver services, it invoices NHS Tayside directly for the services.

In total in the year there was a £17.9 million payment from NHS Tayside to PKC, this is included in Note 8: Related Party Transactions. This relates to funding NHS Tayside receives being redirected to Perth and Kinross Council for delivery of some social care services.

In line with other IJBs nationally, there is a requirement to recognise funding from partners, and to recognise its commissioning expenditure, in order to disclose the gross cost of providing services. The related parties note details this gross cost of providing services, and gross income received from partners.

Balance sheet

The £2.5 million debtors balance at the year end arose through the planned build up of reserves to support future delivery of services. IJB 'cash' is held by the partner organisation due to the IJB not having a bank account, leading to a creditor to the IJB in the partners' Balance Sheet. The full debtor balance is with NHS Tayside, and is expected to be used for the purpose of supporting health and social care services.

Balance sheet	2018-19 £000	2017-18 £000
Short term debtors	2,470	-
Net assets	2,470	-
Usable reserve : General fund	(2,470)	-
Total reserves	(2,470)	-

Source: Annual accounts 2018-19

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Audit conclusions

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Audit opinion

Following approval of the annual accounts by the IJB Board, we expect to issue an unqualified opinion on the truth and fairness of the state of the IJB's affairs as at 31 March 2019, and of the surplus for the year then ended.

There are no matters identified on which we are required to report by exception.

Financial reporting framework, legislation and other reporting requirements

The IJB is required to prepare its annual accounts in accordance with International Financial Reporting Standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19 and in accordance with the Local Authority Accounts (Scotland) Regulations 2014. Our audit confirmed that the financial statements have been prepared in accordance with the CIPFA Code and relevant legislation.

Statutory reports

We have not identified any circumstances to notify the Controller of Audit that indicate a statutory report may be required.

Other communications

We did not encounter any significant difficulties during the audit. There were no other significant matters arising from the audit that were discussed, or subject to correspondence with management that have not been included within this report. There are no other matters arising from the audit, that, in our professional judgement, are significant to the oversight of the financial reporting process.

Audit misstatements

There were no misstatements identified during the audit. There were a number of presentational and disclosure adjustments made by management as a result of our audit.

Written representations

Our representation letter will not include any additional representations to those that are standard as required for our audit.

Materiality and summary of risk areas

Materiality

We summarised our approach to materiality in our audit strategy document. On receipt of the financial statements and following completion of audit testing we reviewed our materiality levels and concluded that the level of materiality set at planning was still relevant.

We used a materiality of £1.9 million for the IJB's financial statements. This equates to 0.9% of cost of services expenditure. We designed our procedures to detect errors in specific accounts at a lower level of precision than our materiality. For the IJB, our performance materiality was £1.4 million. We report all misstatements greater than £95,000.

Forming our opinions and conclusions

In gathering the evidence for the above opinions and conclusions we:

- performed substantive procedures to ensure that key risks to the annual accounts have been covered;
- communicated with the Chief Internal Auditor, who provides internal audit support to the IJB, and reviewed internal audit reports as issued to the Audit and Performance Committee to ensure all key risk areas which may be viewed to have an impact on the annual accounts had been considered;
- reviewed estimates and accounting judgments made by management and considered these for appropriateness;
- considered the potential effect of fraud on the annual accounts through discussions with senior management and internal audit to gain a better understanding of the work performed in relation to the prevention and detection of fraud; and
- attended Audit and Performance Committee meetings to communicate our findings to those charged with governance, and to update our understanding of the key governance processes.

Financial statements preparation

Draft financial statements were published online in line with Section 195 of Local Government (Scotland) Act 1973, this included the management commentary and annual governance statement.

In advance of our audit fieldwork we issued a 'prepared by client' request setting out a list of required analyses and supporting documentation. We received working papers of good quality, and draft financial statements were provided on 28 June 2019, including the management commentary and the remuneration report.

Significant risks and other focus areas in relation to the audit of the financial statements

We summarise below the risks of material misstatement as reported within the audit strategy document.

Significant risks (page ten of this report):

- management override of controls fraud risk.

Other focus areas (page 11 of this report):

- completeness and accuracy of expenditure; and
- financial sustainability (also a wider scope area).

Wider scope areas (page 14 of this report):

- financial sustainability;
- financial management;
- value for money; and
- governance and transparency.

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Significant risks

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Significant risk	Our Response	Audit approach
Financial statement risks		
<p>Fraud risk from management override of controls*</p> <p>Professional standards (ISA 240 The Auditor's responsibilities relating to fraud in an audit of financial statements) require us to communicate the presumed fraud risk from management override of controls as a significant risk; as management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> Our audit methodology incorporates the risk of management override as a default significant risk. We have not identified any specific additional risks of management override relating to the audit of the Board. Strong oversight of finances by management provides additional review of potential material errors caused by management override of controls. In line with our methodology, we will carry out appropriate substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the organisation's normal course of business, or are otherwise unusual. 	<p><i>Our work did not identify any control overrides, or matters that required adjustment in the annual accounts or which require to be brought to your attention.</i></p>
<p>Fraud risk from income revenue recognition and expenditure (rebutted)</p> <p>Professional standards (ISA 240 and Practice Note 10 ("PN10") Audit of financial statements of public sector bodies in the United Kingdom require us to make a rebuttable presumption that the fraud risk from revenue recognition and expenditure are significant risks.</p>	<ul style="list-style-type: none"> The Board receives funding through requisitions to Perth and Kinross Council and NHS Tayside. These are agreed in advance of the financial year, with any changes arising from changes in need, requiring approval from each body. There is no estimation or judgement in recognising this stream of income and we do not regard the risk of fraud to be significant. The Board issues directions to Perth and Kinross Council and NHS Tayside in order to direct those bodies to deliver services delegated by the Board. The Board make these directions based on its budget agreed in advance of the financial year. There is no estimation or judgement in recognising expenditure to these bodies, and we do not regard the risk of fraud to be significant. 	<p><i>Our conclusion is that income and expenditure is appropriately stated, in line with the CIPFA Code.</i></p>

* We set out above the significant risk identified in the audit, together with our conclusion. The audit opinion within the annual accounts includes a reference to the most significant assessed risks of material misstatement, which is the significant risk included in this annual audit report. This annual audit report does not constitute our audit opinion; the opinion is included within the annual accounts.

Other focus areas



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Other focus area	Our response	Audit approach
Financial statement focus area		
Completeness and accuracy of expenditure The Board receives expenditure forecasts from Perth and Kinross Council and NHS Tayside as part of the annual budgeting process. There is a risk that actual expenditure and resulting funding requisition income is not correctly captured.	<ul style="list-style-type: none"> Our substantive audit will obtain support for gross expenditure included in Perth and Kinross Council and NHS Tayside's accounting records. We will obtain confirmations of expenditure from each of these bodies. 	<p><i>We have concluded that that expenditure is appropriately recognised.</i></p> <p><i>No exceptions were identified in respect of expenditure testing and testing of high risk expenditure journals.</i></p> <p><i>Our testing of this exercise did not identify errors in expenditure cut-off.</i></p>
Financial sustainability Financial sustainability looks forward to the medium and longer term to consider whether the Board is planning effectively to continue to deliver its services or the way in which they should be delivered. This is inherently a risk to the Board given the challenging environment where funding is reduced and efficiency savings are required.	<ul style="list-style-type: none"> The Board receives funding from NHS Tayside and Perth and Kinross Council, and as part of an Integration Scheme, has a risk sharing agreement with both bodies. This agreement stipulates that, from 2018-19, any overspends by the Board may be funded by NHS Tayside and Perth and Kinross Council based on each body's proportionate contribution in the financial year, or by the body with operational responsibility as a default position. This gives the Board comfort with regards to overspends, however, there is a risk going forward regarding ongoing budget balance, specifically in the context of challenging NHS and Council budgets. We will consider the Board's financial planning, reserves strategy, and Board's use of reserves, concluding on the appropriateness of these in our annual audit report. See page 17 for further information regarding the financial sustainability wider scope. 	<p><i>We consider that the IJB is financially sustainable. The IJB has detailed plans in place over the medium term to consider how services will be provided in future years. These take into consideration known and expected budget pressures.</i></p>

Management reporting in financial statements

Report	Summary observations	Audit conclusion
Management commentary	<p>The Local Authority Accounts (Scotland) Regulations 2014 require the inclusion of a management commentary within the annual accounts, similar to the Companies Act requirements for listed entity financial statements. The requirements are outlined in the Local Government finance circular 5/2015.</p> <p>We are required to read the management commentary and express an opinion as to whether it is consistent with the information provided in the annual accounts.</p> <p>We also review the contents of the management commentary against the guidance contained in the CIPFA template IJB accounts.</p>	<p>The information contained within the management commentary is consistent with the annual accounts.</p> <p>We reviewed the contents of the management commentary against the guidance contained in the Local Government finance circular 5/2015 and are content with the proposed report.</p>
Remuneration report	<p>The remuneration report was included within the unaudited annual accounts and supporting reports and working papers were provided.</p>	<p>The information contained within the revised remuneration report is consistent with the underlying records and the annual accounts and all required disclosures have been made in line with the 2014 regulations.</p> <p>Our independent auditor's report confirms that the part of the remuneration report subject to audit has been properly prepared.</p>
Annual governance statement	<p>The statement for 2018-19 outlines the corporate governance and risk management arrangements in operation in the financial year. It provides detail on the IJB's governance framework, review of effectiveness, continuous improvement agenda, and analyses the efficiency and effectiveness of these elements of the framework.</p> <p>We consider the annual governance statement to ensure that management's disclosure is consistent with the annual accounts, and that management have disclosed that which is required under the delivering good governance in local government framework.</p>	<p>We consider the governance framework and revised annual governance statement to be appropriate for the IJB and that it is in accordance with guidance and reflects our understanding of the IJB.</p>

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Qualitative aspects and future developments

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Qualitative aspects

ISA 260 requires us to report to those charged with governance our views about significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.

We consider the accounting policies adopted by IJB to be appropriate. There are no significant accounting practices which depart from what is acceptable under the CIPFA Code.

Financial statement disclosures were considered against requirements for the CIPFA Code, relevant legislation and IFRS. No departures from these requirements were identified.

There were no new accounting standards adopted by the CIPFA Code which affected the IJB.

Accounting framework update

From 2018-19, IFRS 15 *Revenue from Contracts with Customers* replaces IAS 18 *Revenue* and IAS 11 *Construction contracts* and their associated interpretations. The core principle in IFRS 15 for public bodies is that they should recognise revenue to depict the transfer of promised goods or services to the service recipient or customer in an amount that reflects the consideration to which the body expects to be entitled in exchange for those goods or services.

In addition, the adapted requirements for IFRS 9 *Financial Instruments*, which replace IAS 39 *Financial instruments: recognition and measurement* have been introduced in 2018-19. The changes included:

- a single classification approach for financial assets driven by cash flow characteristics and how an instrument is managed;
- a forward looking 'expected loss' model for impairment rather than the 'incurred loss' model under IAS 39; and
- new provisions on hedge accounting.

Expected from 2019-20, IFRS 16 *Leases* supersedes IAS 17 *Leases*. IFRS 16 introduces a single lessee accounting model. Public body lessees will be more likely to account for operating leases in a similar way to the current IAS 17 treatment for finance leases.

Given the nature of the Board we do not consider that these changes will have a significant impact on the financial statements.

Audit dimensions introduction and conclusions

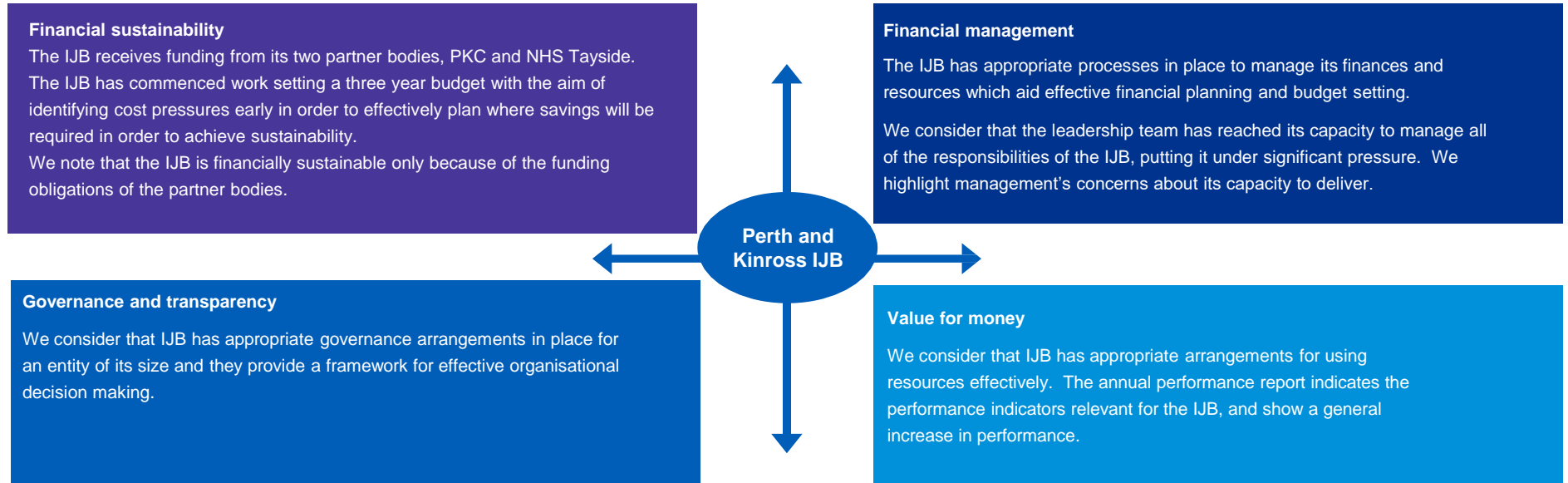
The Code of Audit Practice sets out four audit dimensions which, alongside Best Value in the local government sector, set a common framework for all the audit work conducted for the Controller of Audit and for the Accounts Commission: financial sustainability; financial management; governance and transparency; and value for money.

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It remains the responsibility of the audited body to ensure that it has proper arrangements across each of these audit dimensions. These arrangements should be appropriate to the nature of the audited body and the services and functions that it has been created to deliver. We review and come to a conclusion on these proper arrangements.

During our work on the audit dimensions we considered the work carried out by other scrutiny bodies to ensure our work meets the proportionate and integrated principles contained within the Code of Audit Practice.

The Code of Audit Practice allows for an exemption from the requirement of a full wider scope of audit to apply to all bodies where the auditor judges that it is not appropriate due to size, nature and risks of the body. KPMG have selected to use this exemption.



Financial management

Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Budgetary controls

The IJB's financial management comes under a reasonable degree of scrutiny, with budgets monitored at IJB, local authority and NHS level.

The IJB produces a quarterly finance update which is taken to both the Board and the Audit and Performance Committee. Management reports the financial position to the IJB at each meeting throughout the financial year. This contains sufficiently detailed information to allow members to understand budget variances, and to respond to issues.

Financial reporting is provided to the IJB throughout the year and it includes financial commentary. This is performed on a regular basis, with reports going to the IJB in September, November and February, with the Audit and Performance Committee also receiving an update in February 2019. Although the 2018-19 Financial Position was included in the February 2019 meeting agenda, this meeting was rescheduled for March 2019 no finance update was presented. The year end position was reported in May 2019.

2019-20 budget process

The Core Health and Social Care budget for 2019-20 was approved in March 2019, prior to the start of the following financial year as required. The GP Prescribing and Other Hosted Services budget was approved on 26 June 2019, three months after the start of the financial year. At the time of this report, the Adult Mental Health budget has yet to be approved, and management indicate it will be considered by the IJB in September 2019.

This is six months from the start of the financial year. It has taken a staged approach to budget approval in respect of 2019-20, including and updating estimate budgets were considered possible. Good practice is that a local government body sets a balanced budget ahead of the financial year. We recommend that all budgets are discussed and approved prior to the start of the financial year but recognise that the IJB faces challenges working across the budget setting timetables of local authority and health bodies.

The 2019-20 budget presented for approval does not incorporate the use of reserves and associated planned expenditure. As the IJB increases the use of reserves it is important this is included in the overall budget presented to members.

Recommendation one

Financial regulations

The IJB has standing financial regulations which determine how spend can be authorised. The highest budget virement that can be approved by the Chief Officer is £10,000, with anything above that level having to go through the Board, which conducts its meetings in public. We consider this to be an appropriate level for escalation.

Financial recovery plan

The 2018-19 Finance Update provided to the IJB in June 2018 gave an early indication of an unanticipated overspending and cost pressure. As a result, the IJB prepared and approved a Financial Recovery Plan in order to identify areas of savings and note actions to be taken to achieve these savings.

The plan was prepared in November 2018 and approved at the meeting on 15 February 2019. Whilst the integration scheme requires a deficit recovery/action plan to be approved by the Board prior to any actions implemented, management identified potential overspend early and were proactive in developing solutions collaboratively to ensure that risks were appropriately managed.

Financial management

The Chief Finance Officer is responsible for ensuring that appropriate financial services are available to the IJB and the Chief Officer.

Capacity and service transformation

The section 95 officer of the IJB is the Chief Finance Officer, who has appropriate status within the IJB and access to the partner chief executive officers and Board members.

A new Chief Officer was appointed effective from 1 April 2019. The Chief Officer will review current leadership and management arrangements with a view to further integration. The integrated finance function consists of the Chief Finance Officer and financial management resources transferred to Perth & Kinross Health & Social Care Partnership by NHS Tayside and Perth & Kinross Council. In addition, NHS Tayside provide finance support for specific service areas such as Prescribing, Primary Care and Inpatient Mental Health. The Partnership Finance Manager provides significant support to the day to day financial management and control within the IJB.

We note that senior management has significant concerns regarding the IJB's capacity to satisfy the full responsibilities of the IJB. Specifically there is concern in respect of being responsible for inpatient mental health services alongside the other services, and having the capacity to effectively direct the activities.

The IJB continues, through redesigning care, to analyse service expenditure in order to identify savings and efficiencies.

Training

The Board provides induction and ongoing training for both elected members and other Board members. Attendance sheets are kept for each training meeting however members are not asked to sign in. We note that initial IJB induction and briefing session was held in June 2018. Financial development training sessions were also held throughout the year.

Arrangements for the prevention and detection of fraud

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We have responsibility for reviewing the arrangements put in place by management for the prevention and detection of fraud. We reviewed the IJB's arrangements including policies and codes of conduct for council staff and elected members, whistleblowing, fraud prevention and fraud response plan.

We considered the arrangements in place for the prevention and detection of fraud to be sufficient.

Audit Scotland focus area: Key supplier dependency

All bodies are potentially exposed to the failure of a key supplier, in an operational and infrastructure context. For the IJB, PKC and NHS Tayside are the key suppliers of services, but are unlikely to cease providing these services given the bodies' nature, purpose and role as partners to the IJB. We have commented on the financial sustainability aspects of both partners on page 17 in our capacity as auditors of the IJB, through review of the annual audit reports of both partner bodies.

Audit Scotland focus area: Care income, financial assessments and financial guardianship

Some other local government audits indicated there may be wider issues with the systems and processes for collecting care income and undertaking financial assessments on individuals receiving care. PKC is responsible for collection of care income and processing financial assessments and there is no direct impact on the IJB.

Conclusion

The IJB set two of four components of its 2019-20 budget in advance of 31 March 2019, which decreases the ability of members to scrutinise and hold management to account. The IJB has robust controls over the monitoring of expenditure against budget, with regular reports going to public meetings of the IJB. We recognise the increasing need for the Board to have timeous information in order to make effective and informed decisions.

Financial capacity is appropriate for the purposes of delivering services.

Financial sustainability

Financial sustainability looks forward to the medium and longer term to consider whether the IJB is planning effectively to continue to deliver its services. This is inherently a risk to the IJB given the challenging environment where funding is reduced in real terms and efficiency savings are required.

In assessing financial sustainability we consider whether the IJB is able to balance budgets in the short term and whether longer term financial pressures are understood and are planned for, as evidenced by the IJB's financial strategies and plans.

Budgets and financial position

The 2018-19 budget was prepared independently of NHS Tayside, but in conjunction with PKC, and management developed greater communication with the partner bodies prior to, and during budget setting.

In 2018-19, management began the process of setting a three year revenue budget which covered 2018-19, 2019-20 and 2020-21. This was updated in 2019-20 to include 2021-22. The 3 year budget for Core Health and Social Care was approved on 22 March 2019. As discussed in recommendation two, the 3 year budget for GP Prescribing and for Inpatient Mental Health has not been approved at the date of this report. A consolidated budget position has not yet been presented to the Board.

	Year 1: 2019-20	Year 2: 2020-21	Year 3: 2021-22
	Shortfall/ (Surplus) £m	Shortfall/ (Surplus) £m	Shortfall/ (Surplus) £m
Core Health and Social Care	2.842	1.054	2.029
GP Prescribing	0.752	-	-
Other Hosted Services	0.000	0.108	0.083
Inpatient Mental Health*	-	-	-
Total	3.594	1.162	2.112

*budget not yet approved

The 2019-20 Core Health and Social Care recurring budget included a £2.2 million rolled forward pressure. Further pay/price pressures of £1.3 million, demand pressures of £4 million, and essential service developments of £0.8 million were incorporated in the final budget. The GP Prescribing and other hosted services budgets also included pressures of £2.8 million and £1.2 million, respectively. **DRAFT**

Reserves strategy

The IJB approved a reserves policy in March 2017 which sets out the statutory and regulatory framework for reserves, the operation of these reserves and the role of the Chief Finance Officer in determining the adequacy of reserves held by the IJB. Management aspires to retain a general fund reserve of 2% of gross expenditure, or £4.1 million. The IJB had reserves of £2.5 million at the year end, or 1.2%.

Management anticipates using the carried forward reserves for a number of projects, including primary care improvement, primary care transformation and the partnership transformation fund.

Audit Scotland focus areas: Changing public landscape for financial management and EU withdrawal

Scottish public finances are fundamentally changing, with significant tax-raising powers, new powers over borrowing and reserves, and responsibility for 11 social security benefits.

Scottish Government published an initial five-year Medium Term Financial Strategy in May 2018. Although delayed, the EU withdrawal is expected to take place in 2019 with possible wide impact on workforce planning and wider economic environment. For the risks presented by these areas, the IJB's primary response is to consider the actions taken by PKC and NHS Tayside, being the funders and commissioned bodies. This is an appropriate response. The primary financial changes considered relate to tax raising, which do not apply to the IJB.

Through the established risk management framework of the IJB, risks which directly impact the body are considered and managed. We note that the IJB is currently developing a workforce plan in the context of workforce and recruitment challenges, including the potential impact of Brexit. The plan was due by 31 March 2019 however, from the review of the June 2019 risk register, we note that the issue is now overdue.

Recommendation three

Financial sustainability (continued)

Risk sharing

The integration scheme sets out the process to be followed should the IJB overspend against the agreed budget. The Chief Officer and Chief Financial Officer are expected to manage the budget to ensure that there are no overspends. Where an unexpected overspend is likely the Chief Financial Officer should agree corrective action to mitigate the overspend. Where this does not resolve the gap, agreement must be made between the partner bodies, in conjunction with the executive team, to agree a recovery plan to balance the budget.

Where this is unsuccessful and the IJB overspends at the year end, uncommitted reserves are applied to any overspend firstly and the remaining overspend is either met by an additional one-off payment from a partner. The integration scheme provides that for the first two years of financial operation (2016-17 and 2017-18), any overspend is met by the partner with operational responsibility.

From the third year (2018-19) onwards, the integration scheme states that any overspend may be allocated based on each partner's proportionate contribution to the IJB, and this suggests formal agreement between the partners is required. For 2019-20, we understand that there has been limited discussion between relevant partners in respect of the approach to be taken and there is no formal documentation of this arrangement.

Recommendation two

This arrangement gives the IJB comfort that overspends will ultimately be met by the partner bodies. We note that it does not motivate collaborative working between the three parties. For example, overspends in a council-funded area of service may be driven by increased "high outcome" activity which delivers reduced demand in an NHS-funded area of service, given the benefits of "preventative care". There is no consideration for this in the integration scheme.

Going concern

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The annual accounts are prepared on a going concern basis. The IJB is still in its relative infancy and is at the start of plans to transform services. Both partner bodies have identified their financial challenges and put in place savings plans. As appointed auditor to PKC we have reported positively on its financial management arrangements and its proactive monitoring of budgets and savings. We consider that the IJB is a going concern.

We consider that the Scottish Government is likely to continue to support NHS Tayside. In light of this position, the strong management of resources and the commitment from the two partner organisations we concur with the going concern basis.

Savings

The IJB is required to make efficiency savings to maintain financial balance. In 2018-19, the required savings identified in the budget were £5.3 million (2.7%). The actual savings achieved was £4.8 million, the shortfall largely due to delays in a corporate procurement review at Perth and Kinross Council, and a review of older people residential care. These are expected to be completed in 2019-20.

Conclusion

The IJB faces ongoing financial pressures in respect of salary costs, price pressures, legislative change and demand. Overspends are forecast in both health and social care budgets and the integration scheme may require both partners to contribute further to the IJB. We remain satisfied that the IJB is financially sustainable in the short term as a result of the ongoing commitment of the two joint venture partners.

We are satisfied that the ongoing development of a three year revenue budget will help the IJB plan for future pressures, and will allow management to have quality conversations when discussing future budget settlements but the approach to risk sharing should be agreed and implemented consistently.

Governance and transparency

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.

Governance framework

The integration scheme between PKC and NHS Tayside sets out the key governance arrangements. The Board is responsible for establishing arrangements for ensuring the proper conduct of the affairs of the IJB and for monitoring the adequacy of these arrangements.

The Board and Audit and Performance Committee hold meetings on a regular basis throughout the year. We review minutes from each to assess their effectiveness. We also periodically attend meetings of the Audit and Performance Committee for the purpose of presenting our findings and statutory reports. From attendance at these meetings, we consider scrutiny to be effective.

The IJB used CIPFA Guidance: Delivering Good Governance in Local Government Framework to review its governance arrangements, and this included carrying out a self assessment review of the IJB's governance arrangements. This provided assurance that key governance policies and arrangements are in place, and an improvement action was identified for any high or medium risk findings.

Membership

We note that since inception of the IJB there has been significant change in membership. We included this as a low risk area in the prior year report, and membership changes have continued, albeit at a slower rate, throughout 2018-19. Overall, there were five leavers and five new joiners in the year up to 31 March 2019.

Member stability affects the Board's ability (through understanding and experience) and capacity, to fully scrutinise, challenge and support management. It also inherently takes time for members to fully understand the IJB and its activities.

Two Council voting members have been suspended from their political group and removed from the Council's Administration post year end. A motion proposing their removal from the Board was defeated by an amendment, at a special Council meeting on 2 September 2019.

Management ensures that new members are appropriately trained, as highlighted on page 16. Although we have not identified deficiencies in member scrutiny and challenge during the year, it is clear that members are aware that their role is challenging and they have a steep learning curve to ensure that they can fully deliver on their role. The IJB is forecasting a deficit position for 2019-20 and is facing significant cost and demand pressures moving forward. Members will need to make important decisions moving forward around the ambitions of the Strategic Commissioning Plan, in particular the future shape and scale of service delivery.

Internal audit

The IJB has an internal audit function which undertakes reviews at both the IJB level and the local authority level. NHS Tayside has its own internal audit function, however any reviews specific to the IJB are shared with the Board and Audit and Performance Committee.

The internal audit function is carried out by the Fife, Tayside and Forth Valley internal audit service, in conjunction with PKC's internal audit in its role as PKC internal auditors. From 1 April 2019, the internal audit function has been carried out by PKC's internal auditors, with the Chief Internal Auditor being selected from PKC.

Internal audit provides the IJB and section 95 officer with independent assurance on the IJB's overall risk management, internal control and corporate governance processes.

The Chief Internal Auditor concluded in the 2018-19 annual audit report that sufficient work was completed during the year, to enable them to conclude that reasonable assurance can be placed upon the adequacy and effectiveness of the Board's internal control system. We concurred with these findings and found no deficiencies.

Governance and transparency (continued)

Risk management

In 2016, the three IJBs within the Tayside area agreed a risk management strategy, in conjunction with their respective partner bodies. A strategic risk management framework and risk register were developed, which were considered at the Audit and Performance Committee in November 2018. The policy requires quarterly consideration of the risk register at a senior management team level, and for annual consideration at the audit and performance committee. We consider reporting frequencies to be reasonable.

The IJB has undertaken a self-assessment of its governance framework, and presented an action plan to Audit and Performance Committee on 19 June 2018. This provided assurance that key risks to the achievement of integration objectives have been appropriately identified, communicated and actions undertaken. Regular updates provide assurance to the Board that the risk previously identified are being addressed by management.

System of internal control

Perth and Kinross Council and NHS Tayside are the partner bodies. All financial transactions of the IJB are processed through the financial systems of the partner bodies and are subject to the same controls and scrutiny as the Council and Health Board, including the work performed by internal audit.

Fraud

Arrangements are in place to ensure that suspected or alleged frauds or irregularities are investigated by one of the partner bodies internal audit sections. Since the Board does not directly employ staff, investigations will be carried out by the internal audit service of the partner body where any fraud or irregularity originates. NHS Tayside can also call on the expertise of Counter Fraud Services provided through NHS National Services Scotland.

Conclusion

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The IJB has effective scrutiny and governance arrangements, supported by joint internal audit staff from both partners, and with adequate focus on risk management. The IJB conducts its business in an open and transparent manner.

The arrangements in place to investigate and prevent fraud are appropriate.

Membership of the IJB has become more stable, however, two Council voting members have been suspended from their political group and removed from the Council's Administration post year end. A motion proposing their removal from the Board was defeated by an amendment, at a special Council meeting on 2 September 2019. Further changes to membership or tension between members could significantly impair the IJB's ability to operate effectively.

Value for money

Value for money (“VfM”) is concerned with using resources effectively and continually improving services.

The Public Bodies (Joint Working) (Scotland) Act 2014 sets out a broad framework for creating integration authorities. This allowed boards a flexibility to enable them to develop integrated services that best suited local circumstances.

The integration scheme specifies the range of functions delegated by PKC and NHS Tayside to the IJB. The IJB is responsible for establishing effective arrangements for scrutinising performance, monitoring progress towards their strategic objectives, and holding partners to account.

Performance indicators

As part of the IJB’s arrangements to consider value for money, management produce and present an annual performance report to the Board. The report links performance of the five IJB objectives against the nine national health and wellbeing outcomes as set out in the strategic commissioning plan.

The partnership objectives cover:

- prevention and early intervention;
- person-centred health, care and support;
- working together with our communities;
- reducing inequalities and unequal health; and
- making best use of available facilities, people.

The annual report highlights the strength and weaknesses of the IJB against historic performance, and performance against the Scottish average. From a review of the annual performance report, the IJB is performing favourably compared to the Scottish average, and have largely improved against previous regional results.

Value for money in key decisions

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The board considers and discusses difficult decisions throughout the year as appropriate. For example, the transformational change projects to prioritise. These are supported by options appraisals and business cases where appropriate.

Strategic and corporate planning

The Strategic Commissioning Plans Guidance published by the Scottish Government in 2015 sets out an expectation that developing and updating strategic plans should be part of an iterative, cyclical process. The importance of having a Strategic Plan in place was reiterated by the IJB’s Internal Audit Service in their report dated 11 June 2019.

Although management understand the importance of having a Strategic Plan to provide a clear strategic direction, there have been significant delays in its preparation which we consider to be a result of insufficient corporate capacity.

The annual governance statement records the Chief Officer’s intention to address key gaps around planning and performance, workforce and organisational development as part of a wider review of organisational structure.

Recommendation three

Conclusion

Overall, we consider that the IJB has appropriate arrangements for using resources effectively and continually improving services.

As noted on page 17, the workforce plan is overdue and while service level consideration occurs, preparation of a corporate view has not commenced. It is also important that the IJB forms a Strategic Plan. The Chief Officer plans to address key gaps in corporate capacity and we consider this is important in order to ensure the effectiveness of the IJB and that officers are able to form strategic and corporate approaches for consideration by the IJB members.



Appendices

Appointed auditor's responsibilities

AREA	APPOINTED AUDITOR'S RESPONSIBILITIES	HOW WE HAVE MET OUR RESPONSIBILITIES
Statutory duties	Undertake statutory duties, and comply with professional engagement and ethical standards.	Appendix two outlines our approach to independence.
Financial statements and related reports	<p>Provide an opinion on audited bodies' financial statements and, where appropriate, the regularity of transactions.</p> <p>Review and report on, as appropriate, other information such as annual governance statements, management commentaries, and remuneration report.</p>	<p>Page eight summarises the opinions we have provided.</p> <p>Page 12 reports on the other information contained in the financial statements, covering the annual governance statement, management commentary and remuneration report</p>
Financial statements and related reports	Notify the Auditor General or Controller of Audit when circumstances indicate that a statutory report may be required.	Reviewed and concluded on the effectiveness and appropriateness of arrangements and systems of internal control, including risk management, internal audit, financial, operational and compliance controls.
Wider audit dimensions	<p>Demonstrate compliance with the wider public audit scope by reviewing and providing judgements and conclusions on the audited bodies':</p> <ul style="list-style-type: none"> - Effectiveness in the use of public money and assets; - Suitability and effectiveness of corporate governance arrangements; - Financial position and arrangements for securing financial sustainability; - Effectiveness of arrangements to achieve best value; and - Suitability of arrangements for preparing and publishing statutory performance information 	We have set our conclusions over the audit dimensions on page 14.

Auditor independence

Assessment of our objectivity and independence as auditor of Perth and Kinross Integration Joint Board ("the IJB")

Professional ethical standards require us to provide to you at the conclusion of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity

Independence and objectivity considerations relating to the provision of non-audit services

Summary of fees

We have considered the fees charged by us to the entity for professional services provided by us during the reporting period.

Total fees charged by us for the period ending 31 March 2019 can be analysed as follows:	2018-19 £	2017-18 £
Audit of Perth and Kinross IJB financial statements	20,700	20,070
Total audit services	20,700	20,070
Non-audit services	-	-
Total	20,700	20,070

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the IJB.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.








This report is intended solely for the information of the IJB and should not be used for any other purposes.








We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully,

KPMG LLP

Required communications with the IJB Board

Type	Response
Our draft management representation letter	 We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2019.
Adjusted audit differences	 There were no adjusted audit differences.
Unadjusted audit differences	 There were no unadjusted audit differences.
Related parties	 There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit and Performance Committee	 There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies	 We did not test any internal controls during our audit, and therefore have no deficiencies to report. Management retain the responsibility for maintaining an effective system of internal control.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts	 No actual or suspected fraud involving group or component management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements were identified during the audit.

Type	Response
Significant difficulties	 No significant difficulties were encountered during the audit.
Modifications to auditor's report	 There were no modifications to the auditor's report.
Disagreements with management or scope limitations	 The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information	 No material inconsistencies were identified related to other information in the annual report, management commentary and annual governance statement. The management commentary is fair, balanced and comprehensive, and complies with the law.
Breaches of independence	 No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.
Accounting practices	 Over the course of our audit, we have evaluated the appropriateness of the IJB's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Key audit matters discussed or subject to correspondence with management	 The key audit matters (summarized on pages ten and 11) from the audit were discussed with management.

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The action plan summarised specific recommendations arising from our work, together with related risks and management's responses.

We present the identified findings across four audit dimensions:

- financial sustainability;
- financial management;
- governance and transparency; and
- value for money.

Priority rating for recommendation

Grade one (significant) observations are those relating to business issues, high level or other important internal controls. These are significant matters relating to factors critical to the success of the organisation or systems under consideration. The weaknesses may therefore give rise to loss or error.

Grade two (material) observations are those on less important control systems, one-off items subsequently corrected, improvements to the efficiency and effectiveness of controls and items which may be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified.

Grade three (minor) observations are those recommendations to improve the efficiency and effectiveness of controls and recommendations which would assist us as auditors. The weakness does not appear to affect the availability of the control to meet their objectives in any significant way. These are less significant observations than grades one or two, but we still consider they merit attention.

Finding(s) and risk(s)	Recommendation	Agreed management actions
1. Budget setting (page 15)		Grade two
<p>The Core Health and Social Care budget for 2019-20 was approved on 15 February 2019, prior to the start of the following financial year as required. The GP Prescribing and Other Hosted Services budget was approved in June 2019, three months after the start of the financial year. At the time of this report, the Adult Mental Health budget has yet to be approved, for it to be discussed at the Board meeting in September 2019. This is six months for the start of the financial year.</p> <p>There is a risk that members and management are unable to respond to financial pressures in a timeous manner. We recognise that the IJB is reliant on the financial reporting of PKC and NHS Tayside.</p>	<p>We recommend that all budgets are discussed and approved prior to the start of the financial year.</p>	<p>Management response: Agreed</p> <p>Responsible officer: Chief Financial Officer</p> <p>Implementation date: 31 March 2020</p>

Action plan (continued)

Finding(s) and risk(s)	Recommendation	Agreed management actions
1. Budget setting (continued)		
Furthermore, the budgets in their current form do not incorporate the use of reserves and associated expenditure. As the IJB increases the use of reserves, there is a risk that the information provided to the Board does not give a clear picture of income and associated expenditure.	As a financial management tool, it is important that the financial plan includes the use of reserves and associated expenditure.	
2. Risk sharing agreement (page 18)		
<p>The integration scheme states that any overspend incurred from 2018-19 onwards may be allocated on a proportionate basis of each partners contribution to the IJB. For 2019-20, there has not yet been any agreement between partners on how any overspend may be shared and we understand discussions have been limited.</p> <p>We consider best practice to be a formal documentation of the agreement, which will assist in the partners approach to budgeting.</p> <p>It is generally recognised that proportionate risk sharing facilitates effective integration.</p>	<p>We recommend that partners are requested formally agree the approach for overspends on an annual basis in advance of the financial year on which agreement is sought.</p> <p>Consistency of approach, and consideration of third party guidance should be included as part of the agreement.</p>	<p>Grade two</p> <p>Management response: Agreed. There is recognition of the need to move towards a proportionate risk sharing agreement.</p> <p>Responsible officer: Chief Officer</p> <p>Implementation date: 31 March 2020</p>
3. Strategic and corporate planning capacity (pages 17 & 21)		
<p>Although management understand the importance of having a strategic plan in place, there have been significant delays to the preparation of the plan mainly due to lack of capacity within the organisation.</p> <p>We note that the IJB is currently developing a workforce plan. The plan was due by 31 March 2019 however, from the review of the June 2019 risk register, we note that the issue is now overdue.</p> <p>Continued changes in IJB membership reduce the level of experience and ability of members to adequately consider, challenge and support management proposals. In this context, the importance of officer capacity is enhanced.</p>	<p>It is recommended that the Chief Officer addresses key gaps required to provide sufficient officer capacity in respect of strategic and corporate planning in order to ensure the IJBs effectiveness.</p>	<p>Grade one</p> <p>Management response: Agreed. The need for an enhanced corporate and strategic planning capacity as being considered. The organisational restructure of the IJB will address this.</p> <p>Responsible officer: Chief Officer</p> <p>Implementation date: 31 March 2020</p>

Prior year recommendations

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We follow up prior-year audit recommendations to determine whether these have been addressed by management. The table below summarised the recommendations made during the 2016-17 final audit and their current status.

Grade	Number recommendations raised	Implemented	In progress	Overdue
Final	3	1	-	2

We have provided a summary of progress against 'in progress' actions below, and their current progress.

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions	Status
1. Financial reporting timeliness (page 15)	Grade two		
<p>During our audit, we review financial reporting as part of our assessment of financial management. We identified on that financial reporting was in excess of two months behind, most notably on 23 March 2018, were the financial position being reported was 31 December 2017.</p> <p>There is a risk that members and management are unable to respond to financial pressures in a timely manner. We recognise that the IJB is reliant on the financial reporting of PKC and NHS Tayside.</p>	<p>We recommend that management discuss with partners the financial reporting process. Any reduction in the timescales would allow members to make decisions based on more up to date information.</p>	<p>Management response: Agreed. Actions have been taken to accelerate financial reporting which will ensure an improvement in timescales for reporting.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Implementation date: Complete</p>	<p>Implemented</p> <p>We are satisfied that management have implemented this recommendation.</p>

Prior year recommendations (continued)

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Finding(s) and risk(s)	Recommendation(s)	Agreed management actions	Status
2. Risk sharing agreement (page 18)	Grade two		
<p>The integration scheme states that any overspend incurred from 2018-19 onwards may be allocated on a proportionate basis of each partners contribution to the IJB. For 2018-19, there has been an informal agreement between the partners that any overspend will be met by the partner with operational responsibility. There is no formal documentation for this arrangement.</p> <p>From our discussion with management, and our understanding of the integration scheme, we consider best practice to be a formal documentation of the agreement, which will assist in the partners approach to budgeting.</p>	<p>We recommend that the partners formally agree the approach for overspends on an annual basis in advance of the financial year on which agreement is sought.</p>	<p>Management response: Agreed.</p> <p>Responsible officer: Chief Officer</p> <p>Implementation date: 31 October 2018</p>	<p>Not implemented</p> <p>No formally documented position has been reached. See current year recommendation two.</p>
3. Workforce planning (page 21)	Grade three		
<p>The IJB's workforce plan is being developed. Once complete this will reflect the NHS approach to workforce planning. The executive team has completed work to date, however the workforce plan has still to be approved by the Board.</p> <p>There is a risk, given the demographics of the workforce, that without a workforce plan in place there could be a detrimental impact to the achievement of the IJB's strategy.</p>	<p>The IJB should progress workforce planning to identify and address potential skills gaps.</p>	<p>Management response: Agreed. Development of workforce plans will be a key priority for each Care Programme Board.</p> <p>Responsible officer: Clinical Director / Head of Health</p> <p>Implementation date: 31 March 2019</p>	<p>Not implemented</p> <p>Through reviewing the risk register, it was noted that the workforce plan has not been completed yet. See current year recommendation three.</p>



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Perth and Kinross
Integration Joint Board

Audited Accounts 2018/19





SECTION 1
MANAGEMENT COMMENTARY

SECTION 2
STATEMENT OF RESPONSIBILITIES

SECTION 3
REMUNERATION REPORT

SECTION 4
ANNUAL GOVERNANCE STATEMENT

SECTION 5
ANNUAL ACCOUNTS

SECTION 6
NOTES TO THE ANNUAL ACCOUNTS

SECTION 7
INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF PERTH AND KINROSS
INTEGRATION JOINT BOARD

SECTION 8
GLOSSARY OF TERMS

SECTION 1: MANAGEMENT COMMENTARY

INTRODUCTION

This publication contains the financial statements for Perth and Kinross Integration Joint Board (IJB) for the year ended 31 March 2019.

The Management Commentary outlines key messages in relation to the objectives and strategy of IJB and the financial performance of the IJB for the year ended 31 March 2019. It also provides an indication of the issues and risks which may impact upon the finances of the IJB in the future and the challenges it faces in meeting the needs of the people of Perthshire and Kinross.

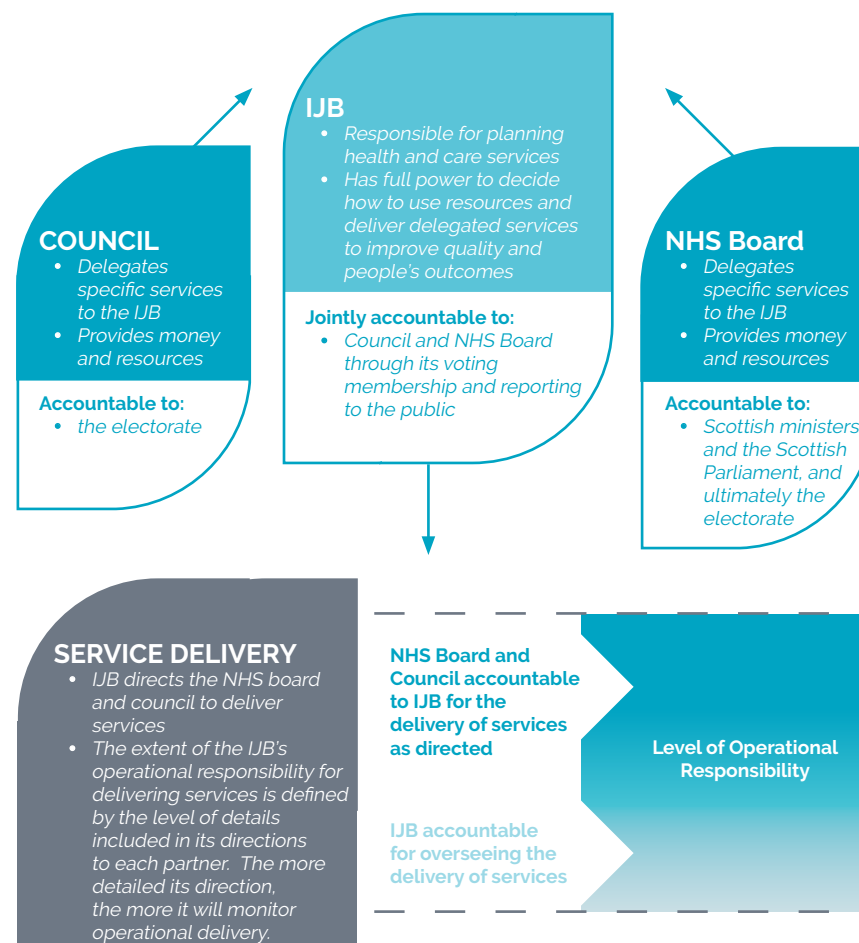
The IJB was established as a body corporate by order of the Scottish Ministers on 3 October 2015 as part of the establishment of the framework for the integration of health and social care in Scotland under the Public Bodies (Joint Working) (Scotland) Act 2014.

The IJB is a legal entity responsible for the strategic planning and commissioning of a wide range of services across Perth and Kinross. This includes social care, primary and community healthcare and unscheduled care for adults. In addition the IJB plans and commissions specific health care services across Tayside by means of hosted services arrangements agreed in the Integration Scheme between NHS Tayside and Perth & Kinross Council.

Exhibit 1 sets out the business model that supports the IJB's activities.

Exhibit 1 *Integration Joint Boards*

*There are 30 Integration Joint Boards across Scotland.
Source: Audit Scotland*



SECTION 1: MANAGEMENT COMMENTARY

Perth & Kinross Council and NHS Tayside (Health Board), as the parties to the Integration Scheme, each nominate four voting members to sit on the IJB. The Council nominates Elected Members and the Health Board Non-Executive Directors.

An NHS Tayside Board Non Executive nominee was the Chair of the IJB during 2018/19 and the Vice-Chair was drawn from Perth & Kinross Council. A number of non-voting Representative Members sit on the IJB and contribute to its proceedings. These Representatives are chosen from the Third Sector, Carers, Services Users, and Council and NHS Board staff. A GP Stakeholder Member has also been appointed along with a Medical Practitioner who is not a GP.

Management support to the IJB is led by the Chief Officer. The operational structure is a composite of three principal service areas:

- *Community Health/Hospital & Other Hosted Services*
- *Adult Social Care Services*
- *Inpatient Mental Health Services*

In line with the Integration Scheme, corporate support to the IJB is provided by each parent body. Across a range of functions differing levels of support have been provided and significant work has been taken forward in 2018/19 to integrate and where necessary enhance resources available to build effective partnership functions.

The IJB's Chief Financial Officer has led the development of an integrated finance team for Perth and Kinross Health and Social Care Partnership (PKHSCP) building on the finance support provided by Perth & Kinross Council and NHS Tayside. Further work is now being taken forward to develop other key integrated functions including performance, strategic planning and business support services during 2019/20.

A new Chief Officer commenced on 1 April 2019. The Chief Officer will review current leadership and management arrangements with a view to further integration.

PURPOSE AND OBJECTIVES OF THE IJB

The main purpose of integration is to improve the wellbeing of families, communities and people who use health and social care services, particularly those whose needs are complex and involve support from health and social care at the same time.

The IJB approved the following Vision for the Health and Social Care Partnership as part of its approved Strategic Plan for 2016-19:

"We will work together to support people living in Perth and Kinross to lead healthy and active lives and live as independently as possible in their own homes, or in a homely setting with choice and control over the decisions they make about their care and support."

SECTION 1: MANAGEMENT COMMENTARY

The Strategic Plan sets out a number of Strategic Objectives designed to ensure a direction of travel by the Perth and Kinross Health and Social Care Partnership (PKHSCP) consistent with National Objectives:

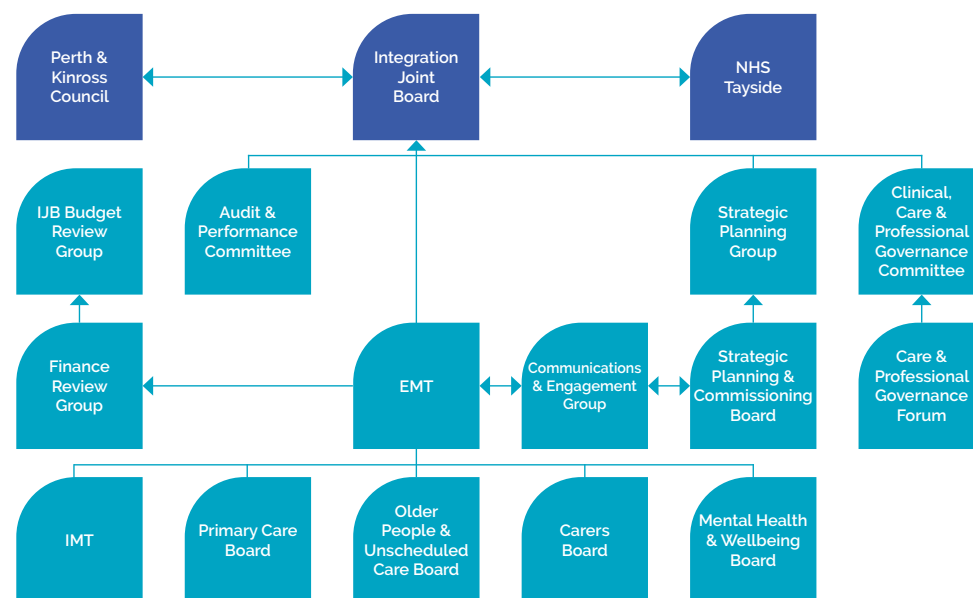
1. *Prevention and early intervention*
2. *Person-centred health, care and support*
3. *Working together with our communities*
4. *Reducing inequalities and unequal health outcomes and promoting healthy living*
5. *Making best use of available facilities, people and other resources*

A review and refresh of the 2016-19 Strategic Plan is due to be completed by September 2019 however the overall vision and strategic objectives are not expected to change.

In 2018/19, PKHSCP redesigned its Strategic Planning Framework, creating four Programmes of Care (Older People and Unscheduled Care, Mental Health and Wellbeing, Primary Care, and Carers) to provide a co-ordinated approach to achieving the objectives of the PKHSCP Strategic Commissioning Plan. **Exhibit 2** sets out the governance arrangements that support delivery of PKHSCP strategic priorities. The IJB's strategic ambitions sit alongside operational imperatives across a wide range of services. This creates a very challenging landscape for each Programme Board in developing and overseeing implementation of major plans for service redesign.

A summary of progress during 2018/19 and priorities moving forward for each Strategic Programme along with Inpatient Mental Health Services (which the IJB host on behalf of all 3 Tayside IJBs) are set out on the following pages.

Exhibit 2 Governance Arrangements



SECTION 1: MANAGEMENT COMMENTARY



Older People and Unscheduled Care (OPUSC) Board

During 2018/19 the IJB received the Strategic Delivery Plan for Older People and Unscheduled Care which sets out plans for:

- *promoting thriving, resilient communities through volunteering, social prescribing and neighbourhood initiatives;*
- *investing in a rehabilitative model of care, based in communities to significantly improve people's ability to remain at home for as long as possible;*
- *reviewing the use of our inpatient hospital bed base and care home placements, exploring where possible, new models to support people in their own homes for as long as possible and to ensure equity of access;*
- *enhancing technology enabled care and home health monitoring to help people remain living in their own homes;*
- *continuing to improve the Admission and Discharge Pathways for people between hospital and the community.*

This ambitious transformation of services will be implemented during 2019/20.



SECTION 1: MANAGEMENT COMMENTARY



Mental Health and Wellbeing Board (MHWB)

During 2018/19 the Mental Health and Wellbeing Board agreed key principles for transformation of services moving forward:

- *Support individuals to maximise their independence and health with the right support at the right time with a focus on early intervention and prevention.*
- *Embed multidisciplinary team working at the heart of 'seamless' care pathways and support for people and promote equalities.*
- *Implement a model of care that is financially sustainable.*

Detailed plans have been developed to enhance support to people with Mental Health issues, which will significantly increase the number of dedicated mental health professionals in statutory and non-statutory services in line with Action 15 of the Scottish Government Mental Health Strategy for which £0.300M was allocated to the IJB in 2018/19.

Detailed plans have also been developed to enhance services for people with Drug and Alcohol issues. Additional Scottish Government funding will be focused on enhancing the full pathway of a '*Recovery Oriented System of Care*' including multidisciplinary clinics, a Recovery Community and increased support for harm reduction.



SECTION 1: MANAGEMENT COMMENTARY

During 2019/20, we will be developing plans for new models of complex care for clients with Learning Disability and/or Autism. The aim is to develop a financially sustainable model that provides a high quality of care, delivering improved outcomes.

Further, as part of the wider Mental Health Alliance being established across Tayside we will work together to provide seamless care across pathways.



Primary Care Board (PCB)

During 2018/19 the Primary Care Board has overseen several significant programmes of transformation.

The PKHSCP Primary Care Improvement Plan approved by the IJB in June 2018 will significantly transform primary care services in direct support of general practice under the terms of the 2018 General Medical Services contract (the GMS contract). This includes redesign of vaccination services, ensuring effective pharmacotherapy services, establishing new Community Care and Treatment services, transforming urgent care through establishment of Advanced Nurse Practitioner-led services, implementing a musculoskeletal first point of contact, and aligning improved mental health support services to GP practices. Ongoing review and implementation of the Primary Care Investment Fund will be a significant priority for the PKHSCP in 2019/20.

During 2018/19 the PKHSCP Quality Safety and Efficiency in Prescribing Programme has been established. A significant focus has been on the development of management information to understand variation across GP Practices and identify opportunities to improve effectiveness and efficiency. The impact of the increasing older population in Perth and Kinross has significantly increased expenditure on prescribing. We are engaging proactively with all GP Practices across Perth and Kinross to maximise effectiveness. Prescribing trends in Perth and Kinross (November 2018) highlight that all of the major indicators demonstrate improvements.



Other Hosted Services

As part of the IJB's wider responsibilities for hosted services significant review and redesign has been progressed. Prison Healthcare activity has focused on ongoing service improvement following an inspection from Her Majesty's Inspectorate of Her Majesty's Prison Perth and continuing with the Patient Safety Collaborative. The service has made some significant progress in relation to the provision of healthcare which has been commended in a follow-up inspection.

There has been remodelling of the Podiatry workforce to enhance inequity of specialist podiatry care across Tayside and optimise on the skill mix to support safe and effective patient care. We have supported the building of capacity and community capability for self-care.

SECTION 1: MANAGEMENT COMMENTARY

For public dental services activity has continued to focus on providing high-quality and accessible care for patients who have special care needs or who have difficulty accessing mainstream clinical services.



Carers Board

The Carers Board approved the PKHSCP Short Break Services Statement on 6 December 2018. This is in line with the requirements of the Carers Scotland Act 2016. There is work underway in terms of public consultation allowing co-production of the Carers Strategy.



Inpatient Mental Health Services:

The IJB hosts Inpatient Mental Health Services on behalf of all 3 IJBs in Tayside. During 2018/19, there have been significant challenges relating to the supply, attraction and retention of critical posts for medical and nursing workforce. We are developing a Mental Health Workforce Plan which will include a programme of work to reform the workforce across mental health with a clear understanding of current state and future workforce needs. In parallel we are progressing the implementation of the agreed Mental



SECTION 1: MANAGEMENT COMMENTARY

Health Transformation Plan which seeks to redesign the bed base across Tayside to deliver safe, effective services that are sustainable. We have worked in partnership with NHS Tayside and all 3 IJB's to establish a new Mental Health Alliance aimed at involving all stakeholders in the future redesign pathways and models of care moving forward. Further, our Mental Health & Learning Disabilities Improvement Plan aims to encourage and enable staff to work with people who use our services to deliver improvement in their areas, and to demonstrate how these improvements have made a difference. The primary purpose of the quality improvement programme is to improve patient outcomes.



Large Hospital Set Aside

The Older People and Unscheduled Care Board and the Perth Royal Infirmary (PRI) Clinical Forum have been critical in helping us to understand the impact of planned changes to service provision and performance on the delegated hospital budgets including large hospital set aside. There is also joint working around service design in relation to some clinical pathways.

The 3 Year Financial Plan for Core Health and Social Care Services, agreed by the IJB, sets out an anticipated shift in resources from bed-based to community over the three year period.

PERFORMANCE REVIEW

The Scottish Government has determined a key set of performance indicators that they consider measure the progress of integration. Our performance compared to last year against each of the indicators is set out below.

Ministerial Strategic Group for Health and Community Care (MSG)
Table 1 - MSG indicators

MSG Indicator	MSG Description	IJB Total Previous Year 2017/18	IJB Current Year 2018/19	IJB YTD diff from 2017/18
1a	Emergency Admissions	15,021	14,592	429
2a	Unscheduled hospital bed days	102,451	96,867	5,584
3a	A&E Attendances	32,506	32,888	382
4.1	Delayed discharge bed days*	16,785	14,203	2,582
5.1	Proportion of last 6 months of life spent at home or in a community setting	89.64%	89.68%	0.04%
6.1	Percentage of population at home unsupported	90.00%	n/a**	n/a

*All ages DDs including complex cases

** Information not available until October 2019

SECTION 1: MANAGEMENT COMMENTARY

Emergency Admissions

Enabling people to improve their own health and wellbeing is a key outcome for the health and social care partnership. One of the measures we use to understand if people are improving their own health is if they are reducing their likelihood of being admitted to hospital in an emergency with a resultant drop in emergency admissions. For the PKHSCP the number of emergency admissions over the last four years is relatively stable showing a slowly reducing/improving trend. This continues to be the case when we compare last year's numbers of emergency admission to this year. The target for 2018/19 was 14,875 which means that the target was achieved and improved upon.

Unscheduled (Unplanned) Hospital Bed Days

People who improve their own health and wellbeing are more likely to avoid a hospital admission and the resultant use of a hospital bed during their stay. But once a hospital admission has been necessary in an emergency, it is important for people to get back home as soon as they are fit to be discharged to avoid the risk of them losing their confidence and ability to live independently. Reducing the number of emergency bed days caused by unplanned admissions is how we measure our ability to get these people home faster. In PKHSCP we have seen a consistent reduction in the number of emergency bed days over the past 4 years. This continues to be the case in 2018/19 when comparing to previous years. The target for 2018/19 was 105,019 which means that the target was achieved and improved upon.

A&E Attendances

Reducing A&E attendances is an ongoing challenge across Scotland. Currently A&E attendances are seeing a slow increase each year. A&E attendances can be an indication of the degree to which community services are helping people receive care in the right place at the right time. PKHSCP are working in collaboration with NHS Tayside to review attendances and pathways; increase awareness and use of Anticipatory Care Plans; develop Community Care & Treatment Centres; focus on early intervention and prevention. Along with a variety of additional strategies the PKHSCP plan to slowly reduce A&E attendances over the coming years. The target for 2018/19 was 31,825 which means that the target was missed.

Proportion of Last Six Months of Life Spent at Home or in a Community Setting

The proportion of last six months of life spent at home or in a community setting should ideally represent the wishes and choices for patients and their carers and also demonstrates the effectiveness of having a planned approach to end of life care. For PKHSCP this is a positive indicator that demonstrates our year on year ability to meet the wishes of our people and support more of them at home receiving palliative or end of life care and our ability to support those with the most complex needs in their own home in their last six months of life and in accordance with their wishes. The final value for 2017/18 is 89.64%. The target is to maintain or improve on this value. The final value for 2018/19 was 89.68% which is an improvement over the previous year.

SECTION 1: MANAGEMENT COMMENTARY

Delayed Discharge

People should not have to wait unnecessarily for appropriate care to be provided after treatment in hospital. Being delayed in hospital is a poor outcome for the individual, is an ineffective use of scarce resource and potentially denies an NHS bed for someone else who might need it. Over the past four years, there has been a year on year improving picture in relation to delayed discharge for Perth and Kinross. We have recently seen the lowest level of delayed discharge since 2014. For people delayed, this represents a reduction in the impact of unnecessary time spent delayed in a hospital bed and reduces their chances of a poorer health and wellbeing outcome. The 2018/19 target for delayed discharge was 17,258. The final 2018/19 value was 14,203 which means that the target was achieved and improved upon.

Percentage of Population at Home Unsupported

This new measure will demonstrate the combined success of a variety of key priorities of the PKHSCP in shifting people away from high cost institutional care to lower cost care in the community where people's health and wellbeing will be greatly improved. It is expected that we will be tracking this measure for a number of years. No data available to set targets until October.

FINANCIAL MANAGEMENT

Background

The IJB's finance's are overseen by the IJB's Chief Financial Officer. The Chief Financial Officer is supported by finance staff from both Perth & Kinross Council and NHS Tayside.

Prior to April 2016, the IJB had developed the financial governance infrastructure required to allow it to assume new responsibilities from 1 April 2016. That financial governance infrastructure continues to be reviewed and refreshed.

Analysis of Financial Statements

The main objective of the Annual Accounts is to provide information about the financial position of the IJB that is useful to a wide range of users in making and evaluating decisions about the allocation of resources.

The 2018/19 Annual Accounts comprise:

- (a) **Comprehensive Income and Expenditure Statement**
- this shows a surplus of £2.470M. This is made up of a breakeven position for the IJB overall plus £2.470M of earmarked funding that is being transferred to reserves for future commitments. Further detail is provided in section c) below and in Note 6. The underlying out-turn for the IJB is a £1.160M overspend. However in line with the risk sharing agreement with NHS Tayside and Perth & Kinross Council further non-recurring budget has been devolved to the IJB to deliver breakeven.

SECTION 1: MANAGEMENT COMMENTARY

- (b) **Movement in Reserves** - *Earmarked reserves of £2.470M have been generated. Most significantly from Mental Health Action 15 Funding, Alcohol and Drug Partnership Funding and Primary Care Improvement Funding. This surplus has been transferred to earmarked IJB reserves for specific projects and commitments.*
- (c) **Balance Sheet** - *In terms of routine business the IJB does not hold assets, however the transfer of £2.470M of earmarked reserves is reflected in the year-end balance sheet.*
- (d) **Notes** - *comprising a summary of significant accounting policies, analysis of significant figures within the Annual Accounts and other explanatory information.*

The Annual Accounts for 2018/19 do not include a Cash Flow Statement as the IJB does not hold any cash or cash equivalents.

SECTION 1: MANAGEMENT COMMENTARY

Financial Performance 2018/19

Our financial performance for the year compared to Financial Plan is summarised in the table below:

	Financial Plan Shortfall £M	Budget £M	Actual Expenditure £M	Year-End Variance Over/(-)Under £M
Older Peoples Service/Physical Disabilities incl. AHPs	0.046	66.279	66.485	0.206
Learning Disabilities/Mental Health/Addictions	0.000	24.177	24.591	0.414
Planning/Management /Other Services	0.000	7.913	7.230	(0.683)
Sub-Total Core Services	0.046	98.369	98.306	(0.063)
Prescribing	0.438	26.678	27.520	0.842
General Medical Services	0.000	24.109	24.114	0.005
FHS	0.000	17.400	17.366	0.034
Hosted Services	0.436	21.023	21.433	0.410
Large Hospital Set-Aside	0.000	14.346	14.346	0.000
Sub-Total All Services	0.920	201.925	203.085	1.160
Additional Budget from Partner Body				
NHS Tayside		0.319		(0.319)
Perth & Kinross Council		0.841		(0.841)
Sub-Total		203.085	203.085	0.000
Transfer to General Fund Reserves	0.000	2.470	0.000	(2.470)
Total	0.920	205.555	203.085	(2.470)

SECTION 1: MANAGEMENT COMMENTARY

The out-turn in 2018/19 was an overspend of £1.160M, this compared to a financial plan gap of £0.920m. The primary areas of overspend are within:

- *Older People and Physical Disabilities Services due to unanticipated demand for Care Home Placements and Care at Home Services;*
- *Learning Disabilities and Mental Health Services due to an unprecedented level of demand for Community Services;*
- *GP Prescribing due to growth above expectation, undelivered savings and the impact of an unanticipated national reduction in funding;*
- *Inpatient Mental Health Services driven by supplementary staffing and a historic balance of undelivered savings.*

Of the £5.3M approved savings within Core Health and Social Care, £4.8M were delivered (90%). The undelivered balance contributed to the overall overspend position.

At the year end both Perth & Kinross Council and NHS Tayside increased the devolved budget to the IJB by £0.841M and £0.319M respectively, in order to support delivery of breakeven for 2018/19 in line with the Integration Scheme.

During 2018/19, funding was received from Scottish Government for a number of initiatives. These included Mental Health Action 15 monies, Alcohol & Drug Partnership Funding and funding to implement the Primary Care Improvement Plan. The underspend of £2.470M against these funds in 2018/19 has been transferred to an earmarked IJB reserve to meet future year commitments.

Financial Outlook, Risks and Plans for the Future

The IJB, like many other Integration Joint Boards, faces significant financial challenges and will be required to operate within very tight financial constraints for the foreseeable future due to the difficult national economic outlook and increasing demand for services.

A 3 Year Financial Plan for Core Health & Social Care Services has been approved by the IJB for 2019/20: 2021/22. A budget settlement with Perth & Kinross Council and NHS Tayside has been agreed for 2019/20 with indicative allocations for 2020/21 and 2021/22. A gap of circa £5M is currently predicted over the 3 year period despite a significant transformation and efficiency programme.

The scale of pay, price and demand pressures across social care services in particular is our biggest financial challenge. The IJB is committed to delivering services within resources available and a range of further radical proposals will be brought forward over 2019/20 to support delivery of financial balance.

Prescribing is another significant financial challenge for the IJB, with the increasing elderly population having a direct impact on growth. In addition, unanticipated increases in the price of medicines in 2018/19 are expected to continue in 2019/20. Therefore despite a significant programme of efficiencies driven through the Quality Safety and Efficiency Programme (QSEP) and allocation of additional funding, an overspend is still predicted for 2019/20.

SECTION 1: MANAGEMENT COMMENTARY

The IJB have hosting responsibility for Inpatient Mental Health services and whilst any overspend is shared across the three IJBs in Tayside, the IJB have strategic responsibility to deliver a financially sustainable service. An overspend is predicted again for 2019/20 with anticipated savings from approved transformation plans not delivered as expected. Under new leadership, but facing significant challenges, a revised service model across General Adult Psychiatry and Learning Disabilities is being developed. This new model must support workforce and financial sustainability in the medium term. A new Mental Health Alliance across Tayside is being established which will ensure joint collaboration to deliver effective and affordable services.

In addition to the financial challenge a number of other key risks have been identified that may impact on the ability of the IJB to meet its Strategic Objectives:

- **Workforce:** *PKHSCP face a number of recruitment and retention challenges that may impact on the deliverability of existing and proposed service models. A number of factors are impacting on availability of staff including national shortages, the age of our workforce, rurality and the local economy. An integrated workforce plan is now required to identify the actions required to redesign sustainable models of care to within workforce expected to be available.*
- **Strategic planning and leadership:** *Both the Audit Scotland Update Report on Health and Social Care (November 2018) and the Ministerial Strategic Group*

Review of progress with Integration of Health and Social Care (February 2019) highlighted a number of challenges that need to be addressed on a Scotland-wide basis to ensure the success of integration and speed up change. Appropriate leadership capacity and including strategic planning capacity have been particularly highlighted and this has been regularly reflected in our own assessments of effectiveness. The new Chief Officer will seek to understand the capacity gaps within PKHSCP and agree with both parent bodies the actions required to ensure a sustainable leadership structure that has the strategic planning capability to increase the pace of change.

FURTHER INFORMATION

You can find links to the IJB's Integration Scheme, Strategic Plan and all formal Board papers on the Health and Social Integration section of Perth & Kinross Council's website.

Further information regarding the Annual Accounts can be obtained from:

Chief Financial Officer
Perth & Kinross IJB
2 High Street
PERTH
PH1 5PH

SECTION 1: MANAGEMENT COMMENTARY

CONCLUSION AND ACKNOWLEDGEMENTS

We are pleased to record that during 2018/19 the IJB has successfully delivered health and social care services to the population of Perth and Kinross and, for hosted services, to the population of Tayside. We acknowledge this has been a challenging year and the IJB's success has only been achieved through the hard work of staff employed in Perth & Kinross Council and NHS Tayside and other partner organisations.

Looking forward, while the IJB faces continuing challenging financial circumstances it also plans to continue to take advantage of the opportunities available through Health and Social Care Integration to best deliver affordable health and social care services for the population of Perth and Kinross.

Robert Peat

IJB Chair

Gordon Paterson

Chief Officer

Jane Smith

Chief Financial Officer

Date: 27/9/19

SECTION 2: STATEMENT OF RESPONSIBILITIES

This statement sets out the respective responsibilities of the IJB and the Chief Financial Officer, as the IJB's Section 95 Officer, for the Annual Accounts.

RESPONSIBILITIES OF THE INTEGRATION JOINT BOARD

The Integration Joint Board is required to:

- *make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (Section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Chief Financial Officer;*
- *manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;*
- *ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland act 2003);*
- *approve the Annual Accounts.*

I confirm that these Annual Accounts were approved for signature at a meeting of the Integration Joint Board on 27 September 2019.

Signed on behalf of the Perth and Kinross IJB

Robert Peat
IJB Chair

Date: 27/9/19

SECTION 2: STATEMENT OF RESPONSIBILITIES

RESPONSIBILITIES OF THE CHIEF FINANCIAL OFFICER

The Chief Financial Officer is responsible for the preparation of the IJB's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Chief Financial Officer has:

- *selected suitable accounting policies and then applied them consistently;*
- *made judgements and estimates that were reasonable and prudent;*
- *complied with legislation;*
- *complied with the local authority Code (in so far as it is compatible with legislation).*

The Chief Financial Officer has also:

- *kept proper accounting records which were up-to-date;*
- *taken reasonable steps for the prevention and detection of fraud and other irregularities.*

I certify that the financial statements give a true and fair view of the financial position of the Perth and Kinross Integration Joint Board as at 31 March 2019 and the transactions for the year then ended.

Jane Smith
Chief Financial Officer

Date: 27/9/19

SECTION 3: REMUNERATION REPORT

INTRODUCTION

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It discloses information relating to the remuneration and pension benefits of specified IJB members and staff.

The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditor to ensure it is consistent with the financial statements.

BOARD MEMBERS

At 31 March 2019, Perth and Kinross IJB had 8 voting members and 12 non-voting members as follows:

Voting Members:

Robert Peat (Chair)

Councillor Xander McDade

Councillor Colin Stewart (Vice-Chair)

Gillian Costello (Nurse Director)

Councillor Callum Purves

Lorna Birse Stewart (Non-Executive Member)

Councillor Eric Drysdale

Professor Nic Beech (Non-Executive Member)

Non-voting Members:

Robert Packham (Chief Officer)

Dr Drew Walker (Director of Public Health)

Jane Smith (Chief Financial Officer)

Allan Drummond (Staff Organisations Rep)

Jacqueline Pepper (Chief Social Work Officer)

Stuart Hope (Staff Organisations Rep)

Clare Gallagher (Third Sector Representative)

Jim Foulis (Associate Nurse Director)

Linda Lennie (Service User Representative)

Dr Alistair Noble (SACH and External Advisor)

Bernie Campbell (Carers Representative)

During 2018/19 the position of Chair was held by Steven Hay, Non-Executive, until 10 September 2018, then by Robert Peat, Non-Executive, from 1 October 2018 until present day.

The position of Vice-Chair was held by Councillor Crawford Reid until 30 April 2018. The position of Vice-Chair from May 2018 until present day has been filled by Councillor Colin Stewart.

SECTION 3 REMUNERATION REPORT

IJB CHAIR AND VICE-CHAIR

The voting members of the IJB are appointed through nomination by Perth & Kinross Council and NHS Tayside. Nomination of the IJB Chair and Vice-Chair postholders alternates between a Councillor and a Health Board representative.

The IJB does not provide any additional remuneration to the Chair, Vice-Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. There were no taxable expenses paid by the IJB to either the Chair or the Vice-Chair in 2018/19.

The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of voting IJB members. Therefore no pension rights disclosures are provided for the Chair or Vice-Chair.

OFFICERS OF THE IJB

The IJB does not directly employ any staff in its own right; however specific post-holding officers are non-voting members of the Board.

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB.

The employment contract for the Chief Officer adheres to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the IJB.

Other Officers

The Integration Joint Board requires to appoint a proper officer who has responsibility for the administration of its financial affairs in terms of Section 95 of the 1973 Local Government (Scotland) Act. The employing contract for the Chief Financial Officer adheres to the legislative and regulatory governance of the employing partner organisation. The Chief Financial Officer is included in the disclosures below:

Total 2017/18 £	Senior Employees	Salary, Fees & Allowances £	Total 2018/19 £
86,112	Rob Packham Chief Officer	89,261	89,261
70,539	Jane Smith Chief Financial Officer	72,675	72,675
156,651	Total	161,936	161,936

In respect of officers' pension benefits the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no

SECTION 3: REMUNERATION REPORT

pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.

The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/18	For Year to 31/03/19		Difference from 31/03/18	As at 31/03/19
	£	£		£	
Rob Packham Chief Officer	13,168	13,510	Pension	1,781	26,726
			Lump sum	5,344	80,178
Jane Smith Chief Financial Officer	10,513	10,829	Pension	2,065	22,979
			Lump sum	1,490	51,169
Total	23,681	24,339	Pension	3,846	49,705
			Lump Sum	6,834	131,347

Disclosure by Pay Bands

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50,000 or above, in bands of £5,000.

Number of Employees in Band	Remuneration Band	Number of Employees in Band
2017/18		2018/19
1	£70,000 - £74,999	1
1	£85,000 - £89,999	1

Exit Packages

No exit packages were paid to IJB staff during this period or the previous period.

Robert Peat
IJB Chair

Gordon Paterson
Chief Officer

Date: 27/9/19

SECTION 4: ANNUAL GOVERNANCE STATEMENT

INTRODUCTION

The Annual Governance Statement explains the IJB's governance arrangements and reports on the effectiveness of the IJB's system of internal control.

SCOPE OF RESPONSIBILITY

The IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

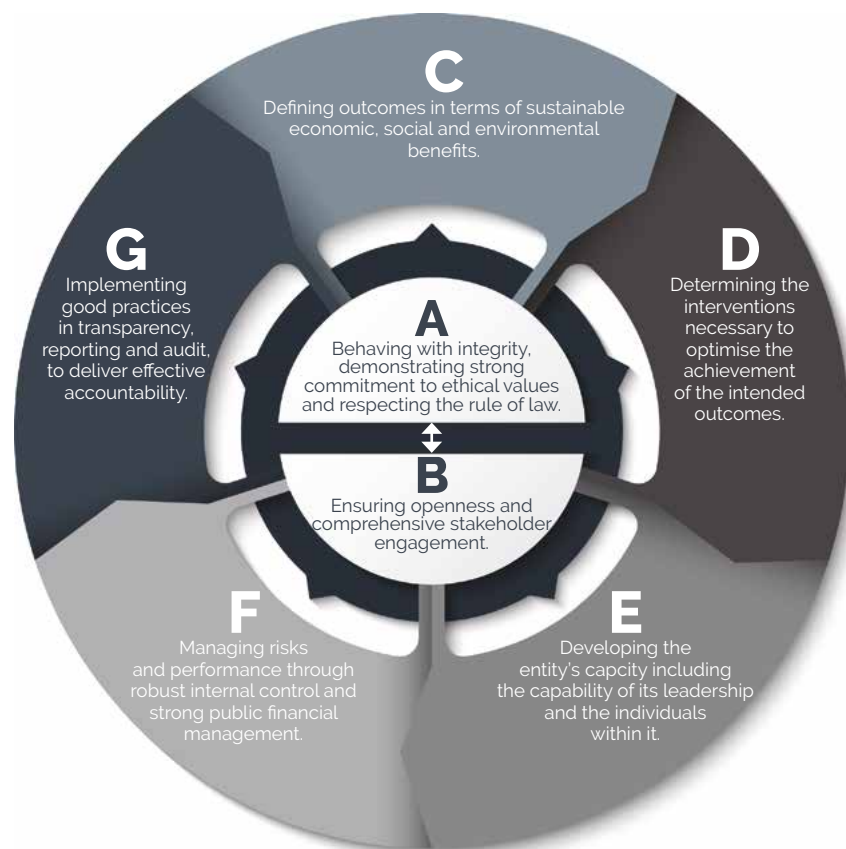
To meet this responsibility the IJB has established arrangements for governance that includes a system of internal control. The system is intended to manage risk to support achievement of the IJB's policies, aims and objectives. Reliance is also placed on the NHS Tayside and Perth & Kinross Council systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisations' aims and objectives including those of the IJB. Assurance has been received from both NHS Tayside and Perth and Kinross Council as to the effectiveness and adequacy of those systems. The systems can only provide reasonable and not absolute assurance of effectiveness.

PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values by which the IJB is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the IJB to monitor the achievement of its strategic priorities and to consider whether those priorities have led to the delivery of appropriate, cost-effective services. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the IJB's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The core principles of good governance are set out in the diagram on the following page.

SECTION 4: ANNUAL GOVERNANCE STATEMENT



As a relatively new public body, the IJB supported by the Executive Management Team (EMT) have worked hard to develop an effective governance framework underpinned by these principles and to ensure that it operates effectively in practice. We have been supported by our parent bodies but have also sought to identify best practice systems and processes from elsewhere. The key features of the governance framework that were in place during 2018/19 are summarised below.

LEADERSHIP, CULTURE AND VALUES

A code of conduct for members and employees is in place along with a register of interest. A standards officer has been appointed and standing orders are in place. The development programme for IJB members has been in place since inception and this has been a key feature in developing working relationships between the Chair, members and officers. This includes visits to our health and social care services in the community, in hospitals and in the prison. It also includes the provision of induction sessions/refreshers at regular intervals. This has been particularly important in the face of significant changes to membership.

The Chair and Chief Officer meet regularly and the Chief Financial Officer and Chair of the Audit and Performance Committee meet on a monthly basis. The Strategic Commissioning Plan has provided a clear sense of shared direction and purpose across the IJB membership and PKHSCP Team and the refresh which is underway will further align our collective and collaborative activity.

SECTION 4: ANNUAL GOVERNANCE STATEMENT

The IJB Chair is supported effectively to carry out his role with independent legal and governance support and effective committee services. The Chief Officer is a Director in the parent organisations, a member of the Executive Teams, attends the NHS Board and Council and is directly accountable to both Chief Executives, who provide regular one to ones. As well as the support from both parent bodies' Executive Group, the Chief Officer benefits from the support of the Council's Chief Social Work Officer, who is a member of the IJB and the Clinical and Professional Governance Forum.

STAKEHOLDER ENGAGEMENT

The IJB Meetings are public meetings and membership includes wide stakeholder representation including carers, service users and the third sector. A Communication Strategy and Participation and Engagement Strategy have been agreed by the IJB at inception and both are now being refreshed to learn from our experience thus far.

The Strategic Commissioning Plan was developed following engagement with over 4,000 local people and the role and membership of the Strategic Planning Group has been refreshed to ensure it provides a critical forum for wide stakeholder involvement in shaping strategic delivery plans moving forward. Our locality managers are part of the Local Action Partnerships (Community Planning). In addition the PKHSCP is represented on a number of wider community groups, eg Alcohol and Drugs Partnership. Our overarching Strategic Planning and Commissioning Board and four Strategic

Programme Boards have been designed to promote strong leadership and engagement with clinical stakeholders. In developing its new Strategic Commissioning Plan the PKHSCP will engage further with key stakeholders and will also reflect on the effectiveness of the existing strategic planning and engagement activity. A refresh of the role and remit of the Communications and Engagement Group is underway as well as a review of corporate support.

We have a Health and Social Care Strategic Forum, facilitated by Perth & Kinross Association of Voluntary Service (PKAVS), our third sector interface. This connects third sector organisations into the PKHSCP and contributes to joint strategic planning and commissioning, organisational development, locality working, volunteering and quality assurance. Feedback from members confirms that the forum provides an effective means for raising issues and influencing the HSCP's direction and activity.

The Partnership works closely with Independent Contractors such as Care Providers, GPs, Dentists, Optometrists and Pharmacists in the delivery of Health and Care Services across Perth and Kinross. The Partnership has engaged regularly with all elected members of Perth & Kinross Council around the challenges and opportunities and the 3 Year Financial Plan.

The refresh of the Strategic Plan will challenge us to further develop our work in and engagement with local communities and the transformation work that follows will require us to redesign services together with citizens and communities to deliver improved outcomes.

SECTION 4: ANNUAL GOVERNANCE STATEMENT

VISION, DIRECTION AND PURPOSE

The Strategic Commissioning Plan 2016-2019 has provided a clear vision and the Performance Strategy approved by the IJB set out the commitment to ensure we have the framework in place to measure our success. Since May 2018, the PKHSCP has been developing a new strategic delivery model made up of four strategic programmes of care, involving a range of stakeholders in strategic planning and operational developments. Recognising that there are challenges around our current approach to Strategic Planning, as well as the imminent publication of an inspection report, the IJB and both parent bodies have agreed that we can defer the production and publication of our next Strategic Plan until later in the year. This will inform a review of the current structures and systems for planning and commissioning to build on our programmes of care structure and ensure connections into localities, clear leadership arrangements and supporting capacity and a robust process for systematic monitoring and review of overall progress across all strategic priorities.

DECISION-MAKING

All reports to the IJB are in an agreed format that supports effective decision-making. The IJB Annual Work plan for 2018/19 was developed to ensure regular opportunity for review and scrutiny of progress in delivering strategic priorities. The role of the EMT has been strengthened to ensure robust review and scrutiny of progress in delivering our transformation and service redesign priorities at locality

level and for escalation of operational risk that will impact on strategic delivery. The membership of EMT has been extended to ensure wider involvement of clinical colleagues.

The development of integrated financial planning ensures a consistent approach across health and social care services. The establishment of the IJB Budget Review Group has provided IJB members with the forum for ensuring detailed understanding of the pressures and opportunities and has ensured that our members are informed to make the difficult decisions that are inevitable in the current financial climate.

ORGANISATIONAL DEVELOPMENT

The IJB Members are supported by a programme of training and development throughout the year. PKHSCP has a formal leadership structure that has been endorsed by the IJB however the new Chief Officer is considering the future organisational structure to achieve greater integration and improved effectiveness. PKHSCP relies heavily on the Corporate Support arrangements in place with NHS Tayside and Perth & Kinross Council across a range of key areas including HR, Finance, Strategic Planning and Organisational Development. As part of the wider review of organisational structure, the Chief Officer will look to address key gaps which will ensure sufficient capacity, in particular around planning and performance, workforce and organisational development. A strong coherent focus on development of a workforce plan is now required.

SECTION 4: ANNUAL GOVERNANCE STATEMENT

SCRUTINY AND ACCOUNTABILITY

Accountability is about ensuring that those making decisions are answerable for them. PKHSCP have learned from best practice elsewhere to ensure transparent reporting of our actions, but also to ensure that in this complex landscape our stakeholders can understand the intentions and ensure reports are clear and concise with the audience in mind.

In order to comply with regulations outlined by the Scottish Government's Integrated Resources Advisory Group, the IJB established an Audit and Performance Committee in July 2016. The role of the IJB Audit and Performance Committee ensures that good governance arrangements are in place for the IJB. It is the responsibility of this committee to ensure that proportionate audit arrangements are in place for the IJB and that annual financial statements are compliant with good practice standards.

PKHSCP report at regular intervals on financial performance and we are required to publish externally audited Annual Accounts each year. The third Annual Performance Report sets out success in delivering against objectives and outlines further areas for improvement and development.

Regular reports have been provided to the IJB Audit and Performance Committee on progress in implementing all external and internal audit recommendations and a transparent assessment of how PKHSCP are delivering against Best Value responsibilities and has been included within the Annual Performance Report.

INTERNAL CONTROL FRAMEWORK

The governance framework above operates on the foundation of internal controls including management and financial information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability.

The IJB uses the systems in NHS Tayside and Perth & Kinross Council to manage its financial records. Development and maintenance of these systems is undertaken by both parent bodies as part of the operational delivery of the Health & Social Care Partnership. In particular the systems include:

- *comprehensive budgeting systems;*
- *setting of targets to measure financial performance*
- *regular reviews of periodic and annual financial reports that indicate financial performance against the forecasts.*

The Chief Financial Officer has implemented a three year budgeting process which facilitates the prioritisation of resources in the face of competing demands in line with Strategic Priorities.

During 2018/19 the Audit and Performance Committee has approved a refreshed risk management strategy and strategic risk register including mitigating actions and an escalation process. We have developed an annual work plan for the IJB which will set out clear timescales for reporting on each of our programmes of care including agreed performance

SECTION 4: ANNUAL GOVERNANCE STATEMENT

targets. EMT has provided an improved oversight function in delivering transformation and service redesign and monitoring the financial position. The Audit and Performance Committee have provided a strong scrutiny and review of our actions to develop our governance arrangements. The establishment of new Clinical Care and Professional Governance committee has been agreed by the IJB to provide improved scrutiny and oversight as further streamlining of review arrangements are taken forward. This will be an area of significant focus as we seek to further embed a performance review framework across all services.

We have an agreed Internal Audit Services from FTF Audit & Management Services.

We have agreed with PKC to the appointment of their Data Protection Officer to the IJB to ensure our GDPR requirements are met. In parallel we have ensured effective arrangements are in place with PKC and NHS Tayside for the sharing of data.

We are working with our NHS Tayside colleagues to set up an effective forum for ensuring that the planning of services that fall within our large hospital set aside budget is undertaken in a way that enables the IJB's intentions to shift the balance of care to be effectively progressed.

We are working hard with the other IJB's in Tayside to ensure strong and effective arrangements are in place to support the strategic planning and delivery of hosted services. These arrangements need to carefully consider the responsibilities of the hosting partnership alongside the wider obligation of each

IJB to the strategic planning of all services to their population.

The wider internal control framework also includes:

- *Procedures for Complaints handling*
- *Clinical Care Governance monitoring arrangements*
- *Procedures for Whistle-blowing*
- *Data Sharing arrangements*
- *Code of Corporate Governance including Scheme of Delegation; Standing Financial instructions, standing orders, scheme of administration*
- *Reliance on procedures, processes and systems of partner organisations*

The IJB's relationship with both partner bodies has meant that the controls in place in one body inevitably affect those in the other. The draft NHS Tayside Governance Statement 2018/19 concludes that corporate governance was operating effectively throughout the financial year. Perth & Kinross Council has approved a Governance Statement which also concludes positively on the adequacy and effectiveness of internal controls, accompanied by an Annual Internal Audit Report which concludes that reasonable reliance can be placed on the Council's risk management and governance arrangements, and systems of internal control for 2018/19, subject to management implementation of the agreed actions detailed in Internal Audit reports. Whilst both contain some issues which are of interest to the IJB, neither would give rise to any requirement for consideration in the IJB's Governance Statement.

SECTION 4: ANNUAL GOVERNANCE STATEMENT

ONGOING REVIEW AND FURTHER DEVELOPMENTS

We have independently developed a governance self-assessment tool which considers current internal control and governance arrangements against CIPFA Delivering Good Governance Framework. We have undertaken a full self-assessment each year since inception building a library of evidence and identifying priority areas for further development which have then been included in our Transforming Governance Action Plan.

The Audit and Performance Committee have received regular reports on progress in delivering the Action Plan. We are committed to continue working hard to achieve best practice in all areas of governance and will fully consider all recommendations for improvement within the Joint Inspection Report to be published in July 2019 and will seek to consolidate those areas where we have performed well.

The 2018/19 Transforming Governance Action Plan contained a number of areas for improvement and progress has been made in key areas. The IJB's Audit and Performance Committee has provided a scrutiny role over progress which can be summarised as follows:

- *As part of the development of the 3 year Financial Plan the Chief Officer and Chief Financial Officer have met with elected members across all parties to describe the financial challenge and Strategic Direction. This has supported a much more collaborative approach to budget setting for 2019/20.*

- *Further development of the Budget Review Group Process has ensured all IJB members have the necessary information to make decisions around allocation of resources in line with strategic priorities.*
- *The establishment of a new strategic planning structure through four Programmes of Care improved the effectiveness of strategic planning arrangements and has provided a platform to build on moving forward.*
- *A refreshed Risk Management Framework has been agreed by the Audit and Performance Committee inclusive of a risk escalation process. A high-level strategic risk profile has developed which is now being regularly updated and reported to the Audit and Performance Committee.*
- *Appointment of Data Protection Officer for the IJB to ensure compliance with General Data Protection Regulations.*
- *Improvement in the level and effectiveness of finance support to budget holders.*
- *Establishment of Mental Health Alliance to set the strategic intention for Mental Health Services Tayside-wide.*
- *All Hosted Services have been aligned to relevant Strategic Programme of Care Boards which are providing a strategic oversight including services hosted by other IJB's.*

Those areas identified which still require further development have been captured in the 2019/20 Transforming Governance Action Plan.

SECTION 4: ANNUAL GOVERNANCE STATEMENT

REVIEW OF ADEQUACY AND EFFECTIVENESS

The IJB has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

The review of the effectiveness of the framework has been informed by:

- *the work of the Executive Management Team who have responsibility for development and maintenance of the governance environment;*
- *the Annual Report by the Chief Internal Auditor;*
- *reports from Audit Scotland and other review agencies including the Audit Scotland Report on the Review of Health and Social Care Integration;*
- *self-assessment against the Delivering Good Governance in Local Government Framework 2016 Edition (CIPFA);*
- *self-assessment against the Ministerial Strategic Group Recommendations;*
- *draft Annual Governance Statements for Perth & Kinross Council and NHS Tayside.*

The Chief Internal Auditor reports directly to the IJB Audit and Performance Committee on all audit matters, with the right of access to the Chief Officer, Chief Financial Officer and Chair of the Audit and Performance Committee on any matter.

In addition to regular reports to the IJB's Audit and Performance Committee during 2018/19, the Chief Internal Auditor prepares an annual report to the Audit and Performance Committee including an assurance statement containing a view on the adequacy and effectiveness of the systems of internal control.

The Internal Audit Annual Report 2018/19, received by the Audit & Performance Committee 18 June 2019 highlights findings which indicate some weaknesses in the internal control environment. None of these are considered material enough to have a significant impact on the overall control environment and it is the opinion of the Chief Internal Auditor that the systems of internal control relied upon by the IJB provide reasonable assurance against loss.

ACTION PLAN FOR 2019/20

Significant progress has been made against the 'Transforming Governance' Action Plan agreed for 2018/19. However following a full self-assessment process and feedback from the formal Joint Inspection, refreshed actions have now been set out to further strengthen the governance arrangements and these will include:

Leadership, Culture & Values

- *How effective is the IJB? Assessment of performance against the IJB Integration Scheme with IJB members will provide improved understanding of the IJB's role and remit.*

SECTION 4: ANNUAL GOVERNANCE STATEMENT

- *Review of PKHSCP organisational structure.*
- *Leadership Development Program focused on Collaborative Practice.*
- *IJB Member Development: Refresh of induction and review and refresh of IJB Annual Training and Development Plan.*
- *Annual Development Meetings between Chair and Members.*
- *Development of a statement of our vision and values to be developed to become front and centre of all IJB activities moving forward.*

Stakeholder Engagement

- *Effective Stakeholder Engagement: Review of role of Engagement Group and development of engagement and participation strategy to support localities, providing a process for deciding on the level of engagement required.*
- *Effective Communication with our Public: Development of a co-ordinated approach to communication and marketing supported by dedicated expertise.*
- *Effective Engagement and Co-production at Locality Level: individual locality reports brought forward to the IJB.*
- *Effective engagement with PKC Elected members: embed a Health & Social Care Session into the Perth & Kinross Council rolling program for elected members.*

Vision, Direction & Purpose

- *Development of our next three-year Strategic Commissioning Plan will set a shared vision and clear priorities which will align our collective and collaborative activity.*
- *Measuring our performance: Develop a 'measure what you value rather than value what you measure' approach aligned to the refreshed strategic plan. Redesign of corporate support functions to deliver integrated performance reporting as standard.*
- *How effective are our Programme Boards?: Building on our Programme Boards review of our planning and commissioning structures and leadership arrangements to ensure a strong connection to localities, clear leadership arrangements and supporting capacity made a robust Strategic Planning and Commissioning Board which provides a balanced focus on all priorities and a mechanism for systematic review and monitoring using SMART principles.*
- *How effective is our Strategic Planning Group? A review of role and remit to be carried out*

Decision-Making

- *Development of Effective workforce, OD and E Health & Care Plans.*
- *Corporate Support: Development of new structure under CFO to ensure sufficient capacity.*

SECTION 4: ANNUAL GOVERNANCE STATEMENT

- *Improve the effectiveness of the connection of PKHSCP planning with Parent Body Strategic Planning (Transforming Tayside/Perth and Kinross Offer).*

Internal Controls

- *Support NHST to ensure timely agreement of budgets moving forward.*
- *Reach agreement with NHST on refreshed finance support arrangements for IPMH.*
- *Large Hospital Set-Aside: support NHST to ensure strong mechanism for overseeing progress.*
- *Risk Sharing/Using totality of resources: Agreement of risk sharing arrangements.*
- *Directions: embed the routine issue of Directions as part of normal business process.*
- *Clinical, Care and Professional Governance: Embed a consistent framework for performance review across all services, providing assurance to the new committee of the IJB on the safety and effectiveness of services ensuring streamlining of our arrangements with those of both parent bodies.*

Scrutiny and Accountability

- *A comprehensive improvement plan will be developed that brings together the findings of the Joint Inspection, the findings of the Annual Governance Self-Assessment and as part of that the MSG Review of Integration. In developing our Improvement Plan we will look to the progress and success achieved elsewhere in Scotland through benchmarking activity, the Chief Officer's involvement in the National Chief Officers' Group and the improvement support available from both inspectorates.*

These will be incorporated into the Partnership Improvement Plan and updates on progress will be provided to each meeting of the IJB's Audit & Performance Committee alongside the Strategic Risk Register and mitigating actions.

SECTION 4: ANNUAL GOVERNANCE STATEMENT

CONCLUSION AND OPINION ON ASSURANCE

While recognising that improvements are required, as detailed above, it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements.

We consider the internal control environment operating during 2018/19 to provide reasonable and objective assurance that any significant risks impacting on the achievement of our objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment.

Robert Peat
IJB Chair

Gordon Paterson
Chief Officer

Date: 27/9/19

SECTION 5: ANNUAL ACCOUNTS

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the cost of providing services for the year according to accepted accounting practices.

2017/18		2018/19
Net Expenditure		Net Expenditure
£000		£000
28,317	Community and Hospital Health Services	28,660
20,970	Hosted Health Services	21,433
28,467	GP Prescribing	27,520
39,678	General Medical/Family Health Services	41,480
11,793	Large Hospital Set-Aside	14,346
236	IJB Operating Costs	241
65,993	Community Care	69,405
195,454	Cost of Services	203,085
(194,068)	Taxation and Non-Specific Grant Income (Note 4)	(205,555)
1,386	(Surplus) or Deficit on Provision of Services	(2,470)
1,386	Total Comprehensive (Income) and Expenditure (Note 3)	(2,470)

SECTION 5: ANNUAL ACCOUNTS

Whilst this statement shows a surplus of £2.470M, this surplus relates to a number of specific spend projects and future commitments. All surplus has been transferred to earmarked IJB reserves for specific projects and commitments (as per Movement in Reserves Statement and Note 6 below).

There are no statutory or presentation adjustments which affect the IJBs application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not shown in these annual accounts.

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

Movements in Reserves During 2018/19	General Fund Balance £000
Opening Balance at 31 March 2018	-
Total Comprehensive Income & Expenditure	(2,470)
(Increase) or Decrease in 2018/19	(2,470)
Closing Balance at 31 March 2019	(2,470)

Movements in Reserves During 2017/18	General Fund Balance £000
Opening Balance at 31 March 2017	(1,386)
Total Comprehensive Income & Expenditure	1,386
(Increase) or Decrease in 2017/18	1,386
Closing Balance at 31 March 2018	-

SECTION 5: ANNUAL ACCOUNTS

BALANCE SHEET

The Balance Sheet shows the value of the IJB's assets and liabilities as at the balance sheet date. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2018 £000		Notes	31 March 2019 £000
-	Short-Term Debtors	5	2,470
-	Current Assets		2,470
-	Short-Term Creditors		-
-	Current Liabilities		-
-	Provisions		-
-	Long-Term Liabilities		-
-	Net Assets		2,470
-	Usable Reserve: General Fund	6	(2,470)
-	Unusable Reserve: Employee Statutory Adjustment Account		-
-	Total Reserves		(2,470)

The unaudited annual accounts were issued on 26 June 2019, and the audited annual accounts were authorised for issue on 27 September 2019.

Jane Smith
Chief Financial Officer

Date: 27/9/19

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A GENERAL PRINCIPLES

The Financial Statements summarise the Integration Joint Board's transactions for the 2018/19 financial year and its position at the year-end of 31 March 2019.

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The accounts are prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

B ACCRUALS OF INCOME AND EXPENDITURE

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

- *expenditure is recognised when goods or services are received and their benefits are used by the IJB;*

- *income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable;*
- *where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet;*
- *where debts may not be received, the balance of debtors is written down.*

C FUNDING

The IJB is funded through funding contributions from the statutory funding partners, Perth & Kinross Council and NHS Tayside. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in Perth and Kinross.

D CASH AND CASH EQUIVALENTS

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet.

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

E EMPLOYEE BENEFITS

The IJB does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a pensions liability on its Balance Sheet.

The IJB has a legal responsibility to appoint a Chief Officer and a Chief Financial Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs.

Charges from funding partners for other staff are treated as administration costs.

F PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as at 31 March due to a past event; settlement of the obligation is probable; and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund.

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that

cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's Balance Sheet, but is disclosed in a note where it is material.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the IJB's Balance Sheet, but is disclosed in a note only if it is probable to arise and can be reliably measured.

A review for contingent assets and liabilities has been undertaken for the IJB and none have been identified at 31 March 2019.

G RESERVES

The IJB's reserves are classified as either Usable or Unusable Reserves.

The IJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the IJB can use in later years to support service provision.

The IJB's only Unusable Reserve is the Employee Statutory Adjustment Account. This is required by legislation. It defers the charge to the General Fund for the Chief Officer's absence entitlement as at 31 March, for example any annual leave earned but

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

not yet taken. The General Fund is only charged for this when the leave is taken, normally during the next financial year.

H INDEMNITY INSURANCE

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Tayside and Perth & Kinross Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the IJB does not have any 'shared risk' exposure from participation in Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The IJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material the overall expected value of known claims taking probability of settlement into consideration, is provided for in the IJB's Balance Sheet.

The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where material, presented as either a debtor or disclosed as a contingent asset.

I CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

In applying the accounting policies set out above, the Integration Joint Board has had to make certain judgments about complex transactions or those involving uncertainty about future events. The critical judgments made in the Annual Accounts are:

The Integration Scheme sets out the process for determining the value of the resources used in Large Hospitals, to be Set-Aside by NHS Tayside and made available to the IJB. The value of the Large Hospital Set-Aside expenditure reported in 2017/18 was £11.793m. The total expenditure in 2018/19 of £14.346m is based on the most recently available activity levels for hospital inpatient and day case activity as provided by NHS Services Scotland's Information Services Division and direct cost information provided by NHS Tayside. This is a transitional arrangement for 2018/19 agreed locally between NHS Tayside and the three Tayside Integration Joint Boards and with the Scottish Government. Work is progressing at a national and local level to refine the methodology for calculating and planning the value of this in the future.

J RELATED PARTY TRANSACTIONS

Related parties are organisations that the IJB can control or influence or who can control or influence the IJB. As partners in the Joint Venture of Perth and

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

Kinross Integration Joint Board, both Perth & Kinross Council and NHS Tayside are related parties and material transactions with those bodies are disclosed in Note 8 in line with the requirements of IAS 24 Related Party Disclosures.

K SUPPORT SERVICES

Support services were not delegated to the IJB and are provided by the Council and the Health Board free of charge as a 'service in kind'. These arrangements were outlined in the report of Corporate Supporting Arrangements to the IJB on 23 March 2016.

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

The Annual Accounts were authorised for issue by the Chief Financial Officer on 27 September 2019. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2019, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

NOTE 3: EXPENDITURE AND INCOME ANALYSIS BY NATURE

2017/18 £000		2018/19 £000
65,993	Services commissioned from Perth & Kinross Council	69,405
129,225	Services commissioned from NHS Tayside	133,439
205	Other IJB Operating Expenditure	210
3	Insurance and Related Expenditure	3
28	External Audit Fee	28
(194,068)	Partner Funding Contributions and Non-Specific Grant Income	(205,555)
1,386	(Surplus) or Deficit on the Provision of Services	(2,470)

Costs associated with the Chief Officer and Chief Financial Officer are included within 'other IJB operating expenditure'. The insurance and related expenditure relates to CNORIS costs (see note 1,H). Auditor fees related to fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor.

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: TAXATION AND NON-SPECIFIC GRANT INCOME

2017/18 £000		2018/19 £000
(46,924)	Funding Contribution from Perth & Kinross Council	(51,661)
(147,144)	Funding Contribution from NHS Tayside	(153,894)
(194,068)	Taxation and Non-Specific Grant Income	(205,555)

The funding contribution from NHS Tayside shown above includes £14.346M in respect of 'set-aside' resources relating to acute hospital and other resources. These are provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources.

The funding contributions from the partners shown above exclude any funding which is ring-fenced for the provision of specific services. Such ring-fenced funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement.

NOTE 5: DEBTORS

2017/18 £000		2018/19 £000
-	NHS Tayside	2,470
-	Debtors	2,470

Amounts owed by the funding partners are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

NOTE 6: USABLE RESERVE - GENERAL FUND

The IJB holds a balance on the General Fund for two main purposes:

- *To earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.*
- *To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework.*

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

As at March 2018, the IJB's Annual Accounts showed that Perth & Kinross IJB had no reserves. The following table sets out the earmarked reserve balances as at 31 March 2019 which are required for specific planned future expenditure in future years.

	Balance as at 1 April 2018 £000	Transfers (In)/Out £000	Balance as at 31 March 2019 £000
Primary Care Improvement Fund	0	642	642
Mental Health Action 15 Fund	0	171	171
Primary Care Transformation Fund	0	359	359
Alcohol and Drug Partnership Fund	0	572	572
Partnership Transformation Fund	0	554	554
GP Recruitment Fund	0	118	118
Mental Health Bundle	0	54	54
Closing balance at 31 March 2019	0	2,470	2,470

NOTE 7: AGENCY INCOME AND EXPENDITURE

On behalf of all IJBs within the NHS Tayside area, Perth and Kinross IJB acts as the host partnership for Learning Disability Inpatient services, Substance Misuse Inpatient services, Public Dental services/Community Dental services, General Adult Psychiatry (GAP) Inpatient services, Prisoner Healthcare and Podiatry.

The IJB directs services on behalf of Dundee and Angus IJBs and reclaims the full costs involved. The payments that are made on behalf of the other IJBs, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the IJB is not acting as principal in these transactions.

The amount of expenditure and income relating to the agency arrangement is shown below.

2017/18 £000		2018/19 £000
21,348	Expenditure on Agency Services	21,432
(21,348)	Reimbursement for Agency Services	(21,432)
-	Net Agency Expenditure excluded from the CIES	-

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: RELATED PARTY TRANSACTIONS

The IJB has related party relationships with NHS Tayside and the Perth & Kinross Council. In particular the nature of the partnership means that the IJB may influence, and be influenced by, its partners. The following transactions and balances included in the IJB's accounts are presented to provide additional information on the relationships.

Income - Payments for integrated functions

2017/18 £000		2018/19 £000
46,924	Perth & Kinross Council	51,661
147,144	NHS Tayside	153,894
194,068	Total	205,555

Expenditure - Payments for delivery of integrated functions

2017/18 £000		2018/19 £000
66,010	Perth & Kinross Council	69,541
129,239	NHS Tayside	133,334
205	NHS Tayside: Key Management Personnel Non-Voting Board Members	210
195,454	Total	203,085

This table shows that expenditure within Perth & Kinross Council is £17.880M greater than Perth & Kinross Council funding contributions. This represents IJB funding received from NHS Tayside being directed into Perth & Kinross Council.

Key Management Personnel: The non-voting Board members employed by the NHS Board and recharged to the IJB include the Chief Officer; the Chief Financial Officer. Details of the remuneration for some specific post-holders are provided in the Remuneration Report.

Perth & Kinross Council employs the council staff and Chief Social Work Officer representatives on the IJB Board but there is no discrete charge for this representation.

Balances with Perth & Kinross Council

2017/18 £000		2018/19 £000
-	Debtor balances: Amounts due from Perth and Kinross Council	-
-	Creditor balances: Amounts due to Perth & Kinross Council	-
-	Total	-

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

Balances with NHS Tayside

2017/18 £000		2018/19 £000
-	Debtor balances: Amounts due from NHS Tayside	2,470
-	Creditor balances: Amounts due to NHS Tayside	-
-	Total	2,470

NOTE 9: VAT

The IJB is not VAT registered and as such the VAT is settled or recovered by the partner agencies.

The VAT treatment of expenditure in the IJBs accounts depends on which of the partner agencies is providing the service as these agencies are treated differently for VAT purposes.

Where the Council is the provider, income and expenditure excludes any amounts relating to VAT, as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from it. The Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is recoverable from HM Revenue and Customs.

Where the NHS is the provider, expenditure incurred will include irrecoverable VAT as generally the NHS cannot recover VAT paid as input tax and will seek to recover its full cost as income from the commissioning IJB.

SECTION 7: INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERTH & KINROSS INTEGRATION JOINT BOARD AND THE ACCOUNTS COMMISSION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion on Financial Statements

We certify that we have audited the financial statements in the annual accounts of Perth & Kinross Integration Joint Board for the year ended 31 March 2019 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the 2018/19 Code).

In our opinion the accompanying financial statements:

- *give a true and fair view in accordance with applicable law and the 2018/19 Code of the state of affairs of the body as at 31 March 2019 and of its income and expenditure for the year then ended;*
- *have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code; and*
- *have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local*

Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for Opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 31 May 2016. The period of total uninterrupted appointment is 3 years. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern Basis of Accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- *the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or*

SECTION 7: INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERTH & KINROSS INTEGRATION JOINT BOARD AND THE ACCOUNTS COMMISSION

- *the Chief Finance Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.*

Risk of Material Misstatement

We have reported in a separate Annual Audit Report, which is available from the Audit Scotland website, the most significant assessed risk of material misstatement that we identified and our conclusion thereon.

Responsibilities of the Chief Finance Officer and the Integration Joint Board for the Financial Statements

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Integration Joint Board is responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. We therefore design and perform audit procedures which respond to the assessed risk of material misstatement due to fraud.

SECTION 7: INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERTH & KINROSS INTEGRATION JOINT BOARD AND THE ACCOUNTS COMMISSION

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other Information in the Annual Accounts

The Chief Finance Officer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT ON OTHER REQUIREMENTS

Opinions on Matters Prescribed by the Accounts Commission

In our opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In our opinion, based on the work undertaken in the course of the audit:

- *the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and*
- *the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).*

Matters on Which We Are Required to Report by Exception

We are required by the Accounts Commission to report to you if, in our opinion:

- *adequate accounting records have not been kept; or*

SECTION 7: INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERTH & KINROSS INTEGRATION JOINT BOARD AND THE ACCOUNTS COMMISSION

- *the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or*
- *we have not received all the information and explanations we require for our audit; or*
- *there has been a failure to achieve a prescribed financial objective.*

We have nothing to report in respect of these matters.

Conclusions on Wider Scope Responsibilities

In addition to our responsibilities for the annual accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in our Annual Audit Report.

USE OF OUR REPORT

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Michael Wilkie (for and on behalf of KPMG LLP)

KPMG LLP
St Vincent Plaza
319 St Vincent Street
Glasgow
G2 5AS

Date: 27/9/19

SECTION 8: GLOSSARY OF TERMS

While the terminology used in this report is intended to be self-explanatory, it may be useful to provide additional definition and interpretation of the terms used.

Accounting Period

The period of time covered by the Accounts normally a period of twelve months commencing on 1 April each year. The end of the accounting period is the Balance Sheet date.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred not as money is received overpaid.

Asset

An item having value to the IJB in monetary terms. Assets are categorised as either current or non-current. A current asset will be consumed or cease to have material value within the next financial year (eg cash and stock). A non-current asset provides benefits to the IJB and to the services it provides for a period of more than one year.

Audit of Accounts

An independent examination of the IJB's financial affairs.

Balance Sheet

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

Consistency

The concept that the accounting treatment of like terms within an accounting period and from one period to the next is the same.

Contingent Asset/Liability

A Contingent Asset/Liability is either:

- *a possible benefit/obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the IJB's control; or*
- *a present benefit/obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.*

Creditor

Amounts owed by the IJB for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

Debtor

Amount owed to the IJB for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Defined Benefit Pension Scheme

Pension scheme in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

SECTION 8: GLOSSARY OF TERMS

Entity

A body corporate, partnership, trust, unincorporated association or statutory body that is delivering a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity accounts.

Post Balance Sheet Events

Post Balance Sheet events are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Annual Accounts are authorised for issue.

Exceptional Items

Material items which derive from events or transactions that fall within the ordinary activities of the IJB and which need to be disclosed separately by virtue of their size or incidence to give a fair presentation of the accounts.

Government Grants

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the IJB. These grants may be specific to a particular scheme or may support the revenue spend of the IJB in general.

IAS

International Accounting Standards.

IFRS

International Financial Reporting Standards.

IRAG

Integration Resources Advisory Group

LASAAC

Local Authority (Scotland) Accounts Advisory Committee

Liability

A liability is where the IJB owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period, eg creditors or cash overdrawn. A non-current liability is an amount which by arrangement is payable beyond the next year at some point in the future or will be paid off by an annual sum over a period of time.

Provisions

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PSIAS

Public Sector Internal Audit Standards.

Related Parties

Bodies or individuals that have the potential to control or influence the IJB or to be controlled or influenced by the IJB. For the IJB's purposes, related parties are deemed to include voting members, the Chief Officer, the Chief Finance Officer, the Heads of Service and their close family and household members.

SECTION 8: GLOSSARY OF TERMS

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the monetary value of any other benefits received other than in cash.

Reserves

The accumulation of surpluses, deficits and appropriation over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the IJB.

Revenue Expenditure

The day-to-day expenses of providing services.

Significant Interest

The reporting authority is actively involved and is influential in the direction of an entity through its participation in policy decisions.

SOLACE

Society of Local Authority Chief Executives.

The Code

The Code of Practice on Local Authority Accounting in the United Kingdom.



Perth & Kinross Health and Social Care Partnership
3rd Floor
2 High Street
Perth
PH1 5PH

APPENDIX 3

Enquiries to	Jane Smith
Extension/Direct Line:	59557 / 01738 459557
Email	janemsmith@nhs.net
Your Ref	
Our Ref	JMS/PJ
Date	27 September 2019

KPMG LLP
319 St Vincent Street
Glasgow
G2 5AS

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Perth & Kinross Integration Joint Board ("the Board"), for the year ended 31 March 2019, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the state of the Board's affairs as at 31 March 2019 and of the Board's surplus or deficit for the financial year then ended;
- ii. whether the financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19; and
- iii. whether the financial statements have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2015, and the Public Bodies (Joint Working) (Scotland) Act 2014.

These financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance sheet and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Board confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Board confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Board has fulfilled its responsibilities, as set out in the terms of the audit engagement dated 31 May 2016, for the preparation of financial statements that:
 - i. give a true and fair view of the state of the Board's affairs as at the end of its financial year and of its surplus or deficit for that financial year;
 - ii. have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRSs"), as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19; and

- iii. have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2015, and the Public Bodies (Joint Working) (Scotland) Act 2014.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Board in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which IAS 10 *Events after the reporting period* requires adjustment or disclosure have been adjusted or disclosed.

Information provided

4. The Board has provided you with:

- access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
- additional information that you have requested from the Board for the purpose of the audit; and
- unrestricted access to persons within the Board from whom you determined it necessary to obtain audit evidence.

5. All transactions have been recorded in the accounting records and are reflected in the financial statements.

6. The Board confirms the following:

- i) The Board has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

- ii) The Board has disclosed to you all information in relation to:

- a) Fraud or suspected fraud that it is aware of and that affects the Board and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and
- b) allegations of fraud, or suspected fraud, affecting the Board's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Board acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

7. The Board has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

8. The Board has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
9. The Board has disclosed to you the identity of the Board's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 *Related Party Disclosures*.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in IAS 24.

10. The Board confirms that:

- a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Board's ability to continue as a going concern as required to provide a true and fair view.
- b) No events or conditions have been identified that may cast significant doubt on the ability of the Board to continue as a going concern.

This letter was agreed at the meeting of the Perth & Kinross Integration Joint Board on 27 September 2019 following scrutiny and approval at the Audit & Performance Committee meeting on 16 September 2019.

Yours faithfully,

Jane Smith
Chief Financial Officer
Perth & Kinross Integration Joint Board

Appendix to the Board Representation Letter of Perth & Kinross Integration Joint Board: Definitions

Financial Statements

IAS 1.10 states that “a complete set of financial statements comprises:

- a statement of financial position as at the end of the period;
- a statement of profit or loss and other comprehensive income for the period;
- a statement of changes in equity for the period;
- a statement of cash flows for the period;
- notes, comprising a summary of significant accounting policies and other explanatory information;
- comparative information in respect of the preceding period as specified in paragraphs 38 and 38A; and
- a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 40A-40D.

An entity may use titles for the statements other than those used in this Standard. For example, an entity may use the title ‘statement of comprehensive income’ instead of ‘statement of profit or loss and other comprehensive income’.”

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

“Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.”

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity’s assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity’s financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to “management” should be read as “management and, where appropriate, those charged with governance”.

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”).

- a) A person or a close member of that person’s family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled, or jointly controlled by a person identified in (a).
 - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a) a government that has control or joint control of, or significant influence over, the reporting entity; and
- b) another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

PERTH AND KINROSS INTEGRATION JOINT BOARD

Minute of Meeting of the Perth and Kinross Integration Joint Board (IJB) held in the Council Chamber, Ground Floor, Council Building, 2 High Street, Perth on Wednesday 26 June 2019 at 2.00pm.

Present:

Voting Members

Dr R Peat, Tayside NHS Board (Chair)
Councillor C Stewart, Perth and Kinross Council (Vice-Chair)
Councillor E Drysdale, Perth and Kinross Council
Councillor X McDade, Perth and Kinross Council
Councillor C Purves, Perth and Kinross Council
Mr B Benson, Tayside NHS Board

Non-Voting Members

Mr G Paterson, Chief Officer / Director – Integrated Health & Social Care
Dr D Lowden, NHS Tayside
Ms J Smith, Chief Financial Officer

Stakeholder Members

Ms B Campbell, Carer Public Partner
Mr A Drummond, Staff Representative, NHS Tayside (until Item 9.1)
Mr S Hope, Staff Representative, Perth and Kinross Council (until Item 9.1)
Ms C Gallagher, Independent Advocacy Perth and Kinross
Ms S Auld, Service User Public Partner (substituting for Ms L Lennie)

In Attendance:

K Reid, Chief Executive, Perth and Kinross Council; S Hendry, A Taylor, C Paton, P Turner and S Watson (from Item 8.1) (all Perth and Kinross Council); C Jolly, Diane Fraser, D Mitchell, E Devine, H Dougall, D Hubbard, D Fraser, V Aitken, P Jerrard (all Perth and Kinross Health and Social Care Partnership); and L Denvir (NHS Tayside).

Apologies:

Ms L Birse-Stewart, Tayside NHS Board
Ms P Kilpatrick, Tayside NHS Board
Ms J Pepper, Chief Social Work Officer, Perth and Kinross Council
Ms L Lennie, Service User Public Partner

1. WELCOME AND APOLOGIES

Dr Peat welcomed all those present to the meeting and apologies were noted as above.

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest made in terms of the Perth and Kinross Integration Joint Board Code of Conduct.

3. MINUTE OF MEETING OF THE PERTH AND KINROSS INTEGRATION JOINT BOARD OF 1 MAY 2019

The minute of meeting of the Perth and Kinross Integration Joint Board of 1 May 2019 was submitted and approved as a correct record.

4. ACTION POINT UPDATE

There was submitted and noted the action point update for the Perth and Kinross Integration Joint Board as at 26 June 2019 (G/19/108).

5. MATTERS ARISING

Board Membership Update (Item 6 refers)

The Chief Officer advised that a meeting has been convened with the Public Partner representatives on the Board to progress the process of electing a carer representative onto the Board.

6. BOARD MEMBERSHIP UPDATE

Resolved:

Ms Sarah Dickie, NHS Tayside, be appointed as a non-voting member to replace Mr Jim Foulis.

7. FINANCE AND GOVERNANCE

7.1 2018/19 FINANCIAL POSITION

There was submitted a report by Chief Financial Officer (G/19/67) providing an update on the year-end outturn for 2018/19.

Resolved:

- (i) The overall year-end overspend of £1.160m for Perth & Kinross IJB for 2018/19 be noted.
- (ii) It be noted that this compares to a gap of £0.920m in the IJB's approved Financial Plan for 2018/19.
- (iii) It be noted that this compares to a £4.200m forecast overspend before implementation recovery plan actions.
- (iv) It be noted that NHS Tayside and Perth & Kinross Council have allocated additional budget of £0.319m and £0.841m respectively to allow the IJB to break-even in line with the Integration Scheme.
- (v) It be noted that for core health and social care services, savings of £4.802m have been delivered against a target of £5.325m. The in year gap of £0.523m will reduce to £0.311m on a full year basis.
- (vi) It be noted that earmarked reserves of £2.470m will be carried forward to meet

future year commitments in relation to a number of Scottish Government priority areas for investment.

7.2 GP PRESCRIBING AND OTHER HOSTED SERVICES BUDGET 2019/20:2021/22

There was submitted a report by the Chief Financial Officer (G/19/110) recommending settling the 2019/20 budget for GP Prescribing and Other Hosted Services and indicative budgets for 2020/21 and 2021/22 for Other Hosted Services.

Resolved:

- (i) The 2019/20 Financial Plan for GP Prescribing be approved and note the gap of £0.752m which remains, with the Chief Officer to bring forward further proposals to deliver balance in 2019/20, as well as a 3 Year Plan for consideration.
- (ii) The Other Hosted Services 2019/20 Financial Plan and the indicative 2020/21 and 2021/22 Other Hosted Services Financial Plan be approved.
- (iii) The Chief Officer to issue the necessary Direction, as attached at Appendix 4 to Report G/19/110, to NHS Tayside to implement the actions within the Financial Plan.
- (iv) It be noted that the 3 Year Financial Plan for Inpatient Mental Health Services is still under development.
- (v) The Board's opinion of the current budget position be noted as inadequate with further discussions to take place with NHS Tayside.

IT WAS AGREED TO VARY THE ORDER OF BUSINESS AT THIS POINT.

7.3 AUDIT AND PERFORMANCE COMMITTEE UPDATE

Verbal Update by Chair of Audit and Performance Committee

Councillor Purves, Chair of the Audit and Performance Committee, provided the board with an update from the recent meeting of the Audit and Performance Committee that had taken place on 18 June 2019.

[Audit & Performance Committee - 18 June 2019 - Link to Recording of Meeting](#)

K Reid suggested that there should be standing items on future IJB agendas on strategic risk, performance and health and safety as well as discussions at the Audit and Performance Committee.

The Board noted the position.

7.4 AUDIT AND PERFORMANCE COMMITTEE - ANNUAL REPORT 2018/19

There was submitted a report by the Chair of the Audit and Performance Committee (G/19/112) summarising the work of the Committee during the year 2018/19.

Resolved:

- (i) The contents of the Annual Report for the year 2018/19 be noted.
- (ii) The input provided to the Audit and Performance Committee from its members and those supporting the Committee be acknowledged.
- (iii) The Chair of the Audit and Performance Committee be instructed to provide a further Annual Report for 2019/20 in June 2020.

7.5 UNAUDITED ANNUAL ACCOUNTS 2018/19

There was submitted a report by the Chief Financial Officer (G/19/111) presenting the Integration Joint Board's (IJB) Unaudited Annual Accounts for the financial year 2018/19 in accordance with the Local Authority Accounts (Scotland) Regulations 2014.

Resolved:

The Chief Officer be authorised to sign the Unaudited Annual Accounts as detailed in Report G/19/111.

8. DEVELOPING STRATEGIC OBJECTIVES

8.1 CHIEF OFFICER STRATEGIC UPDATE

There was submitted a report by the Chief Officer (G/19/113) updating Board members on progress with key strategic developments and on intended future action.

Resolved:

The contents of Report G/19/113 and the following strategic updates be noted:

- (i) The Development of Perth and Kinross HSCP's Strategic Commissioning Plan;
- (ii) The joint inspection of Perth and Kinross Health and Social Care Partnership (HSCP) by the Care Inspectorate and Healthcare Improvement Scotland;
- (iii) The publication of the interim report from the Independent Inquiry into Mental Health Services in Tayside;
- (iv) Perth and Kinross HSCP's self-evaluation of progress on integration in response to the Ministerial Strategic Group's national review.
- (v) A special meeting of the IJB to be arranged by the end of July to discuss the interim report from the Independent Inquiry into Mental Health Services in Tayside.

S WATSON ARRIVED DURING THE ABOVE ITEM.

THERE FOLLOWS A RECESS AND THE MEETING RECONVENED AT 3.55PM.

S HOPE AND A DRUMMOND BOTH LEFT THE MEETING AT THIS POINT.

9. STRATEGIC PROGRAMMES OF CARE

9.1 Perth and Kinross Alcohol & Drug Partnership Update Report

There was submitted a report by the Alcohol and Drug Partnership Chair (G/19/114) providing updates on (i) the new national substance use strategy; Rights, Respect & Recovery, the Alcohol Framework 2018; and (ii) the redesign of substance use services and the implementation of a Recovery Oriented System Of Care (ROSC) in Perth and Kinross.

Resolved:

- (i) Progress to date be noted.
- (ii) The DAISy Information system be endorsed.
- (iii) Host organisations be requested to implement a robust performance management system so information is available to determine the impact of services and supports for people with substance use issues in Perth and Kinross.

9.2 PROGRESS REPORT ON THE DEVELOPMENT OF JOINT CARERS' STRATEGY FOR 2019-2022

There was submitted a report by the Head of Adult Social Work and Social Care (G/19/115) (i) presenting an update on the development of the Joint Carers' Strategy 2019-2022, for Young and Adult Carers which will be presented to a later meeting for consideration and direction by the Integration Joint Board; and (ii) detailing the needs of our carers and the consultation activity undertaken to ensure that the views of carers were taken into consideration to inform the strategy.

Resolved:

- (i) The contents of Report G/19/115 regarding the development of the Carers' Strategy which will further improve outcomes for carers living and caring in Perth & Kinross be noted.
- (ii) Perth & Kinross Council and NHS Tayside be directed to make the necessary arrangements to complete the Carers' Strategy 2019 – 2022.

9.3 PROGRESS MADE BY THE CARERS PROGRAMME BOARD IN THE IMPLEMENTATION OF CARERS (SCOTLAND) ACT 2016

There was submitted a report by the Head of Adult Social Work and Social Care (G/19/116) presenting information about progress in the implementation of the Carers (Scotland) Act 2016 as part of the work which is now being undertaken by the Carers' Programme Board.

Resolved:

- (i) The progress made in implementing the Carer's (Scotland) Act 2016, as outlined at section 2 of Report G/19/116, be noted.
- (ii) Perth & Kinross Council be directed to make the necessary arrangements to continue to implement the Carer (Scotland) Act 2016, with particular regard to commissioning, community engagement and statutory services.
- (iii) NHS Tayside be directed to make the necessary arrangements to continue to implement the Carer (Scotland) Act 2016, with particular regard to activities surrounding hospital discharge planning, bereavement and Primary Care.

10. PRIMARY CARE PROGRAMME BOARD UPDATE

10.1 PRESCRIBING UPDATE REPORT

There was submitted a report by the Programme Managers, Perth and Kinross Health and Social Care Partnership (G/19/117) updating on (i) the current financial position in respect to primary care prescribing; and (ii) on progress to date in respect of the 2019/20 programme.

Resolved:

- (i) The progress to date in managing the financial position via the 2018/19 programme be noted.
- (ii) The update with respect to the 2019/20 programme be noted.

11 FOR INFORMATION

11.1 EQUALITIES OUTCOME PROGRESS REPORT

There was submitted a report by the Chief Officer (G/19/118) providing an annual update to the Equality Outcomes Report which was required to be published by all Integration Joint Boards by 30 April 2016.

Resolved:

- (i) The strong basis for continuing Joint Equalities activity be noted.
- (ii) The annual progress report in relation to the Integration Board Joint Equality Outcomes be noted.

12. FUTURE IJB MEETING DATES 2019

Friday 27 September 2019 at 9.30am
Wednesday 11 December 2019 at 1.00pm



G/19/162

ACTION POINTS UPDATE
Perth & Kinross Integration Joint Board
27 September 2019

	Meeting	Minute Ref	Heading	Action Point	Responsibility	Timescale	Status
90	26 January 2018	9.4	Improving Scotland's Health: A Healthier Future – Actions and Ambitions on Diet, Activity & Healthy Weight	Future IJB development session to take place.	D Walker	23 Oct 2019 (<i>Development Session</i>)	Deferred from March 2019
100	22 June 2018	11.2	Self Directed Support	Update to be provided at future IJB Development Session	D Fraser	23 Oct 2019 (<i>Development Session</i>)	Deferred from June 2019
104 b	28 Sept 2018	6.2	Perth & Kinross Joint Strategy to support Independent Living	Progress report to be submitted	D Fraser	11 Dec 2019	
111	01 May 2019	8.2	Chief Officer Strategic Update	Frank's Law – report to be submitted at future IJB meeting to include Financial Impact	G Paterson	11 Dec 2019	
115	01 May 2019	9.1	Tayside Primary Care Improvement Plan – Implementation Update Report	Progress report to be provided in 12 months.	H Dougall	May 2020	
116	01 May 2019		Additional Request received	Care Home Provision/Availability of Care Home beds – report to be submitted at future IJB meeting.	D Fraser	11 Dec 2019	Deferred from 27 Sept 2019
118	26 June 2019	9.1	P&K Alcohol & Drug Partnership	Update to be provided including framework and data in 6-9 months time.	D Fraser	March 2020	

ACTION POINTS UPDATE

Perth & Kinross Integration Joint Board

27 September 2019

	Meeting	Minute Reference	Heading	Action Point	Responsibility	Timescale	RESOLVED
99	22 June 2018	8	Redesign of Substance Use Services in P&K	Further review report to be submitted in June 2019.	D Fraser	26 June 2019	Resolved
105	30 Nov 2018	7.1	2018/19 Financial Position	Chief Officer to submit a report on the impact of the Carers (Scotland) Act 2016 at future IJB meeting	G Paterson	26 June 2019	Resolved
109	15 Feb 2019	7.1	Strategic Commissioning Plan	Request to be submitted to Scot Gov to request extension for final Strategic Plan. This is to allow for feedback from Inspection, new Chief Officer taking up post in April etc.	G Paterson	27 Sept 2019	Resolved
113	01 May 2019	8.2	Chief Officer Strategic Update	Timeline requested to be provided re Refreshed Strategic Plan.	G Paterson	26 June 2019	Resolved
114	01 May 2019	8.2	Chief Officer Strategic Update	MSG Self Evaluation Report Submission	G Paterson	26 June 2019	Resolved
117	26 June 2019	7.4	Annual Performance Report	Annual Performance Report for 2019/20 to be submitted June 2020	D Fraser/E Devine	June 2020	Resolved



PERTH & KINROSS INTEGRATION JOINT BOARD

27 SEPTEMBER 2019

2019/20 FINANCIAL POSITION

Report by Chief Financial Officer (Report No. G/19/163)

PURPOSE OF REPORT

This report provides an update to the Perth & Kinross Integration Joint Board (IJB) on the year end financial forecast based on actual expenditure for the 4 months to 31st July 2019.

1. RECOMMENDATION(S)

It is recommended that the IJB:-

- (i) Notes the 2019/20 forecast year-end overspend of £4.860m for the IJB;
- (ii) Notes that this compares to a gap anticipated based on the Financial Plan approved by the IJB, adjusted for IPMH Services, of £4.104m;
- (iii) Notes the update regarding IJB reserves.

2. SUMMARY OF FINANCIAL PERFORMANCE 2019/20

The financial performance as at 31st July 2019 compared to the 2019/20 Approved Financial Plan is summarised in Table 1 below:

Table 1

	Financial Plan Shortfall	Year-End Variance Over/ (-)Under	Variance from Plan Increase/ (-)Decrease
	£m	£m	£m
Older Peoples Service/Physical Disabilities incl. AHPs		1.347	
Learning Disabilities/Mental Health/Addictions		0.872	
Planning/Management /Other Services		1.298	
Sub-Total Core Services*	2.842	3.517	0.675
Prescribing	0.752	0.707	(0.045)
General Medical Services/Family Health Services	0.000	0.188	0.188

Other Hosted Services	0.000	(0.131)	(0.131)
Inpatient Mental Health Services**	0.510	0.579	0.069
Sub-Total Other Health Services	1.262	1.343	0.081
Total All PKIJB	4.104	4.860	0.756
Risk Share on current arrangement			
NHS Tayside		2.079	
Perth & Kinross Council		2.781	
Risk Share on proportionate share			
NHS Tayside		3.645	
Perth & Kinross Council		1.215	

*The financial plan shortfall for Core Services arises from a number of pressures and savings offset by the budget settlement, therefore this does not present on a service by service basis.

**The 2019/20 Financial Plan for IPMH Services is still subject to approval of the IJB at its September meeting.

The year-end forecast includes £1.338m of non-recurring benefits identified as part of initial financial recovery planning which offset a number of unanticipated areas of overspend. The key areas of overspend over and above the approved Financial plan gap are set out below.

3. SERVICE FINANCIAL PERFORMANCE

3.1 Older People and Physical Disabilities incl. AHPs

Older People Residential and Nursing Placements are forecasting to be £0.740m over spent, due to the number of clients within these placements being above the budgeted amount.

A further £0.220m overspend is projected from the use of Step Up placement beds. There is no recurring budget identified for this purpose.

A £0.093m projected overspends within Local Authority Homes mainly due to staff slippage targets not being met as the homes are close to being fully staffed.

Medicine for the Elderly (Tay ward) is forecasting a £0.252m overspends due to bed numbers being open between 16/18 and budget allows for 12/14. Significant supplementary staffing costs are being incurred (through both bank staff and agency) to staff the beds at this increased level. The forecast assumes these costs continue throughout 2019/20. This position is being partially offset by a forecast underspend in Senior Medical staffing due to a part consultant vacancy (£0.069m).

The 3 Psychiatry of Old Age inpatient wards (Garry/Tummel/Leven) are forecasting a £0.421m overspend. This is due to significant use of supplementary staffing resulting from vacancies within wards, but also an increase in patient acuity and dependency levels is requiring a sustained increase in staffing support. This overspend is being substantially offset by staff slippage (£0.165m) within Community Mental Health Teams, driven by vacancies and delays in recruitment.

Community Hospitals are forecasting a £0.372m overspend. Of this, £0.171m is driven by staff cost incremental drift issues in North and South hospitals. Costs from posts within the previous Aberfeldy Community Hospital are forecast at £0.160m, however work is ongoing to resolve this and this forecast is anticipated to reduce in future months.

Within Occupational Therapy, an undelivered recurring saving of £0.121m from previous years remains within this service budget.

Intermediate Care is forecasting an underspend of £0.162m due to vacancies within the Frailty Team and across locality teams.

There is an in year underspend on the investment monies for Carers Services due to the part year implementation of various projects (£0.095m).

3.2 Learning Disabilities, Mental Health Services and Addictions

Within the 2019/20 financial plan additional budget was approved for complex care. However, packages have increased above the budgeted level and as at end July this budget is forecasting an overspend of £0.474m.

External Transport is projecting an overspend of £0.097m due to additional demand. A Transport working group has been set up to review efficiency of use.

The transformation saving for Fairer/Better Futures for People with Learning Disabilities and Autism has not yet delivered and is not yet deemed to be on track to deliver; therefore the projection reflects an unmet saving of £0.350m.

3.3 Planning, Management and Other Services

The structural deficit within the financial plan for core health and social care services is reported within Planning Management and other services. The approved deficit of £2.842m has been reduced to £2.491m through identification of a number of recurring opportunities identified through further detailed budget review early in the new financial year.

Savings targets from IT Efficiencies and Productivity are forecast to be undelivered within 2019/20 (£0.169m).

Locality Teams within Social Care are close to fully staffed and are therefore not projecting to meet staff slippage targets, resulting in a forecast overspend of £0.167m.

There is a projected over-recovery of Contributions Policy income (£0.330m). The 2019/20 Financial Plan invested in a number of areas across Older People's Services aimed at shifting the balance of care. This included development of Enhanced Community Services, provision of Rehabilitation Beds in Perth City and a Respiratory Care Team. The consultation and engagement process has taken longer than expected and the slippage in spend has been released to the financial position.

Within the Financial Plan £0.778m was provided to meet the responsibilities of implementing Free Personal Care for under 65's (Frank's Law). Detailed work has been undertaken and estimated costs for 2019/20 are significantly less than the provision. This is being kept under constant review and may change in future months. The current forecast slippage of £0.648m has been released to support the financial position.

3.4 Prescribing

Further information is currently awaited from NHS Tayside Finance Team to understand the variance from plan.

3.5 General Medical Services and Family Health Services

A forecast overspend £0.188m is reported due to Perth and Kinross being attributed a share of the budgetary pressures being incurred relating to 2C GP Practices in Dundee and Angus.

3.6 Other Hosted Services

Podiatry, Dental and Prison Healthcare are forecasting an underspend position of £0.222m, of which the Perth and Kinross share is £0.074m. This is significantly driven by Podiatry Services (£0.194m) having a number of vacancies across Tayside and predicting a continuing difficulty in recruitment. Angus Hosted Services are forecasting an overall underspend of £0.091m. The key areas of underspend (£0.201m) are within Forensic Services, Out of Hours, Continence Services and Speech Therapy. These are being partially offset by unmet savings of £0.110m.

Dundee Hosted Services are projecting an overall overspend of £0.037m. The key areas of overspend (£0.954m) are within Palliative Services, Brain Injury and unmet savings. These are being partially offset by significant underspend within Psychology Services (£0.600m) and underspend within Sexual Health Services and Medical Advisory Services.

Further explanation of the variations within Angus and Dundee will be provided in future reports.

3.7 Inpatient Mental Health Services

Overall the service is forecasting an overspend of £1.724m. This would be a deterioration from the £1.332m 2018/19 out-turn overspend. General Adult Psychiatry (GAP) medical locum costs continue to be a key driver of the overspend. The £1.700m forecast overspend on medical staffing compares to a 2018/19 overspend of £1.092m. The reliance on locums has significantly increased from July with the departure of 6 substantive post-holders between mid-June and mid-August (5.40 wte) and replacement by locums. Work is ongoing to review the medical staffing requirements both in In-Patients and Community settings.

A £0.292m balance of undelivered efficiency savings carried forward from previous years continues to impact on the financial position although it is anticipated that this will be resolved during 2019/20 if formal agreement is reached to the reconfiguration of GAP beds at Murray Royal Hospital (see below). The first call on the release of budget from this rationalisation will be the historic savings target to yet deliver.

An overspend of £0.150m is anticipated in relation to the Crisis Response and Home Treatment Service (CRHTT). An overall review of the team workforce requirements and workload is ongoing and will seek to address this pressure.

An overspend of £0.047m is forecast for Learning Disabilities (LD). This is a significant improvement on the £0.194m overspend in 2018/19. Significant workforce shortages (due to both sickness absence and vacancies) has driven the overspend, and this has recently been addressed by the merger of 3 wards to two in Strathmartine for patient and clinical safety reasons. The forecast for 2019/20 includes the benefit of this arrangement due to the expected reduction of supplementary staffing during the remainder of the year. There continues to be a number of Delayed Discharge patients and wider discussions are now required around potential resource transfer of recurring budget to all 3 IJB's to potentially support the extension of community services to respond to the urgent remodelling of LD inpatient beds.

All of the above overspends have been significantly offset by a £0.585m underspend forecast for General Adult Psychiatry services at Murray Royal Hospital in Perth. Moredun ward budget has been realigned with the new staffing model and is generally operating within established staffing levels; Amulree budget has been realigned to reflect the combined Amulree & Rannoch ward model and an overspend is currently evident reflecting the additional available staffing and acting-up allowance cost; surplus budget (£0.727m) remains in Rannoch cost centre pending decision on permanent future of these wards; an underspend (£0.050m) is evident in non-pay, partially due to non-operational nature of Rannoch and partially from underspend on drugs across the wards.

3.8 Large Hospital Set Aside

This is a budget that is devolved to the IJB for strategic planning purposes but is operationally managed by the Acute Sector of NHS Tayside.

As at 2018/19 this budget was quantified at £14.986m to reflect the direct costs associated with these services. The projected 2019/20 year-end financial position is presented as break even in advance of further development of associated financial report.

As noted previously the Scottish Government area very keen that the Large Hospital Services issue is further developed. This has been restated on the Ministerial Strategic Group report. While this presents opportunities to the IJB in terms of developing the overall strategic direction regarding Large Hospital Services, there are also risks associated with the provision of Acute Sector capacity. The development of this issue did not progress significantly during 2018/19.

4. PROGRESS WITH 2019/20 SAVINGS DELIVERY

The Core Health and Social Care Financial Plan approved by the IJB in March 2019 detailed a number of savings plans. An update on the progress in delivery is provided in Appendix 3.

5. AREAS OF FURTHER FINANCIAL RISK

There are a number of specific further financial risks that are expected to impact on the financial position, that were not included in the IJB's Financial Plan.

- Scottish Government Funding received by NHS Tayside is insufficient to cover actual costs of superannuation increase
- Complex care packages continuing to increase in number and cost
- Within Inpatient Mental Health, additional medical locum costs associated with implementation of a consultant out-of-hour rota to support doctors in training
- Further beds opened in Tay Ward to respond to demand from Acute Medicine.

6. IJB RESERVES

The IJB carried forward £2.470m of ear-marked reserves from 2018/19. These reserves are required to meet future commitments against a number of priorities. An update on the forecast reserves position for 2019/20 is provided in Appendix 4, the forecast shortfall in delivery (£0.519m) is fully reflected in the financial forecast set out above.

7. RISK SHARING ARRANGEMENTS FROM 2019/20 ONWARDS

It is essential that early agreement is reached to ensure that financial reporting across the IJB and the parent bodies is consistent from the earliest point particularly given the significant overspend forecast.

8. SUMMARY

The forecast overspend of £4.860m compares to the formal Financial Plan deficit of £4.104m. The deterioration against plan is of concern particularly given that a number of non-recurring benefits identified as part of the financial recovery process have now been built in. A separate update on the actions being taken by PKHSCP to develop and implement a Financial Recovery Plan is provided to the IJB.

Author(s)

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NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this report.

Appendices

Appendix 1 – Financial Position

Appendix 2 – Hosted Services Position

Appendix 3 – Core Health & Social Care Savings Update

Appendix 4 - Reserves

FINANCIAL POSITION
PERTH & KINROSS INTEGRATION JOINT BOARD
as at July 2019 Monitoring

Appendix 1

	Social Care		NHS Directed Services		Health & Social Care Partnership	
	Annual Budget £,000	Projected Over / (Under) £,000	Annual Budget £,000	Projected Over / (Under) £,000	Annual Budget £,000	Projected Over / (Under) £,000
Older People & Physical Disability Services						
Medicine For Elderly			3,728	183	3,728	183
Psychiatry Of Old Age			6,213	256	6,213	256
Community Hospitals			4,791	372	4,791	372
Comm Nursing-Older People			3,624	(22)	3,624	(22)
Intermediate Care			974	(162)	974	(162)
Anticoagulation			392	(34)	392	(34)
Physiotherapy			1,935	(46)	1,935	(46)
Occupational Therapy			1,141	151	1,141	151
Joint Loan Store / Social Care Occupational Therapy / Telecare	2,001	(18)	376	7	2,377	(12)
Care at Home	15,776	290			15,776	290
Care Home Placements	19,432	740			19,432	740
Local Authority Care Homes	1,377	93			1,377	93
Services To Carers	879	(140)			879	(140)
Other Services Older People	1,743	33			1,743	33
Investment Monies	116	(41)	631	(317)	747	(358)
Older People & Physical Disability Services	41,324	958	23,807	389	65,131	1,347
Learning Disability & Mental Health Services						
Residential Placements and Community Support	22,396	399	425	410	22,821	809
Learning Disability			830	50	830	50
General Adult Psychiatry			1,956	(16)	1,956	(16)
Learning Disability & Mental Health Services	22,396	399	3,211	445	25,607	843
Substance Misuse Services						
	86	39	956	(10)	1,042	29
Other Community Services						
Localities and Early Intervention & Prevention	4,369	167			4,369	167
Other Community Services	4,369	167			4,910	161
OTHER						
Management / Partnership Funding	(17,851)	1,263	17,047	33	(804)	1,296
Adults Mental Health And Wellbeing			45	5	45	5
Primary Care			450	(6)	450	(6)
Pchp Admin & Clerical			323	(10)	323	(10)
Commissioned Services	2,081	(44)	19	(4)	2,100	(48)
Med Training-Non Psychiatry			691	(105)	691	(105)
OTHER	(15,770)	1,219	18,575	(87)	2,805	1,132
Hospital Community Health and Social Care	52,404	2,781	46,550	736	98,954	3,517
Services Hosted in P&K on Behalf of Tayside IJBs						
Prison Health Services			3,951	(21)	3,951	(21)
Public Dental Service			2,115	(7)	2,115	(7)
Podiatry (Tayside)			3,036	(194)	3,036	(194)
Inpatient Mental Health Services			23,719	1,724	23,719	1,724
Hosted Services Recharges to Other IJBs			(21,813)	(1,012)	(21,813)	(1,012)
Services Hosted in P&K on Behalf of Tayside IJBs			11,008	491	11,008	491
Services Hosted Elsewhere on Behalf of P&K IJB			10,854	(43)	10,854	(43)
GP Prescribing			26,273	831	26,273	831
Other Family Health Services Prescribing			788	(123)	788	(123)
General Medical Services			23,963	188	23,963	188
Family Health Services			17,445	0	17,445	0
Large Hospital Set Aside			0	0	0	0
Grand Total	52,404	2,781	136,881	2,080	189,286	4,860

HOSTED SERVICES POSITION

Appendix 2

SERVICES HOSTED IN PERTH & KINROSS IJB ON BEHALF OF TAYSIDE IJBs	ANNUAL BUDGET	PROJECTED YEAR END VARIANCE
	£	£
PERTH & KINROSS HOSTED SERVICES	32,801,000	1,521,000
HOSTED SERVICES ATTRIBUTABLE TO ANGUS & DUNDEE IJBs	21,813,000	1,012,000
BALANCE ATTRIBUTABLE TO PERTH & KINROSS	10,988,000	491,000
SERVICES HOSTED IN ANGUS AND DUNDEE ON BEHALF OF PERTH & KINROSS IJB	ANNUAL BUDGET	PROJECTED YEAR END VARIANCE
	£	£
PERTH & KINROSS SHARE OF SERVICES HOSTED IN DUNDEE		
Palliative Care	6,004,500	150,000
Brain Injury	1,710,404	200,000
Homeopathy	27,563	4,000
Psychology	5,190,076	(600,000)
Psychotherapy (Tayside)	862,606	120,000
Dietetics (Tayside)	3,000,580	(180,000)
Sexual & Reproductive Health	2,174,564	(150,000)
Medical Advisory Service	160,354	(60,000)
Tayside Health Arts Trust	61,764	0
Learning Disability (Tay Ahp)	825,386	0
Balance of Savings Target	(478,688)	478,688
Grand Total	19,539,109	(37,312)
Perth & Kinross Share (33.5%)	6,571,100	(12,500)
PERTH & KINROSS SHARE OF SERVICES HOSTED IN ANGUS		
Forensic Service	991,113	(95,000)
Out of Hours	7,443,345	(35,000)
Tayside Continence Service	1,440,352	(27,000)
Pharmacy	1,850,651	0
Speech Therapy (Tayside)	1,128,661	(44,500)
Balance of Savings Target	(110,231)	110,231
Grand Total	12,743,891	(91,269)
Perth & Kinross Share (33.5%)	4,283,300	(30,600)
TOTAL PERTH & KINROSS SHARE OF SERVICES HOSTED ELSEWHERE	10,854,400	(43,100)
TOTAL PERTH & KINROSS SHARE OF ALL HOSTED SERVICES	21,842,400	447,900

CORE HEALTH & SOCIAL CARE SAVINGS UPDATE

Appendix 3

	Savings Plan	Amount Forecast	Variance from Plan
	£000	£000	£000
Core Health and Social Care			
Redesign of Rehabilitation Beds	487	487	-
Fairer/Better Futures LD/Autism	350	-	350
Intermediate Care Review	261	261	-
Review Care at Home	222	222	-
Workforce Review for Integration	216	216	-
Supported Living	208	208	-
Corporate Digital Services/My account/Mobile Working	169	-	169
Recommission of Accommodation	160	160	-
General Review of Budgets	152	152	-
Single Handed Care	100	100	-
Local Authority Care Home Income	100	100	-
Management & Administration	75	75	-
Highland House	67	67	-
Commissioned Services	63	63	-
Total Core Health and Social Care	2,630	2,111	519

APPENDIX 4 IJB RESERVES

In March 2017 (IJB Report G/17/51) the IJB described and agreed its 'Reserves Policy'. This set out that the IJB may hold both 'ear-marked' reserves and general reserves. Ear-marked reserves will generally be for specific projects or ear-marked due to specific constraints or factors regarding funding, while general reserves are intended to assist the IJB manage its overall resources over the longer term. The IJB agreed it would set itself a target of having a general reserves equivalent to 2% of approved budgets (c£3.8m).

As at March 2019, the IJB's Annual Accounts showed that Perth & Kinross IJB had £2.470m of earmarked reserves.

Earmarked reserves will most likely be for specific projects and may be triggered by specific factors regarding funding. At the end of 2018/19 the IJB ring-fenced reserves regarding Scottish Government funding to support the new GMS Contract (Primary Care Improvement Fund), Mental Health Funding (Action 15 funding), and Alcohol and Drug Partnership (ADP) Funding. These reserves are retained separately from general reserves.

The table below sets out the anticipated year-end position as at 31st July 2019.

Perth & Kinross IJB Earmarked Reserves			
	Opening Balance 1 April 2019	Projected increased or (reduction) in reserve	Projected closing balance 31 March 2020
	£'000	£'000	£'000
Scottish Government - Primary Care Improvement Fund	642	221	863
Scottish Government - Mental Health - Action 15 Fund	171	(171)	0
Scottish Government - Primary Care Transformation Fund	359	(120)	239
Scottish Government- ADP Fund	572	(407)	165
Partnership Transformation Fund	554	(282)	272
GP Recruitment and Retention Fund 2017/18	118	(118)	0
Mental Health Bundle 2018/19	54	(54)	0
Total	2,470	(931)	1,539

Note - The Out of Hours funding for Tayside is being carried forward by Angus as the Host IJB. This is being carried forward on behalf of all 3 IJBs in a ring fenced reserve.



PERTH & KINROSS INTEGRATION JOINT BOARD

27 September 2019

2019/20 FINANCIAL RECOVERY PLAN

Report by Chief Financial Officer (Report No. G/19/164)

PURPOSE OF REPORT

The purpose of this report is to seek approval from the IJB to the actions agreed with both NHS Tayside and Perth & Kinross Council to respond to the £4.1m gap in the IJB's 2019/20 Financial Plan as well as the further additional pressures that have emerged in the first 4 months of the 2019/20 Financial Year.

1. RECOMMENDATION

The IJB are asked to:

- (i) support the actions identified to address the forecast in –year deficit.
- (ii) ask the chief officer to bring back further proposals to the next meeting.

2. BACKGROUND

The budget for core health and social care service was approved by the IJB in March 2019 with the budgets for Prescribing and Other Hosted Services approved in June. The budget for Inpatient Mental Health Services is being considered in parallel to this report and this paper assumes approval by the IJB.

Overall the budgets approved by the IJB for 2019/20 have resulted in a recurring budget deficit of £4.1m which is summarised in Table 1 below. This gap results from the difference between the budget requested by the IJB from NHS Tayside and Perth & Kinross Council for 2019/20 and the budget made available.

TABLE 1: 2019/20 IJB APPROVED DEFICIT

	2019/20 Shortfall £m
Core Health	0.475
Social Care	2.367
Prescribing	0.752
Hosted Services	0.510
Total	4.104
Risk Share- Current Arrangement:	
NHS Tayside	1.737
PKC	2.367
Risk Share – Proportionate Share:	
NHS Tayside	3.078
PKC	1.026

The IJB is required to deliver services within the resources being made available. The Integration Scheme requires the following:-

- Where a year-end overspend in the Integration Joint Board's budget is projected the Chief Officer and Chief Financial Officer must take remedial action to prevent this overspend materialising. In the event that the remedial action cannot prevent the overspend, the Integration Joint Board will present a recovery plan to the Partners, to address in year overspends and any recurring overspends for future financial years without impacting on the achievement of performance outcomes.
- In the event that the recovery plan is unsuccessful, and an overspend is still projected at the year-end, uncommitted Reserves held by the Integration Joint Board would firstly be used to address any overspend.
- If after the application of reserves there remains a forecast overspend, a revised Strategic Plan must be developed to enable the overspend to be managed in subsequent years.

Since May 2019, work has been underway to identify all to offset the structural deficit. Significant progress has been made although much of this relates to non-recurring solutions. However, the year end forecast based on actual expenditure to 31st July 2019 identified that material unanticipated cost pressures have emerged. The drivers are set out in detail in the Month 4 2019/20 Financial Forecast . After taking account of £1.338m of non-recurring opportunities identified, an overspend of £4.860m is forecast. .

The Chief Officer is leading a financial recovery review across services to identify plans for reducing the current level spending . These have been discussed and agreed with NHS Tayside and Perth & Kinross Council Chief Executives prior to approval by the IJB in line with the financial recovery process adopted in 2018/19.

3. PROPOSALS

Appendix 1 sets £1.310m of Financial Recovery Plan proposed at this stage. Further proposals totalling £0.380m (based on implementation from 1st October 2019) have been identified which are still under discussion with NHS Tayside and Perth & Kinross Council and these are not included at this stage. The Executive Management Team will continue to identify all possible further options to address the in-year financial position.

4. POTENTIAL IMPACT ON 2019/20 YEAR END FORECAST:

If approved it is anticipated that the year end forecast will reduce to £3.550m as set out in Table 3 below.

TABLE 3 REVISED YEAR END FORECAST

	July Year End Forecast Shortfall £m
Net Year End Forecast as at Month 4	4.860
Stage 1 Additional Recovery Plan Actions	1.310
Revised Year End Forecast after Recovery Action	3.550
Risk Share- Current Arrangement:	
NHS Tayside	1.419
PKC	2.131
Risk Share – Proportionate Share:	
NHS Tayside	2.662
PKC	0.888

The financial impact of all actions assumes an October 1st 2019 implementation date and therefore any further delay will impact on the forecast position achievable.

5. FURTHER FINANCIAL RISKS

The Month 4 2019/20 Financial Forecast Report being presented to the IJB identifies a number of further financial risks which may impact on the financial forecast in future months.

6. CONCLUSION

Remedial action is now urgently required to reduce current levels of expenditure. Approval is sought at this early stage to the actions set out which have been discussed and are supported by the Executive Teams of NHS Tayside and Perth & Kinross Council.

Author(s)

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NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this report.

Appendix 1: Summary Financial Recovery Plan

Summary PKHSCP Financial Recovery Plan September 2019		
Proposal	Part Year Cost Benefit 2019/20 £000	Implications/Considerations
Review Care at Home packages	146	As part of the approved 2018/19 Financial Recovery Plan a client by client review was undertaken to ensure that assessed needs were being met as effectively as possible. This proposal seeks to re-establish this review process on a substantive basis whereby a rolling programme of review is undertaken as standard. The focus of the rolling programme in 2019/20 will be in Options 1 and 2 since this is an area of significant increased spend. Clients assessed needs will continue to be met in full.
Management of the use of Step-up care home placements.	136	Delivering better outcomes through review of current referral criteria and processes to ensure people receive most appropriate support in the community.
Reduction of supplementary staffing costs within Inpatient Psychiatry of Old Age Wards	120	There will be a re-alignment of community based staff to the Inpatient wards in order support demand from higher complexity patients. This will reduce requirement for supplementary staffing costs.
Review recruitment to non-critical posts across Health and Social Care	450	Across health and social care services vacancies arise as standard due to retirements, promotions etc. For posts critical to providing care, vacancies should be filled without delay. However in order to support critical spend in key services and after full risk assessment, non essential posts should be held vacant until the end of the financial year.
Reduction in Learning Disability External Transport costs	43	An in year increase in transport costs has led to a full review. This has led to the identification of ways in which efficiency can be achieved through effective procurement and route planning. Clients needs will continue to be met in full.
Review of Staff Travel Costs	50	A review of staff travel costs has identified the opportunity to achieve efficiency savings through the use of teleconferencing facilities available.
Review overnight 1:1 Care at Home Learning Disability	130	Working with providers to review overnight provision. This will include current capacity and developing options for technology enabled care through pilot with Solconnect who will work with providers.
Application of historical ADP carry forward funding	160	In 2018/19 all ADP's across Scotland received a significant increase in recurring funding to meet a range of priorities. There has been slippage in the use of this funding in the initial year and this has been carried forward in a ring fenced budget for use by the ADP to pump prime change and fund short term projects. Over and above this, the ADP have carried forward for a number of years a level of unspent funds for which there are no spending plans and this should now be used to offset areas of existing pressures across the wider mental health and wellbeing services financial position during 2019/20.
Application of historical Primary Care Transformation Fund carry forward funding	75	In 2018/19 significant recurring funding was provided by the Scottish Government to implement the new GP Contract. There has been slippage in the use of this funding and this has been carried forward in a ring fenced budget to pump prime change, Over and above this there is a historic balance of Primary Care Transformation funding of £150k against which there are no spending plans. It is proposed that £75k of this be retained as reserve to fund short term projects and that the balance of £75k be used to offset existing pressures within the Primary Care financial position during 2019/20.
Totals	1,310	



PERTH AND KINROSS INTEGRATION JOINT BOARD

27 September 2019

BRIDGE OF EARN GP PRACTICE

**Report by Chief Officer/Director of Integrated Health and Social Care
(Report No. G/19/165)**

PURPOSE OF REPORT

This report provides IJB members on the background to the closure of Bridge of Earn GP practice and the actions that the Health and Social Care Partnership, NHS Tayside and Perth and Kinross Council have taken in response.

1. RECOMMENDATION

It is recommended that the Perth and Kinross Integration Joint Board (IJB):

- (i) Considers the content of the report and provides appropriate comment;
- (ii) Notes the context and the current situation as regards the closure of the Bridge of Earn GP Practice;
- (iii) Approves the proposed strategic approach for the future delivery of Primary Medical Services to Bridge of Earn patients; and
- (iv) Authorises the Chief Officer to work with partners to implement the necessary operational arrangements to ensure the delivery of the relevant services in Bridge of Earn

2. BACKGROUND

- 2.1 On 10 June 2019 the remaining GP Partner of the Bridge of Earn Medical Practice submitted his notice to NHS Tayside's Primary Care Services to terminate their contract with NHS Tayside in accordance with the NHS (General Medical Services (GMS) Contracts (Scotland) Regulations 2018), giving 3 months' notice. This was acknowledged by Primary Care Services who confirmed that the GP responsibility for provision of GMS services would terminate on Friday 30 August 2019.

- 2.2 For the last year the surgery at Bridge of Earn has operated with two doctors, providing 14 clinical GP sessions per week and supplementing this with locum cover to support a practice population of *circa* 3,500. The practice operated out of a premises which were privately leased from a former GP, which were widely recognised as no longer fit for purpose and too small to be able to provide the broad range of primary care services required by the local population.
- 2.3 Given the limitations of the premises and following representations from the then Community Health Partnership, in 2008 NHS Tayside agreed to a replacement healthcare facility in Bridge of Earn. Over a number of years attempts were made to identify suitable sites to progress this, but this was not able to be realised.
- 2.4 With only two doctors and plans to develop around 1800 new houses on the Oudenarde site outside of Bridge of Earn the HSCP had been encouraging the practice to recruit a third permanent doctor to make the service more sustainable. This though was not progressed.
- 2.5 Perth and Kinross HSCP had also supported the Bridge of Earn Practice in a number of ways:
- Medical notes scanning to free up some additional space in the building.
 - Increased regular pharmacist sessions
 - Funded GP career start post to bolster capacity
 - Progressing implementation of GMS Primary Care Improvement plans
 - Regular supportive meetings with practice
 - Making representations to NHST to move forward premises issue.

3. ASSESSMENT OF OPTIONS

- 3.1 In response to the GP handing back their GMS contract to NHS Tayside, Perth and Kinross HSCP assessed the possible options, as follows;
- NHS Tayside Tendering for a new GMS/PMS Contract
 - Negotiating an arrangement with an existing local practice
 - A '2C arrangement' where NHST employ GPs and the HSCP oversees the delivery with a broad multidisciplinary team
 - Dispersal of the patient list to neighbouring GP practices
- 3.2 Our assessment of these options indicated that;
- The technical process, time required and challenges in relation to tendering for a new GMS contract provision suggested that this was neither achievable nor realistic in the timescales and a successful tender was not guaranteed.

- Despite some early interest, our contact with all neighbouring practices ultimately confirmed that no one felt able to step in to take on patient list in Bridge of Earn and to deliver services locally.
- If the remaining GP could be employed as a salaried GP by NHS Tayside, who leased the premises, this could provide a basis on which to try to build and consolidate the local service. This was recognised to be a very challenging proposition, with no guarantees of success of sustainability.
- Dispersal was felt to be the option of last resort given that it would reduce local access and would also have some impact on other Perth City GP practices that have their own challenges.

3.3 Given our strategic ambition to provide local primary care services and recognising the significant population growth expected in Bridge of Earn over the next decade, the HSCP proposed to NHS Tayside that we look to deliver a '2C' arrangement. These arrangements, while not without significant challenge, exist elsewhere in Tayside and are supported by Primary Care Services and the local HSCPs.

4. OUTCOME

- 4.1 Following more detailed consideration of these possible options, NHS Tayside identified that in the absence of any additional medical cover the preferred option of a '2C' arrangement could not be safely delivered and sustained.
- 4.2 The lack of any success in recruiting additional doctors, the limited number of sessions able to be covered and the overreliance that any arrangement would have on locum doctors led to the conclusion that the transfer of the patients to nearby surgeries was the only safe option for patients to continue to be able to access GP services.
- 4.3 As a result, Primary Care Services made arrangements to disperse the patient list to other local GP practices, with one practice taking on nearly half the patients and other Perth City practices picking most other patients. A smaller number were allocated to Lochleven Practice in Kinross, where this was closer. Discussions are also underway with NHS Fife to enable Abernethy patients to consider Newburgh practices.
- 4.4 To support this transition NHS Tayside and Perth and Kinross HSCP have provided additional support to those GP practices who have taken on Bridge of Earn patients. We have also enhanced the community nurse support into Bridge of Earn to ensure that patients who don't need to be seen by a GP can be supported, including home visits for people who cannot easily travel.
- 4.5 In addition, the HSCP have now developed a proposal for the delivery of a range of local community health services (wound care, phlebotomy, ear syringing, suture removal, chronic disease monitoring, management of minor injuries, adult vaccination programme, etc.)

- 4.6 Suitable premises need to be identified and Perth and Kinross Council have been exploring various options that they may be able to lease. NHS Tayside are also assessing the potential to renovate a house that they own in the village, which currently provides office accommodation for community nurses.
- 4.7 Further, Perth and Kinross Council are exploring transport options to support people travelling from Bridge of Earn to Perth. The HSCP are also looking at the potential for a volunteer driver scheme, given the strong community spirit in Bridge of Earn and the potential that this could support older or more vulnerable people who may have difficulty travelling.
- 4.8 In the longer-term there may be the potential to look to reintroduce GP services when the development at Oudenarde goes ahead. For as well as significant population growth this brings the potential for a new GP surgery to be incorporated into the plans. Perth and Kinross Council have confirmed with the developer there that they would be interested in supporting this.

5. CONCLUSION

- 5.1 It is unfortunate that the challenges around the GP premises and, in particular, the medical workforce shortages led to the decision having to be taken to disperse the Bridge of Earn patient list on. This was found to be the only way to ensure safe and sustainable access to GP services.
- 5.2 For many patients this has been a smooth transition, as visits to Perth city for other services and facilities are unusual. However, it is recognised that for a number of patients this will present a challenge and in response the HSCP along with NHS Tayside and Perth and Kinross Council are taking action to seek to minimise any adverse impact or inconvenience these new arrangements may bring.
- 5.2 The HSCP and colleagues in NHS Tayside are committed to continuing to support other GP practices to respond to the demand they are experiencing with an increase in their own patient lists. We are also continuing to look at the delivery of health services in the Bridge of Earn to explore what can be provided in the local area now, and importantly, which services should be provided in the future.

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NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this report.



PERTH AND KINROSS INTEGRATION JOINT BOARD

27 September 2019

JOINT INSPECTION OF 'THE EFFECTIVENESS OF STRATEGIC PLANNING IN PERTH AND KINROSS HEALTH AND SOCIAL CARE PARTNERSHIP.'

Report by Chief Officer / Director of Integrated Health and Social Care
(Report No. G/19/ 166)

PURPOSE OF REPORT

This report provides IJB members with information on the Joint Inspection of the HSCP carried out by Healthcare Improvement Scotland and the Care Inspectorate and their final report which was published on the 23 September 2019. It outlines the context, findings and recommendations and provides details of the action plan that the Partnership has begun work on in response.

1. RECOMMENDATION(S)

It is recommended that the Perth and Kinross Integration Joint Board (IJB):

- (i) Considers this report on the joint inspection.
- (ii) Notes the detailed findings in the full Joint Inspection Report ([https://www.careinspectorate.com/images/documents/5288/Perth%20and%20Kinross%20joint%20inspection%20\(adults\)%20strategic%20planning_September%202019.pdf](https://www.careinspectorate.com/images/documents/5288/Perth%20and%20Kinross%20joint%20inspection%20(adults)%20strategic%20planning_September%202019.pdf))
- (iii) Requests that the Chief Officer produces a comprehensive improvement plan to address the areas for improvement outlined within the Joint Inspection Report and reports back to the IJB on early progress at the IJB meeting on 11 December 2019.

2. INTRODUCTION

- 2.1 The Care Inspectorate and Healthcare Improvement Scotland have carried out a series of inspections across Scotland to report on the effectiveness of strategic planning by integration authorities. These inspections focus on how Integration Authorities plan, commission and deliver high-quality services in a co-ordinated and sustainable way. Reflecting the stage of partnerships' evolution, these inspections do not seek to evaluate people's experience of services in their area, but to assess the extent to which the Health Care Partnership is making progress in the journey towards efficient, effective and integrated services.

- 2.2 An inspection of strategic planning in Perth and Kinross Health and Social Care Partnership (HSCP) took place between January 2019 and March 2019, focussing on the two year period from February 2017 until February 2019.

The focus of this inspection was how well the Partnership had:

- Improved performance on both health and social care
 - Developed and implemented operational and strategic planning arrangements, and commissioning arrangements, and
 - Established the vision, values and aims across the partnership, and the leadership of strategy and direction.
- 2.3 Following meetings with the inspectorates in April and May, the HSCP submitted further evidence, comment and corrections to the draft report. A further meeting took place with the inspectorate in August, before the final inspection report was published on 23 September 2019.
- 2.4 While the findings of this inspection are concerning, they mirror the areas of improvement that we had identified in our own self-evaluation, our Strategic Risk Management Framework and our governance audit. Consequently we have begun to take action to address these failings, as well as to look to build on the positive areas the inspection also highlighted.
- 2.5 The findings of this inspection reaffirm how frontline staff are working effectively and positively to deliver improved outcomes for the people we support and care for. While our Annual Performance Report evidences that we are performing above the Scottish average across most performance indicators and our registered services are consistently evaluated as good or very good, we recognise that this inspection highlights the need for us to improve our inputs, processes, systems and strategic leadership. It also reflects the need to consider our aligned structure, our approach to strategic planning and to monitoring performance. These are important areas for us to develop and we are committed to doing so, in order that we can further enhance the quality of services and the outcomes the deliver to the people of Perth and Kinross.

3. JOINT INSPECTION REPORT– KEY FINDINGS

- 3.1 This section of the report summarises the inspection's key findings, both the strengths and the areas for improvement, as well as the grades awarded across each of the three quality indicators considered.

Performance

- 3.2 The inspection identified that although Perth and Kinross HSCP was performing well we lacked strategic leadership on performance and did not have a robust and integrated performance framework. It identified that as well as limiting our ability to measure performance against strategic priorities this also prevented us from reporting effectively to the IJB and its Committees.

- 3.3 The inspection commended our performance in a number of areas, but highlighted that in many we had no formal mechanisms for monitoring performance, that we lacked a comprehensive approach and that there was confusion within the senior team about different roles and expectations.
- 3.4 Concern was also raised about the use of data, how it was collated and used and where responsibility lay for reviewing and monitoring performance. Limited performance information was available to Localities, which prevented managers from assessing the impact of service provision and identifying areas of need locally.

Evaluation: Weak

Strategic Planning

- 3.5 While progress had been made in implementing a number of actions from our Strategic Commissioning Plan the inspection evidenced a lack of a balanced and effective approach. This was partly attributed to the demands of inpatient mental health and learning disability inpatient services.
- 3.6 Although we have achieved significant improvement in delayed discharge and unscheduled care, the inspection highlighted slow progress on complex care and on workforce planning. It was reported that financial planning had improved, together with collaborative working between senior management and finance. The inspectors also positively recognised that there were effective arrangements in place for the commissioning, procurement and monitoring of services purchased from external providers.
- 3.7 However, the inspection found that the HSCP lacked a systematic approach to monitoring and evaluating the implementation of all its plans and had not sufficiently considered whether its plans were achievable and realistic. Plans were found to not be underpinned by effective programme and project management or subject to regular review and re-prioritisation, taking into account the capacity available to deliver them.
- 3.8 The Inspectors recognised that the Partnership had worked hard to establish its localities. It was clear that Locality Teams had driven the development of early intervention and prevention, but processes to ensure alignment with strategic priorities were absent. The inspection highlighted that self evaluation and quality assurance had not been priorities. While there was commitment to involve external stakeholders, this was found to not have been consistently implemented.

Evaluation: Adequate

Leadership and Direction

- 3.9 The Inspectors found that the HSCP had a clear vision and aims, underpinned by strategic themes and that the Partnership's vision was largely aligned with the strategic vision of partner agencies. It was widely recognised and understood by partnership staff. Locality teams were led by effective managers who were well respected by frontline staff.
- 3.10 However, the inspection highlighted that there was disconnect between senior managers in the wider partnership and staff in localities, where there was a lack of strategic direction from senior managers and leaders were perceived as distant. Staff and managers were found to not be confident about workforce planning intentions, despite difficulty in adequately staffing all service areas. The inspectors found that while staff worked in a collaborative way, they expressed a desire to progress to an integrated workforce.
- 3.11 Due to the aligned rather than integrated structure, there were a number of different clinical and care governance and management groups and the inspectors reported that this has contributed to a lack of clarity about roles of groups, duplication of work, lack of communication between groups and inefficient use of senior staff time.
- 3.12 Further, the inspection highlighted that the IJB was not equipped to fulfil its role, with poor communication, sharing of information and training cited as having a negative impact on the development of the IJB members. The inspection also asserted that the IJB was not setting the strategic direction for the partnership or fulfilling its governance role.
- 3.13 The inspection acknowledged that the Partnership had a new leadership team with two new Chief Executives and a new Chief Officer, who expressed their commitment to the integration agenda and enthusiasm for taking a leadership role to drive the vision and culture of integration. However, it was recognised that, at the point of this inspection, it was too early to evaluate the impact that this new team would make.

Evaluation: Weak

4. KEY AREAS FOR IMPROVEMENT

The inspection report evidences key priority areas for improvement and these are presented in the following table. This has been supplemented, in the final column, with information on the early action that the Partnership has taken on these. These actions will be incorporated into the Consolidated Improvement Plan that we are currently developing.

	Areas for Development	HSCP Improvement Actions
1	The Partnership should improve its approaches to performance measurement and management.	We have dedicated resource to develop a Corporate Performance Framework, which will routinely provide performance and management information and will enable remedial action to be taken to improve performance. This will also enable us to provide regular performance reports to the IJB and will support the development of our Annual Performance Report.
2	The Partnership should improve its strategic planning and commissioning processes.	In developing our new Strategic Plan we have identified the need to review our strategic planning processes and to consider the effectiveness of our current planning and organisational structures. We are also committed to refreshing and revitalising our Strategic Planning Group and the Third Sector Forum.
3	The Partnership should put in place a systematic approach to monitoring and reviewing the implementation of its strategic commissioning plan and any other plans and strategies which support its implementation.	Revision of our strategic planning structures and groups will ensure routine monitoring, evaluation and reporting of our strategic plans. The development of a Corporate Performance Framework will enable us to track, chase and deliver progress and improvement across our key indicators, plans and programmes.
4	The Partnership should ensure that it places greater priority on evaluating the impact of its plans and strategies.	
5	The Partnership should ensure that workforce planning is maintained as a key priority in all its activities and encompasses the workforce requirements of the NHS, Perth and Kinross Council and third and independent sector providers.	We have begun a series of workshops within our current strategy groups and programmes of care to inform the development of our Workforce Plan. We await national guidance and a reporting template from the Scottish government and will use this to complete and submit our workforce plan by the end of this financial year.
6	The Partnership should build on existing good relationships with care providers and housing services to identify where there is potential to co-produce solutions to strategic challenges.	We have brought together a group of national care and housing providers to look at how we can collectively design and deliver new models of care, particularly for people with complex needs. We have already identified properties to support people with complex care needs to move from long-stay hospital beds and we are developing plans to partner a care provider, social landlord and developer to design further builds.

7	The Partnership should review its participation, engagement and communication strategies.	We are reviewing our approach to participation and engagement and will refresh our activity in this area through the work of our Community Engagement Team.
8	The Partnership should review its structures and processes for management, strategic planning and governance to ensure the structure is fit for purpose.	We are reviewing our organisational structure, to become more integrated and to provide greater accountability and clearer lines of responsibility. This will create the conditions for improvement, innovation and for the delivery of transformation programmes.
9	The Partnership should invest in the development and support of the IJB members.	We will engage with the incoming Chair to support him to lead on a development needs analysis for IJB Members. This will inform a development plan that will enable IJB Members to carry out their important role with greater insight, competence and confidence.

5. CONCLUSION

- 5.1 The findings of the Joint Inspection Report are of concern. Despite the HSCP performing well across a range of indicators and despite frontline staff working effectively to deliver high quality care and support, these findings clearly highlight the need for the Partnership to deliver improvements across a number of areas and functions. The Partnership Senior Leadership Team is fully committed to achieving this and has already taken steps to deliver on this commitment.
- 5.2 The IJB will wish to note and discuss the contents of this report and the full Joint Inspection Report and will wish to be assured by the partnership's commitment to consolidate what is working well and to take action to deliver improvements in monitoring performance, financial and strategic planning, providing effective, visible and strong leadership and in setting the strategic direction for the HSCP.

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NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this report.

Perth and Kinross Health & Social Care Partnership

Annual Performance Report for 2018/19

(Report No. G/19/167)



FINAL Draft APR Version 1.5.7 – 24072019

Contents:

Foreword & Introduction	3
Section 1	
Our Health & Social Care Partnership Our Vision & Our Values	4
Our Localities	7
Section 2	
Our Performance	8
Strategic Objectives:	
1. Working together with our communities	11
2. Prevention and early intervention	14
3. Person-centred health, care and support	16
4. Reducing inequalities and unequal health outcomes and promoting healthy living	20
5. Making best use of available facilities, people and other resources	23
Section 3	
Scrutiny & Inspection of Services	25
Section 4	
Financial Performance	31
Appendices:	
• Glossary of Terms (A-Z)	34
• Highlights from 2018/19	36
• Case Studies & Celebrating Success	47
• Services Hosted by Dundee and Angus HSCP	50

Foreword & Introduction

This report outlines the third annual review of the performance of the Perth and Kinross Health and Social Care Partnership. As we complete our third year as a Partnership we continue to focus our efforts on providing services that improve the lives of local people.

Our 2016/19 Strategic Commissioning Plan emphasised our ambition to design, deliver and arrange services that supported people to live safely and independently at home for as long as possible and to reduce ill health and address health and social inequalities.

The five key objectives within our current Strategic Commissioning Plan link directly to the Scottish Government's nine National Health and Wellbeing Outcomes (detailed on page 8 of this report). These outcomes provide a useful framework for us to demonstrate our progress, to recognise our successes and to identify where further work is needed. We reference these throughout this report.

A new 2020/25 Strategic Commissioning Plan is currently being developed and will be issued at the end of September 2019. During July 2019 comprehensive engagement with the people who live in Perth & Kinross will take place to better inform the content and priorities which will be core to the new Plan.

Since taking up post as Chief Officer in April 2019, it has become apparent to me that we require to be more clear about our performance, our achievements and the impact of our activity. The Partnership has also recently been inspected in respect of governance, leadership and performance arrangements. To address this, I propose to refresh current leadership structures and will commit, along with my Leadership Team, to develop a performance framework that reports more effectively and routinely across a number of agreed measures, with increasing emphasis on outcomes. This should build on the National measures, with a local set of indicators, which will better relate to performance against our key priorities. These ambitions will be further outlined within our new Strategic Commissioning Plan.

Gordon Paterson, Chief Officer/Director - Integrated Health & Social Care

Perth & Kinross Health & Social Care Partnership

Our Health and Social Care Partnership

The Integration Joint Board

Integration means co-ordinating delivery of Health & Social Care services. NHS Tayside, Perth & Kinross Council and our partners (voluntary and independent service providers) to develop better, more responsive and far more sustainable care models now and for the future.

This is about working together not just as care providers but also including the ambitions of care users, their families and carers. The aim is to make sure that services and supports are tailored to meet the particular needs of individuals and local communities, to enable people to lead, happy, healthy and independent lives. Integration is about:

- supporting people early and preventing further decline in their health and wellbeing
- making it possible for people to receive the right care at the right time and in the right place.
- changing the way we deliver care to meet the needs of our growing older population and people living with long-term conditions.
- building strong, compassionate communities which offer support and companionship.
- giving people the information and support they need to manage their own health and wellbeing effectively.

Partnership and Perth & Kinross Hosted Services:

Partnership Services			Perth & Kinross Hosted Services
Community Care	Health	Hospital	
<ul style="list-style-type: none"> • Services for adults with a physical disability • Services for older people • Services for adults with a learning disability. • Mental health services • Drug and alcohol services • Adult protection and domestic abuse services • Carers support services • Health improvement services • Equipment, adaptations and technology enabled care. • Residential and nursing care home placements • Care at home • Reablement services • Respite and day care 	<ul style="list-style-type: none"> • District nursing services • Substance misuse services • Primary medical services • General dental services • Ophthalmic services • Community geriatric medicine • Primary medical services to patients out-of-hours • Community palliative care services • Community learning disability services • Community mental health services • Community continence services • Community kidney dialysis services • Public Health promotion • Allied health professionals • Community hospitals 	<ul style="list-style-type: none"> • Accident and Emergency services provided in a hospital • Inpatient hospital services: General medicine; Geriatric medicine; Rehabilitation medicine; Respiratory medicine; Psychiatry of learning disability. • Palliative care services provided in a hospital • Inpatient hospital services provided by GP's • Services provided in a hospital in relation to an addiction or dependence on any substance • Mental health hospital services except secure forensic mental health services • Pharmaceutical services 	<ul style="list-style-type: none"> • Learning disability inpatient services • Substance misuse inpatient services • Public Dental Services/ Community Dental Services • General Adult Psychiatry Inpatient Services • Prison Healthcare • Podiatry

Services Hosted by Dundee and Angus HSCP (Appendix 4)

Our Vision and Our Values

Our Vision and Values

Our vision is that:

“We will work together to support people living in Perth and Kinross to lead healthy and active lives and live as independently as possible with choice and control over the decisions they make about their care and support. Our aim is to improve the wellbeing and outcomes of people living in Perth and Kinross, to intervene early and work with the third and independent sectors and communities to prevent longer term issues arising.”

Our values are important in guiding how we interact with service users and carers, with partners and stakeholders and with each other:

- Person focused
- Integrity
- Caring
- Respectful
- Inclusive
- Empowering

The National Health and Social Care Standards, which were published in July 2018, seek to provide better outcomes for everyone, to ensure that individuals are treated with respect and dignity and that the basic human rights we are all entitled to are upheld:

Our Guiding Principles:



Health & Social Care Standards:

1. I experience high quality care and support that is right for me
2. I am fully involved in all decisions about my care and support
3. I have confidence in the people who support and care for me
4. I have confidence in the organisation providing my care and support
5. I experience a high quality environment if the organisation provides the premises

A Week in Perth and Kinross Health & Social Care Partnership



On average each week:



More than 1200 people over 65 are provided with 12 000 hours of care to support them living at home.

There are 364 attendances at Accident & Emergency in Perth Royal Infirmary. 97.1% attendances are seen within 4 hours.

200 people over age 65 per week are supported by Home Assessment Recovery Team 44% require no further support at the end of the process

On average each week there are 148 unplanned admissions of Perth & Kinross residents into acute services.

More than 970 people over 65 are supported to live in Care Homes. The average age on admission to a Care Home is 85 years.

We receive over 24 reports about adult protection concerns. 96.5% of Adult Support & Protection concerns are responded to within 24 hours.

412 people are supported to live in their own tenancies or hostel accommodation by Housing Support

We ensure that 316 meals are delivered each week to people who would have difficulty in preparing a meal for themselves.

Over 24% of people accessing services are using either Self Directed Support Option 1 or Option 2.

Around 97 partnership inpatient beds are occupied at any one time, amounting to 680 beds per week.

We enable a Carers' Support Telephone Service which makes over 90 phone calls each week providing one-to-one support to reduce isolation.

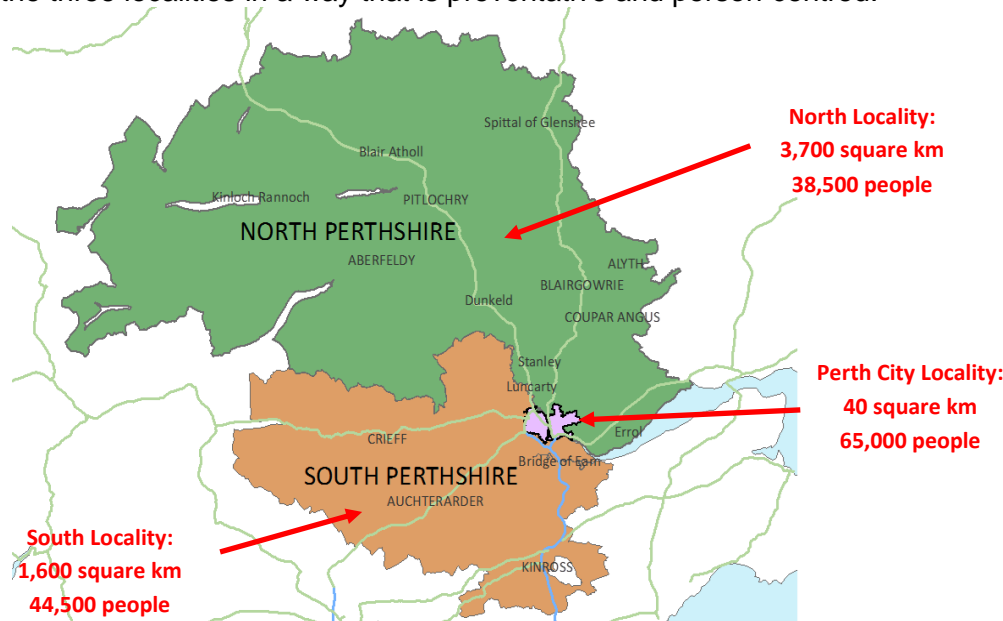
More than 170 people, over 65, and/or with Learning Disabilities, use our day care facilities.



Our Localities

Perth and Kinross HSCP has three localities which are shown below. We recognise the impact that social isolation can have on health and wellbeing and therefore the benefits derived by people being connected to their local communities. These connections and relationships can support people to remain safe and well and can provide informal support and monitoring that helps to mitigate the risks of illness and mental or physical health problems.

We also recognise that local people are best placed to identify local solutions and we are therefore committed to working with them to develop services and supports in their area. Our strategic priorities reflect our commitment to work with partners in local communities across the three localities in a way that is preventative and person-centred.



There are specific challenges facing Perth and Kinross given the spread of our population over a large rural area. While our area is the eighth most densely populated local authority areas in Scotland, 36.8% of our residents are classed as being in some way 'access deprived' due to geography compared to 20.2% nationally. This means that issues of cost, time and lack of appropriate transport impacts on people's access to basic health and social care services.

Locality Action Plans are being developed that seek to ensure that people have access to the services and supports they need in their local communities.

Section 2 Our Performance

Introduction

Our five key Strategic Objectives are:

- Working together with our communities
- Prevention and early intervention
- Person-centred health, care and support
- Reducing inequalities and unequal health outcomes and promoting healthy living
- Making best use of available facilities, people and other resources

These key objectives link directly to the nine Health & Social Care National Health and Well-being Outcomes (below).

National Health and Well-being Outcomes:

- 1 People are able to look after and improve their own health and well-being and live in good health for longer
- 2 People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently, and at home or in a homely setting in their community
- 3 People who use health and social care services have positive experiences of those services, and have their dignity respected
- 4 Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services
- 5 Health and social care services contribute to reducing health inequalities
- 6 People who provide unpaid care are supported to look after their own health and well-being, including to reduce any negative impact of their caring role on their own health and well-being
- 7 People using health and social care services are safe from harm
- 8 People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide
- 9 Resources are used effectively and efficiently in the provision of health and social care services

The following sections outline the Health & Social Care Partnership's performance and progress against a set of indicators agreed by the Ministerial Strategic Group for Health and Community Care (MSG), the National Health and Well-being outcomes and our Strategic Commissioning Objectives.

How we are getting on:

Performance Key - We have used these definitions to set the colour and arrows:

We are meeting or exceeding the target or number we compare against	
We are within 3% of meeting the target or number we compare against	
We are more than 3% away from meeting the target or number we compare against	
An arrow indicates the direction the numbers are going in	

The Ministerial Strategic Group for Health and Community Care (MSG)

The Ministerial Strategic Group for Health and Community Care (MSG) agreed a suite of indicators that will be used by Integration Authorities to measure progress under integration. Evidence of our performance:

Table 1: MSG Indicators

MSG Indicator	MSG Description	Perth and Kinross 2016/17	Perth and Kinross 2017/18	Perth and Kinross 2018/19	Movement in our performance last year
1a	Emergency Admissions	15,128	15,021	14,592	↓ 429 (2.9%)
1b	Unscheduled Hospital Bed Days	111,324	102,451	96,867	↓ 5,584 (5.7%)
1c	A&E Attendances	31,825	32,506	32,888	↑ 382 (1.17%)
4.1	Delayed Discharge Bed Days*	19,176	16,785	14,203	↓ 2,582 (18.17%)
5.1	Proportion of last 6 months of life spent at home or in a community setting	88.27%	89.64%	89.68%	↑ 0.04%
6.1	Percentage of population at home unsupported**	97.97%	98.00%	n/a	n/a

Notes on Performance Indicators:

*All ages Delayed Discharge including complex cases

**Data will be available in October 2019

This table evidences good progress across the majority of these indicators. To prevent unnecessary emergency admissions to hospital we have been focusing on early intervention and this has led to people being diverted from hospital or staying for shorter periods of time. Our improvement actions have reduced the number of emergency bed days required by 7% since 2016/17. Our performance this year is better than the Scottish average, demonstrating the success of our efforts to support people to return home as soon as they are well enough to leave hospital.

The exception to this is the increased number of people from Perth & Kinross attending Accident and Emergency services. However it is encouraging that this does not translate into an increase in the number of emergency admissions. The HSCP will interrogate the data further to better understand the issues of those presenting at Accident and Emergency. The findings will be shared with other services and agencies to collaboratively identify improvement actions that could reduce the need for children, young people and adults of all ages presenting at Accident and Emergency.

We know that if people remain in hospital too long after they are ready to be discharged there recovery may take longer. As a result we have improved peoples experiences by reducing the length of time people are delayed by supporting early discharge.

As well as being better than the Scottish average performance (our rate of 598 days per 1000 population compared to 793 days per 1000 population for Scotland), we have recently achieved the lowest level of delayed discharge since 2014. This makes a big difference for people who are ready to move on from hospital and also for those who would otherwise be awaiting a hospital bed. We aim to achieve further improvements in 2019/20 by implementing seven day working for the multi – disciplinary teams.

This improved performance is a result of close working with colleagues in acute hospital services and developing a more integrated approach involving all relevant professionals. A Discharge Hub, Liaison Service and Home Assessment and Recovery Team have been implemented and work as part of an integrated model. Lessons learnt from managing winter pressures and other Partnerships were used when developing the model to ensure it is efficient and effective.

We have achieved an increase in our performance in supporting people to spend the last 6 months of life at home or in a community setting. Although our performance is above the Scottish average this will remain an improvement priority for the year ahead and we will look further at what services we can offer, with partners and carers. We will seek to build on our progress by further investing in our locality teams and building networks of support with our partners, taking into account the resources available in local communities.

Strategic Objective 1

Working together with our communities: Recognising the wealth of knowledge, experience and talents that local people have within their communities.

We want people to have the health and care services they need within their local communities and to empower people to have greater control over their lives.

National Health & Wellbeing Outcome 4

Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services

National Health and Wellbeing Outcome 6

People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their health and wellbeing

ID	Indicator	2015/16 Perth and Kinross	2016/17 Perth and Kinross	2017/18 Perth and Kinross	2018/19 Perth and Kinross	What is our trend over last four years	Scotland 2018/19	How we compared to Scotland
NI 06	% of people with positive experience of care at their GP practice. (Source: HACE)*	91%	n/a	88%	n/a	↓ 3%	83%	5% better
NI 07	% of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life. (Source: HACE)*	84%	n/a	81%	n/a	↓ 3%	80%	1% better
NI 08	% of carers who feel supported to continue in their caring role (Source: HACE)*	40%	n/a	41%	n/a	↑ 1%	37%	4% better
NI 19	Number of days people aged 75+ spend in hospital when they are ready to be discharged per 1,000 population**	1,005	866	658	598	↓ 407 (68%)	793	32% better
ISD	Number of bed days lost to delayed discharge (excluding complex cases)	17,029	15,429	15,078	11,446	↓ 5,583 (48%)	n/a	n/a
ISD	Number of people delayed in hospital for more than 14 days	191	198	239	157	↓ 34 (21.6%)	n/a	n/a

Performance relating to Strategic Objective 1

Notes on Performance Indicators:

**NI 06, NI 07 and NI 08: HACE survey is undertaken every two years therefore information is not available for 2018/19. Scotland Value is based on 2017/18.*

***NI 19: Data is based on performance from April to December 2018.*

The Perth and Kinross HSCP has been working closely with local communities throughout the area to develop a range of community-based supports for people. We have different methods to find out more about how people feel about their health and social care services. One way is to use information from national and local surveys; the Health and Social Care Experience is a national survey. We are performing above the national average about the support people receive at home to improve their quality of care and their experience at their GP practice.

A priority for the HSCP is to help people feel more included and involved in their community. In our local survey, we have seen a 14% reduction, and this is an area we wish to improve. Social isolation and loneliness have a significant impact on physical and mental wellbeing and reducing it is a crucial priority for the HSCP.

To improve this, we have supported the development of local health and wellbeing networks. These networks currently have 253 members, and they bring local people together to plan what supports are required in their area.

The networks then work with local communities to start groups and activities which improve a range of outcomes for people such as stopping people feeling lonely, enabling them to access affordable transport and encouraging them to be physically active. Examples include Men's Sheds, the community transport initiative in Auchterarder and the Active Life Skills Project.

The Perth and Kinross Adult Survey for 2018/19 was sent out to a sample of 1000 service users across the three localities. The majority of people who replied indicated that the services they received were of high quality, reliable and supported them effectively. Importantly people reported that they were being treated with compassion and understanding.

While it is encouraging to see that we are performing above the national average for carers feeling able to continue their caring role, this is an area for further progress. Perth & Kinross Health and Social Care Partnership recognise the vital role unpaid Carers play in the lives of the people they care for and in their community. We are committed to supporting people in their caring role for as long they wish.

We aim to work with carers to support them in their caring role and to have a life alongside caring. We are committed to including carers and people with recent caring experience in planning and developing future services and supports.

We value feedback from individuals who have 'lived experience' as they have unique and valued perspectives that will help shape services into the future. The following table demonstrates that people do feel that the support they receive has a positive impact:

Perth and Kinross Adult Social Work Survey 2018/19

Perth and Kinross Social Care Survey Results	2016/17	2017/18	2018/19	Difference compared to previous year
I received a high-quality service	89.7%	91.1%	89%	↓ 2.1%
I can rely on the services I receive	86.8%	85.7%	88%	↑ 2.3%
I am supported to live as independently as possible	89.9%	91.7%	91%	↓ 0.7%
The help, care or support I received helps me feel safer at home and in the community	87.9%	82.4%	86%	↑ 3.6%
I was treated with compassion and understanding	91.7%	88.7%	95%	↑ 6.3%
The services I have received have helped me to feel part of my local community	64.9%	72.3%	58%	↓ 14.3%
I get a good response from social work services when I contact them during the day	72.6%	88.5%	87.5%	↓ 1%

The numbers sampled for each location were based on the proportion of current service users in each area. A 26.5% response rate was achieved, which was very slightly down on last year's figure of 27.1%.

Strategic Objective 2

Prevention and early intervention: intervening early to prevent later issues

National Health and Wellbeing Outcome 1

People are able to look after and improve their own health and wellbeing and live in good health for longer

Performance relating to Strategic Objective 2

	Indicator	2015/16 Perth and Kinross	2016/17 Perth and Kinross	2017/18 Perth and Kinross	2018/19 Perth and Kinross	What is our trend over last four years	Scotland 2018/19 value	How we compared to Scotland
NI 01	% of adults able to look after their health very well or quite well (Source HACE)*	95%	n/a	95%	n/a	no change	93%*	2% better
NI 12	Rate of emergency admissions per 100,000 population for adults **	11,040	11,158	10,777	10,689	↓ 351 (3.2%)	11,656	9% better
Local	% of people requiring no further services following Reablement***	n/a	n/a	47%	44%	↓ 3%	n/a	n/a

Notes on Performance Indicators:

*NI 01: HACE survey is undertaken every two years therefore information is not available for 2018/19. Scotland Value is based on 2017/18.

**NI12: Data is based on performance from April to December 2018.

***Reablement: The source of information for this measure is now being taken from the real time monitoring system and is now reflective of the success of reablement. i.e. Data source has been changed to improve accuracy. Please note that changes upwards and downwards in the Reablement data does not imply better or poorer performance.

Through 2018/19 The HSCP has been transforming services to focus on prevention and early intervention activity. This has resulted in a reduction in unnecessary hospital admissions, more people with mental health or drug and alcohol problems in recovery and more people supported to live independently at home.

We have developed a number of initiatives with the Community Planning Partnership to encourage healthy living. 93% of people report that they are continuing to look after their health well. One of our initiatives has been an investment in the 'Home Assessment and Recovery Team' (HART) to focus on reablement which supports people to retain their independence. HART is available to all adults however the majority of people who use the services are over 65 years old. Over 40% of people using HART do not require any ongoing Care at Home support when HART have ended their involvement.

People are also receiving support quicker following an admission to hospital which enables them to recover quickly, requiring less support. We have been able to do this by providing support locally with the help of the third sector and local communities. Examples of this are group walking and [foot care](#).

The HSCP have been engaging with General Practitioners on several projects which will improve outcomes for people. This includes the quality of prescribing and introducing social prescribing to connect more people to groups that can support. These initiatives help people to stay well and reduce the need for hospital admissions. For Perth & Kinross, the rate of emergency admissions is showing a slowly decreasing trend in emergency admissions over the four years since 2015/16. This measure is better than the Scottish rate of 11,656 admissions per 100,000 when compared to our 10,689 admissions per 100,000.

We have identified areas to enhance the support for people and families affected by mental health or substance misuse. There is a higher risk of developing mental illness and substance misuse for those living in deprived communities. Interventions to promote wellbeing and prevent mental ill-health must be available to all, but are also targeted at high-risk groups so that inequities in health are reduced. We have improved access to drug and alcohol services through a multi-agency assessment clinic, which will be delivered in Perth City and rural areas as well as increasing access to brief alcohol interventions to improve timely responses.

A 'whole life' approach is vital to support families, parents and carers to ensure children are leading healthy lives. There is a reliable and continuing link between smoking, poverty and inequalities. In recent years the number of people smoking has reduced. Smoking contributes significantly to low life expectancy in more deprived areas. Public Health has been working on several initiatives which have had a direct impact on the people of Perth and Kinross, and they include the provision of an incentive scheme to those living within the 40% most deprived areas.

We continue to work with local media to provide useful news stories of people who have quit even though they have complex life circumstances and issues. All prisons in Scotland became smoke-free in November 2018. In 2013 a survey was undertaken reporting that 74% of prisoners smoked. The transition in Tayside was very successful, and prisoners' feedback that they felt well supported in going smoke-free.

Public Health is implementing 'Improving Maternal & Infant Nutrition: A Framework for Action' and 'A Healthier Future: Scotland's Diet & Healthy Weight Delivery Plan.' Scottish Government published a stretch aim for breastfeeding in July 2018, i.e. 'the drop off in exclusive breastfeeding will reduce by 5% by 2020/21 & by 10% by 2024/25'. 'Breast Buddies Coordinator' appointed for Perth & Kinross (from April 2019 post is funded for one year from the Breastfeeding Programme for Government allocation) and ten breastfeeding groups running in Perth & Kinross.

Strategic Objective 3

Person-centred health, care and support - putting people at the heart of what we do, listening, empowering and supporting

National Health & Wellbeing Outcome 2

People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.

National Health & Wellbeing Outcome 3

People who use health and social care services have positive experience of those services, and have their dignity respected

Performance relating to Strategic Objective 3

ID	Indicator	2015/16 Perth and Kinross	2016/17 Perth and Kinross	2017/18 Perth and Kinross	2018/19 Perth and Kinross	What is our trend over last four years	Scotland 2018/19 value	How we compared to Scotland
NI 02	% of adults supported at home who agree that they are supported to live as independently as possible (Source: HACE)*	81%	n/a	83%	n/a	↑ 2%	81%*	2% better
NI 03	% of adults supported at home who agree that they had a say in how their help, care or support was provided. (Source: HACE)*	82%	n/a	78%	n/a	↓ 4%	76%*	2% better
NI 04	% of adults supported at home who agree that their health and care services seemed to be well co-ordinated (Source: HACE)*	76%	n/a	75%	n/a	↓ 1%	74%*	1% better
NI 13	Rate of emergency bed day per 100,000 population for adults**	124,651	118,566	112,354	104,092	↓ 20,599 (20%)	111,723	7% better
NI 14	Readmissions to hospital within 28 days of discharge per 1,000 admissions**	115.00	117.97	104.39	114.23	↓ 0.77 (0.67%)	98.21	16% worse
NI 15	Proportion of last 6 months of life spent at home or in a community setting**	87.9%	88.27%	89.58%	89.68%	↑ 1.78%	88.61%	1.07% better

Local	Percentage 65+ with intensive social care needs receiving care at home***	32%	37%	38%	37%	↑ 5%	n/a	n/a
Local	Number of people using SDS Options 1 and 2 as a percentage of all people accessing services via SDS	11.7%	14.4%	18.6%	23.6%	↑ 11.9%	n/a	n/a

Notes on Performance Indicators:

***NI 01, 02, 03 and NI 04:** HACE Survey is undertaken every two years therefore information is not available for 2018/19. Scotland Value is based on 2017/18.

****NI 13, NI 14, NI 15:** Data is based on performance from April to December 2018.

*****NI 18:** No new data available for this Indicator since 2016/17, on hold until national indicator availability. This indicator is replaced by a similar local measure "% of 65+ with intensive social care needs receiving care at home".

The table above shows the vast majority of people in Perth and Kinross report that they feel supported to live at home independently. More people are remaining at home with support and there was an increase of 5% of people with intensive care needs receiving a support package to help them remain at home.

In addition there has been a change in the way people choose to have their care delivered as we promote choice and control. This is evidenced by the 11% increase in the number of people choosing option 1 and 2 of self-directed support. Most people reported they had a say in how their support was provided.

There has been a renewed focus on quality of care delivered by the HART team. This can be demonstrated through the implementation of a 7 day review to gather feedback from service users. This was carried out twice throughout 2018 and on both occasions 100% of people surveyed felt that staff asked and cared about how they felt.

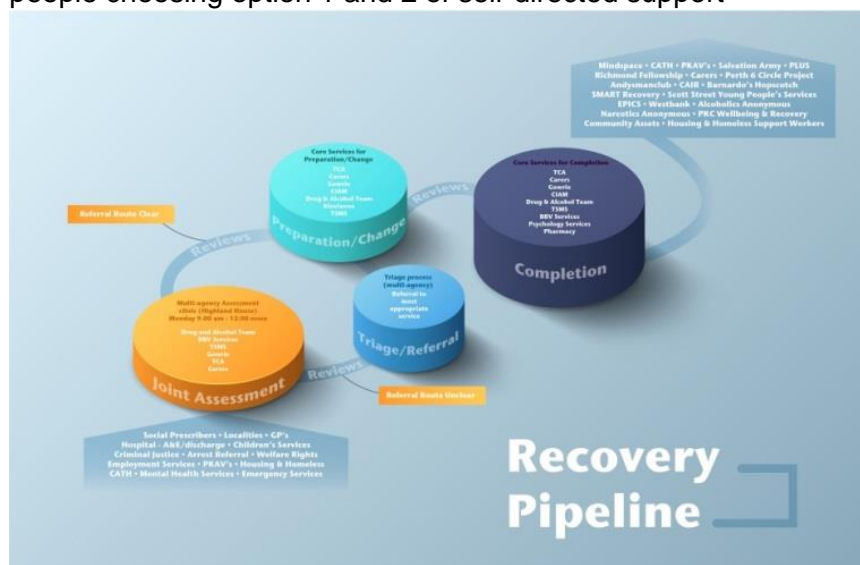
The number of people who are able to spend their last six months of life at home or in a community setting has increased. We will continue to support people at home or in homely settings by providing further education and specialist support to staff.

The number of people who are being readmitted to hospital following discharge has increased and this where we need to better. It is important to understand the reasons for this in greater detail and this will be one of our priorities. To improve outcomes for people, it is intended that people will receive different support during their stay in hospital and enhanced support on discharge. There has been increased investment in rehabilitation and enablement support with a significant focus on supporting people to be as independent as they can be.

Local information would suggest that choice and control has been promoted resulting in a change in the way people choose to have their care delivered. This is evidenced by the 11% increase in the number of people choosing option 1 and 2 of self-directed support

There has been continued emphasis on developing a recovery approach which puts the individual at the centre of care and treatment and developing routes to recovery for them and their families. This involves utilising the strengths of the local community as well as the third and statutory sectors. . A 'Recovery Oriented System of Care' is being

implemented in Perth and Kinross to try and ensure people with substance use issues receive personalised support to assist their recovery. This is represented above in the 'pipeline' diagram. A similar pipeline is being developed for people with mental health issues and the two will interlink.



What matters to you?

Involving individuals and carers who receive a service as well as wider communities helps us shape our services. Feedback is important to use to allow us to improve the support we provide. The following section provides some examples of the feedback that we receive to provide assurance that people do have a positive experience.

100% of people asked said they were satisfied with the anticoagulation (blood thinning) service they receive

Home Assessment and Recovery Team (HART)
people asked that they should be listened to, respected and have their opinion taken into consideration

99% of people asked said they felt safer with a Community Alarm installed

100% of people asked said they were happy with the Community Alarm service provided

100% of people asked said the Community Alarm Service supports them to live as independently as possible

When asked **Carers** said that they want professionals to listen to them more

When asked **Carers** said that they want to be able to access clear information from a single point of contact

When asked **Carers** said that they want to have a regular break from caring to be supported to have a life outside of caring

People in rural areas told us access to Counselling was limited

Strategic Objective 4

Reducing inequalities and unequal health outcomes and promoting healthy living, focusing our efforts on those who most need care and support.

National Health and Wellbeing Outcome 5

Health and social care services contribute to reducing health inequalities

National Health and Wellbeing Outcome 7

People who use health and social care services are safe from harm.

Performance in relation to Strategic Objective 4

ID	Indicator	2015/16 Perth and Kinross	2016/17 Perth and Kinross	2017/18 Perth and Kinross	2018/19 Perth and Kinross	What is our trend over last four years	Scotland 2018/19	How we compared to Scotland
NI 05	Percentage of adults receiving any care or support who rate it as excellent or good (Source: HACE)*	83%	n/a	81%	n/a	↓ 2%	80%*	1% better
NI 11	Premature Mortality Rate per 100,000**	352	348	364	344	↓ 8 (2.3%)	434	26% better
Local	Number of households presented to the Council as homeless	898	825	999	938	↑ 40 (4.4%)	n/a	n/a
Local	Number of overcrowded households in Council tenancies	127	115	108	109	↓ 18 (16.5%)	n/a	n/a
Local	% of households in fuel poverty***	38%	22.3%	32%	n/a	↓ 6%	n/a	n/a

Notes on Performance Indicators:

*NI 05: HACE survey is undertaken every two years therefore information is not available for 2018/19. Scotland Value is based on 2017/18.

**NI 11: The mortality rates are based on calendar years - 2015/16 figures are represented by 2015 data, 2016/17 by 2016 and so on. Age-standardised 2018 data is provisional and should be treated as such until NRS officially release these figures later in the year.

***Fuel Poverty: Data for 18/19 available in December 2019, figures published by Scottish Government.

Tackling health inequality is challenging because it involves access to education, employment opportunities, suitable housing which is warm, safe and affordable, equitable access to healthcare, and individual circumstances and behaviour.

Reducing health inequalities will increase life expectancy, increase health and wellbeing of individuals, and reduce the personal, social and economic cost of reacting to the impact of poverty and inequality.

We will focus on prevention and early intervention including self-management to ensure healthy communities.

We are committed to delivering the vision and outcomes of the Fairness Commission so that we make people aware of relative poverty and inequality and the impact these have on too many people in Perth and Kinross.

By working with our partners to understand the particular needs of individual localities will aim to address the key themes emerging from the [Fairness Commission](#).

It is encouraging that we are meeting the national average, with 80% of people rating their service excellent or good. Our aim is to ensure everyone can access care and treatment irrespective of gender, age, religion, sexuality orientation or location. It is important that we challenge barriers that exist and will do this by working closely with our community planning partnership to reduce transport poverty, fuel poverty and access to housing.

Transition from school to employment can be challenging for any student, particularly so when facing barriers such as illness or disability. Work experience for school students is extremely valuable and provides a sense of what it's like to do a job in a real work setting. The Employment Support Team (EST) worked in collaboration with Fairview School to provide 2 pupils with a 6 day work experience as recycling operatives on the Green2Go project.

Working in partnership with Education and Children's Services provided Social Care Services an opportunity to work with students who we may well encounter in our adult services in the very near future and be able to support them to achieve their employability goals sooner.

We have also made good progress in the use of technology with a 10% uptake in the use of technology-enabled care. Also we have seen a 31% increase in people accessing community alarm, which enhances confidence to live at home. This will be further supported by a technology strategy that will incorporate digital health and home health monitoring.

There has been a very slight increase in the rate of falls of people aged 65+ over the past three years (20.92% to 22.22%) and sits above the Scotland value of 20.75%. Some measures that have taken to help reduce the falls have included the appointment of a community falls screener; Home Assessment Recovery Team undertaking level 2 falls screening and ongoing train the trainer falls education sessions to care homes and care at home staff.

Falls represent the most frequent and serious type of accident in the over 65 age group causing significant physical and psychological distress for older people and their carers, not to mention substantial cost implications for Health and Social Services. Due to the impact of falling, we are committed to working with partners to either prevent or ensure a rapid response when someone has fallen. Care about physical activity (CAPA) is a programme between SSSC, Care Inspectorate and Care Homes which has focused on improving the health and wellbeing of residents through physical activity by improving balance, fitness and strength for older people which will reduce falls.

Inequality is a major issue nationally and locally. People from deprived areas are still more likely to have mental health and/or substance use issues and a lower life expectancy. People with a disability are also more likely to have mental health issues. While life expectancy for people with a Learning Disability has been increasing it is still significantly lower than the general population. Efforts are being made to address the above, for example improving access to health care for people with a Learning Disability. There have also been a number of initiatives in the more deprived communities in Perth and Kinross aimed at improving people's wellbeing.

In 2018/19, 938 households presented as homeless, a reduction from 999 in 2017/18. A proactive approach to early intervention and prevention through a range of measures including the integrated schools programme, family mediation, our discharge protocols and personalised budgets has led to a

reduction of 6.1% in the overall number of households presenting as homeless. A continued focus on improvement in this area is required over the next year.

In promoting equalities for the people of Perth and Kinross there have been a number of initiatives that the Partnership has undertaken such as a new Gypsy/Traveller Strategy for Perth and Kinross (2018-21) and the production of a British Sign Language (BSL) Plan (2018-24) which was a statutory requirement for both Perth & Kinross Council and NHS Tayside.

Working with third sector partners including MECOPP Gypsy/Traveller Carers project and PKAVS Minority Communities Hub to enhance the services offered to minority community members whilst projects such as the Golf Memories Group; St. Johnstone Community Trust and Centre for Inclusive Living Keep Safe Scheme ensure that inclusive opportunities for participation, safety and wellbeing are offered to service users.

The first Perthshire Pride was held in 2018 which was attended by 3000 people and had advice on the day around health and wellbeing from a variety of organisations.

NHS Tayside launched an in-house model to deliver interpretation and translation services. The Interpretation Model allows the service to co-ordinate daily workload of interpreters thus enabling greater responsiveness to patient needs, and improves the management of interpreter availability allowing the service to respond quicker to emergency requests.

Public protection remains a high priority, and people are reporting that they feel safe, supported and protected.

Strategic Objective 5

Making the best use of people, facilities and resources

National Health and Wellbeing Outcome 8

People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.

National Health and Wellbeing Outcome 9

Resources are used effectively and efficiently in the provision of health and social care services.

Performance in relation to Strategic Objective 5

We understand that we need a confident, competent, professional workforce who feel, supported, valued and equipped to deliver the Partnership's vision and challenging priorities and actions. We also continued to work on addressing some key issues, including the high turnover and shortages of suitably skilled staff in key areas and recruitment and retention of high-quality health and social care across the sector.

The theme of this outcome runs through the Annual Performance Report. More details regarding resources being used effectively and efficiently are provided in Strategic Objective 1 Working with our Communities and Finance and Best Value.

Our greatest asset is the staff of the Health and Social Care Partnership. It is important to have their feedback, we engage in different ways with staff and this includes providing employees with an annual survey which are evidenced in the table below:

Survey Questions	Adult Social Work (PKC Survey)		Difference from previous year	Health (iMatters Survey)		Difference from previous year
	2017	2018	ASW	2017	2018	Health
I am clear what is expected of me at work?	87%	90%	↑ 3%	86%	87%	↑ 1%
My team has a good team spirit?	68%	75%	↑ 7%	83%	83%	No change
I am treated with dignity and respect as an individual?	82%	81%	↓ 1%	82%	83%	↑ 1%
I know how my job contributes to the organisation's objectives?	81%	82%	↑ 1%	78%	79%	↑ 1%
I feel appreciated for the work I do?	64%	68%	↑ 4%	72%	73%	↑ 1%

To continue to improve services and develop new ways of working, it is essential that we have our staff in the right places. There have been challenges within the workforce, particularly recruiting to specific posts e.g. Consultant Psychiatrists, Nursing Staff, AHP Staff, Care at Home Staff.

Sickness absence and a healthy workforce remain a priority for the HSCP and will be subject to continued performance monitoring and evaluation of work to ensure absence performance is improved and best practice is applied across the HSCP. The two employers of HSCP staff, NHS Tayside and Perth and Kinross Council, monitor sickness absence rates in different ways. We have undertaken a programme of work to improve attendance and support the workforce.

Planned actions to improve health and wellbeing and reduce sickness absence have included:

- HR Teams continuing to work closely with service management teams to identify areas that require additional support and proactively advise and support managers, particularly in teams where absence rates are high
- A Council review of current attendance policies. Meetings have taken place with trade unions to ensure this is a fully collaborative process
- Working closely with HR colleagues to
- The delivery of supporting attendance training for managers; with the provision of tailored training for managers and employees at a service level
- Ongoing health improvement activities and support through Healthy Working

It has been a priority to ensure that we are using assets such as property, support services are shared and new ways of working developed through Technology. Technology Enabled Care (TEC) aims to increase people's choice and control over the support that is offered and can enable individuals to self-manage their own health and wellbeing, allowing them to stay safe and independent for longer.

In Perth and Kinross there is good upward trend in the implementation of TEC products into people's homes. Although this is a positive indicator we still have more to do to make TEC the cornerstone of our strategy to keep people at home for longer. We are currently developing a comprehensive TEC strategy and investing more in our TEC agenda to ensure our people can achieve the maximum benefit from the use of TEC and Community Alarm.

During 2018/19 the TEC Team focused on delivering the digital pilot along with the other partners participating in the Scottish Government analogue to digital changeover. Our Digital Inclusion project working with LEAD Scotland brought the My Home Reach app to almost 80 people in Perth & Kinross. This project focused on reducing social isolation and teaching skills and confidence with technology through the loan of Samsung tablets. 15 services and departments helped us source learners for this project

Section 3 Scrutiny & Inspection of Services

ID	Indicator	2015/16 Perth and Kinross	2016/17 Perth and Kinross	2017/18 Perth and Kinross	2018/19 Perth and Kinross	What is our trend over last four years	Scotland 2018/19 value	How we compared to Scotland
NI 17	Proportion of care and care services rated good or better in Care Inspectorate inspections *	85%	83%	88%	87%	↓ 1 %	82%	5% better

A Clinical, Care and Professional Governance Committee has been established to improve the scrutiny of the Integration Joint Board. This will support the governance structure that is in place. The HSCP Care & Professional Governance Forum (CPGF) has responsibility for ensuring appropriate scrutiny, assurance and advice within the HSCP, and is co-chaired by the Chief Social Work Officer and Clinical Director.

The CPGF has recognised the importance of incorporating Scotland's new Health & Social Care Standards into its framework, and has planned a self-assessment on the extent of how these standards are becoming embedded.

As the localities and Integrated Care Teams within HSCP continue to embed and evolve, we are working towards having integrated Clinical, Care & Professional Governance Groups within each locality. This will allow for key issues to be discussed and for assurances to be sought at the locality level in an integrated environment.

Highlights from 2018/19

Care Inspectorate

During 2018/19, the following services received an inspection by the Care Inspectorate: Home Assessment Recovery Team, Dalweem Care Home, Parkdale Care Home, Gleneagles Day Opportunities, Blairgowrie Day Opportunities and Adults with Learning Disabilities Housing Support. No requirements or recommendations were made at the time of inspections.

Of particular note was the inspection of Parkdale Care Home which was inspected in February 2019 under the new Care Homes Inspection Framework and evaluated on 'How Well Do We Support People's Wellbeing?' and 'How well is our Care and Support Planned?' both received Excellent (Level 6) grading. Four areas were evaluated under these key questions and all received Excellent.

- **How Well Do We Support People's Wellbeing?** Staff were warm and caring and the Inspectorate saw that residents experienced compassion, dignity and respect. Value was placed on meaningful social contact and staff spent as much meaningful time with the residents as they could.
- **How Well is Our Care and Support Planned?** Care and support plans contained a wealth of meaningful information that detailed resident's history, support needs and wishes. This ensured that staff delivered care in a way that was right for each individual resident, this helped to develop positive relationships and a person-led culture.

"I have never seen him so happy due to the care and patience of staff, the staff are just fantastic"
(Relative of Parkdale Resident)

The table below provides details on other services inspected by the Care Inspectorate during 2018/19:

Service	Grading awarded by the Care Inspectorate (Quality Themes)			
	Care and Support	Environment	Staffing	Management & Leadership
Care at Home (November 2018)	Very Good	Not Assessed	Very Good	Not Assessed

Summary: People told the Inspectorate on the whole, the service respected them as individuals and treated them with dignity and respect. They were encouraged to have control over their own support and to be as independent as possible.

Adults with Learning Disabilities Housing Support (September 2018):	Excellent	Not assessed	Not Assessed	Very Good
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Summary: The Inspectorate found that the care and support provided by the service was excellent. It was very consistent and stable because they had a very experienced staff team who worked well together and always in the best interests of the people who used the service. All of the people, who used the service, that the Inspectors spent time with seemed to be very happy with the support they received and told us about the many positive things they were able to do. Relatives were also very complimentary about the service and said that they had no complaints whatsoever.

Dalweem Care Home (July 2018)	Excellent	Very Good	Not Assessed	Not Assessed
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Summary: Dalweem has a friendly and welcoming atmosphere. The service has a clear vision of what it wants to offer and achieve for residents. Care plans created a picture of the person and contained relevant and detailed information on personal likes, dislikes and preferences, promoting independence and individual health and well-being needs.

Gleneagles Day Opportunities (July 2018)	Very Good	Not Assessed	Not assessed	Very Good
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Summary: Support staff that were observed, and spoke with, went about their work in a very enthusiastic manner and were clearly very skilled at including people in the different activities provided through both encouragement and positive reinforcement. The staff team had access to a very good range of training and development opportunities that, we felt, resulted in high quality and consistent support for people.

Blairgowrie Day Opportunities (July 2018)	Very Good	Very Good	Not Assessed	Not Assessed
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Summary: Inspectors observed people who used the service being treated with dignity and respect at all times during our inspection. The staff team had a very welcoming approach, and was keen to include everyone in the variety of activities that they facilitated. Throughout their inspection people told the Inspectorate about the very friendly atmosphere within the resource centre. They said that this contributed to very positive working relationships that resulted in improved outcomes for people who used the service.

Care Inspectorate Grading:

Excellent – Level 6, Very Good – Level 5, Good – Level 4, Adequate – Level 3, Weak – Level 2, Unsatisfactory – Level 1

Comments:

"I have a wonderful link worker and she contacts my parents regularly and keeps them up-to-date with everything".

"Quite happy with the way things are, couldn't do without them, they have made life so much better for me."

"The staff are very kind and they always make time to chat."

"The care and support given to my husband and in every part of the home is exemplary."

All the services are committed to continuous improvement and have developed action plans in response to inspections including suggested areas for improvement by the Care Inspectorate and feedback from service users and relatives.

Commissioning Services

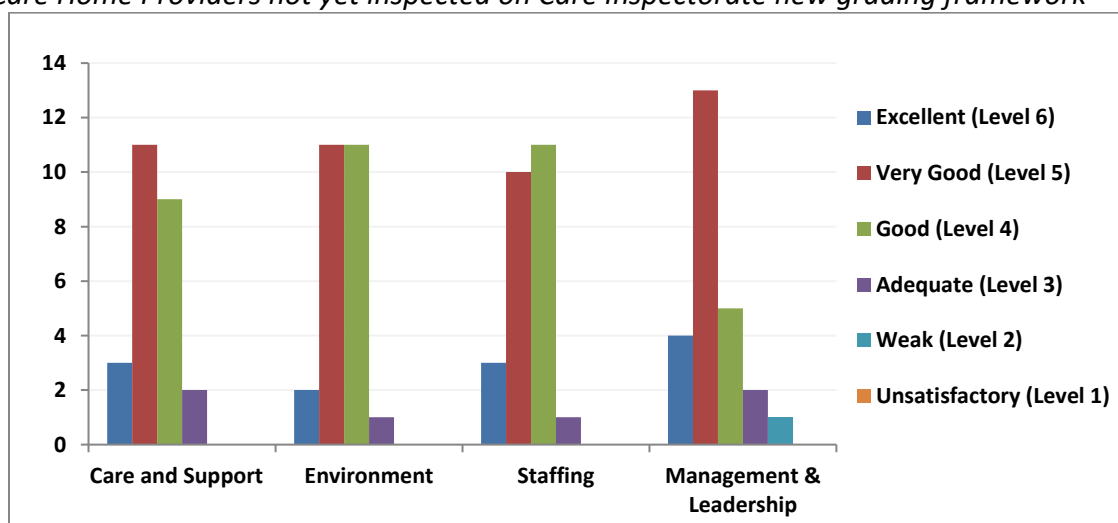
The following section provides details on grading awarded by the Care Inspectorate for inspections carried out during 2018/19 and includes services for Care Homes, Care at Home for Older People, Mental Health and Learning Disability Supported Living services. Across Commissioning services our emphasis is always on integrated working to resolve any concerns or issues. Contract Monitoring Officers are in regular contact with all Providers and have a very good well established open relationship with them. Annual timetable of visits are agreed with Providers and a monitoring report with an action plan is produced following the initial visit.

Care Homes

Throughout Perth and Kinross there are currently 39 independent / voluntary care homes and 2 local authority care homes. Of the 39 care homes: 4 Learning Disability specific care homes; 34 Older People care homes and 1 for Adults with mental health. 8 out of the top 20 care home groups in Scotland have care homes in Perth & Kinross.

From 2018, on an incremental basis, the Care Inspectorate rolled out a revised methodology “A quality framework for care homes for older people” for inspecting care and support services, starting with care homes for older people. The following Charts provide a summary on grading awarded by the Care Inspectorate at the time of Inspection and takes into account the changes in the recent Care Home Inspection Framework.

Care Home Providers not yet inspected on Care Inspectorate new grading framework



In total across the 25 Care Homes inspected, 100 quality themes were assessed with 12% receiving Excellent grading across all the quality themes and 81% for Very Good/Good, a small percentage of 7% sit within the Adequate/Weak category and no care homes received Unsatisfactory during inspection.

Care Home Providers Inspected on new grading framework

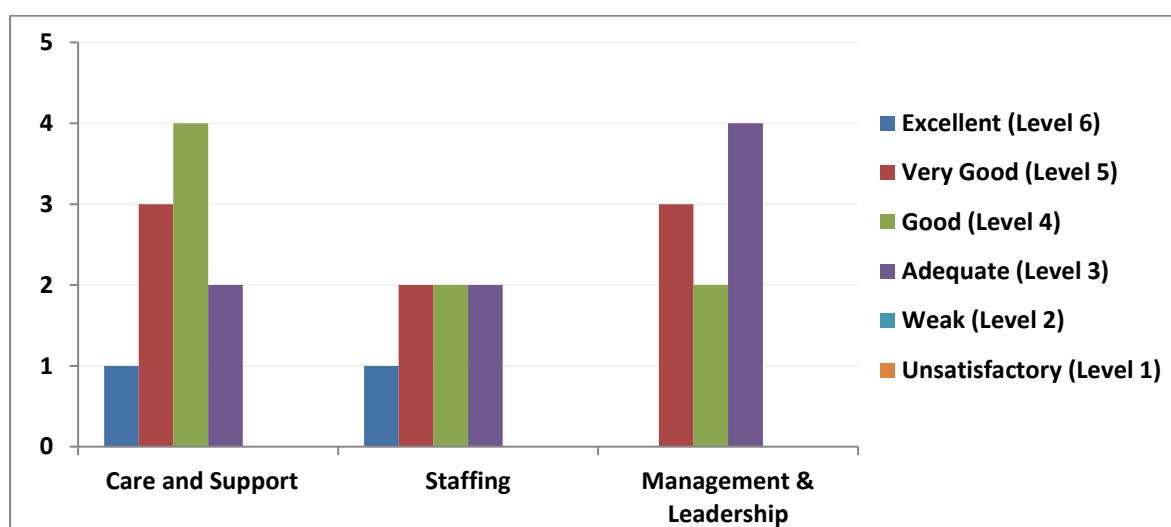


In total across the 15 Care Home Providers, 46 quality themes were assessed with 72% receiving Very Good/Good and 28% sit within the Adequate category. No care homes received Weak or Unsatisfactory at the time of inspection. The first round of visits under the new framework will be completed by June 2019, this will then allow for the new grades to be scrutinised by the Commissioning team.

Care at Home for Older People

Care at Home is an ever increasing service with ever increasing demands – due in part to the unique demographics of Perth and Kinross residents and the geography of the area. Throughout Perth and Kinross there are 10 Providers commissioned to deliver care at home under Self Directed Support Option 3, all Providers are now established in the areas they deliver care within and are focussing on quality.

The following Chart provides a summary on grading awarded by the Care Inspectorate at the time of Inspection.



**areas of inspection vary across providers*

In total, across the 10 Care at Home Providers inspected, 26 quality themes were assessed with 8% at Excellent, 62% for Very Good/Good grading across all the quality themes, 30% sit within the Adequate category. No care homes received Weak or Unsatisfactory at the time of inspection.

Feedback from Service Users/Carers during the inspections included:

"We couldn't be without them they see to my wife's personal care and I everything else"

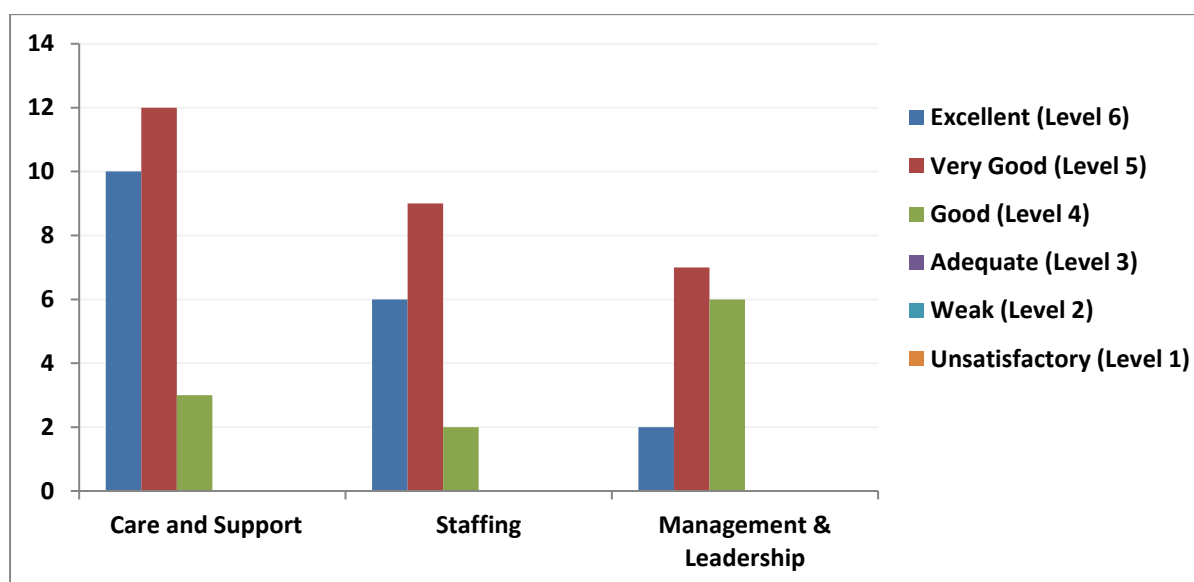
"My dad was very reluctant to accept carers initially but now he looks forward to their visits, which gives me peace of mind"

"My carers brighten my day they are always so cheerful"

Good integrated working relationships have been established in all localities, with Care Providers regularly attending locality meetings with the relevant Quality Monitoring Officer. This allows Care Providers to work jointly to deliver the best client focussed service they can while ensuring any capacity is maximised.

Supported Living Services (Learning Disabilities and Mental Health)

PK HSCP and PKC work with a number of local and national organisations to secure quality support and care provision for vulnerable adults who may be living with enduring Mental Health needs, Autism Spectrum Disorder, a range of mild to complex learning disabilities, associated challenging behaviour and forensic needs, physical disabilities and complex care needs. We support and work with 19 organisations that provide support in 28 projects across Perth & Kinross. Each organisation works positively with the HSCP to provide accurate data and outcomes which are connected to their legislation requirements and registration with Care Inspectorate. The following Chart provides a summary on grading awarded by the Care Inspectorate at the time of inspections across all projects:



**areas of inspection vary across providers*

In total across the 19 providers, 57 quality themes were assessed with 31.6% receiving Excellent, 49.1% Very Good, 19.3% for Good across the three quality themes detailed in the table above. No care homes received Adequate, Weak or Unsatisfactory at the time of inspection.

"I feel if it wasn't for the help and support I wouldn't be able to live my life the way I have"

"I feel able to trust them. They go over and above and beyond for me and have always helped me"

Health Improvement Scotland

Announced Inspection by Her Majesty's Inspectorate of Prisons for Scotland & Healthcare Improvement Scotland to HMP Perth (Perth Prison) (May 2018)

The Inspection covered care within the prison environment, and this includes the healthcare provision. Healthcare within Scottish prisons is provided by NHS Tayside and is a hosted service within P&K HSCP. Informal feedback from the inspection team was given to the Prison Healthcare leadership team and comprised of areas of good practice including patients accessing for BBV quickly and a highly skilled staff offering support and interventions. A number of immediate actions were taken following the initial inspection which included urgent review of the patients identified with unmet physical healthcare needs, immediate support from Clinical Educator and Practice Education Facilitator and accelerated tests of change in relation to medication administration. The Prison Healthcare service continue to progress with ongoing work around wider service improvement, and has also developed the Prison Healthcare Patient Safety Collaborative in partnership with NHS Tayside Patient Safety Team.

Other Health Inspections:

Inspecting Body	Location	Recommendations, Feedback & Outputs
Unannounced Inspection by Healthcare Improvement Scotland (June 2018)	Tay Ward (Medicine for the Elderly), Perth Royal Infirmary.	As Tay & Stroke Wards are based at the PRI site but are the responsibility of the HSCP, a specific action plan was created for those wards. Progress against these recommendations is being taken forward within the service, linking in with NHST who are coordinating improvements across all wards in PRI.
Announced Visit by the Mental Welfare Commission (December 2018)	HMP Perth (Perth Prison)	The MWC made one recommendation from the visit, and this was regarding improving the length of time patients required to wait to be seen by the mental health team.
Unannounced Visit by the Mental Welfare Commission	Leven, Garry & Tummel Wards, Murray Royal Hospital, Perth (Psychiatry of Old Age).	Recommendations were: <ul style="list-style-type: none"> regular audits of care plans in individual patient files completion of section 47 certificates recording of patient information about conditions for which treatment is being prescribed reviewing the activities available in the three wards.
Announced Visit by the Mental Welfare Commission	Wards 1, 2, and the Mulberry Unit at the Carseview Centre, Dundee. General Adult Psychiatry	There were many recommendations made and an action plan is in place to address these.
Announced Visit by the Mental Welfare Commission (January 2019)	Intensive Psychiatric Care Unit (IPCU) at Carseview Centre, Dundee. General Adult Psychiatry	Recommendation: Managers should ensure that there is a consistent approach to recording multi-disciplinary team meetings. An action plan is in place to address this issue, and the action is currently being progressed.
Unannounced Visit by the Mental Welfare Commission (February 2019)	Moredun Ward, Murray Royal Hospital, Perth. General Adult Psychiatry	Recommendation: Managers should ensure that all care plans refer to the individual needs of patients (clear goals and outcomes with regular audits to ensure consistency).
Independent Inquiry	Inpatient Mental Health	Interim Report published

Section 4 Financial

Financial Plan 2018/19

The 2018/19 Financial Plan set out that based on the budget offer from Perth & Kinross Council and NHS Tayside, break-even was achievable on all services except GP Prescribing and Inpatient Mental Health (which is hosted by the Partnership on behalf of all three Tayside IJB's). We have been working with NHS Tayside to develop 3 Year Plans for both areas however financial balance was not anticipated in 2018/19 with an overall gap of £0.9m forecast.

Across Core Health and Social Care services as outlined in page 4, the Financial Plan set out anticipated recurring savings of £5.3m. The level of savings required reflects the underlying level of unavoidable cost and demand pressures facing social care services in particular. Strong financial planning is required to ensure that our limited resources are targeted to maximise the contribution to our objectives. Like many other public sector bodies, we face significant financial challenges and will be required to operate within extremely tight financial constraints for the foreseeable future due to the difficult national economic outlook and increasing demand for services.

Financial Performance 2018/19

Our financial performance for the year compared to Financial Plan is summarised in the table below:

	Financial Plan Shortfall	Budget	Actual	Year-End Variance Over/ (-)Under
	£m	£m	£m	£m
Older Peoples Service/Physical Disabilities incl. AHPs	0.0	66.3	66.5	0.2
Learning Disabilities/Mental Health/Addictions	0.0	24.2	24.6	0.4
Planning/Management /Other Services	0.0	7.9	7.2	(0.7)
Sub-Total Core Services	0.0	98.4	98.3	(0.1)
Prescribing	0.5	26.7	27.5	0.8
General Medical Services	0.0	24.1	24.1	0.0
FHS	0.0	17.4	17.4	0.0
Hosted Services	0.4	21.0	21.4	0.4
Large Hospital Set Aside	0.0	14.3	14.3	0.0
Sub-Total All Services	0.9	201.9	203.0	1.1
Additional Budget from Partner Body				
NHS Tayside		0.3		(0.3)
Perth & Kinross Council		0.8		(0.8)
Total		203.0	203.0	0.0

The outturn in 2018/19 was an overspend of £1.1m, this compared to a financial plan of £0.9m. The primary areas of overspend are within:

- Older People and Physical Disabilities Services due to unanticipated demand for Care Home Placements and Care at Home Services.
- Learning Disabilities and Mental Health Services due to an unprecedented level of demand for Community Services.

- GP Prescribing due to growth above expectation, undelivered savings and the impact of an unanticipated national reduction in funding.
- Inpatient Mental Health Services driven by supplementary staffing and a historic balance of undelivered savings.

Of the £5 million approved savings within Core Health and Social Care, £4.8m were delivered (90%). The remaining were undelivered in 2018/19 and contributed to the overall overspend position.

Perth and Kinross Council and NHS Tayside increased the devolved budget to the IJB by £0.8m and £0.3m respectively, in order to support delivery of breakeven for 2018/19 in line with the Integration Scheme.

Throughout 2018/19 funding was received from Scottish Government for a number of initiatives. These included Mental Health Action 15 monies, Alcohol & Drug Partnership Funding and funding to implement the Primary Care Improvement Plan. The underspend of £2.5m against these funds in 2018/19 has been transferred to an earmarked IJB reserve for future year commitments.

Financial Outlook

The Partnership faces significant financial challenge and will be required to operate within very tight financial constraints for the foreseeable future due to the difficult national economic outlook and increasing demand for services. The 2019/20 Financial Plan for all services, except Inpatient Mental Health, has been approved by the IJB. However it presents significant challenges in terms of accommodating demographic and inflationary cost pressures on services. Whilst a significant transformation and efficiency programme has been identified for 2019/20, this is not sufficient to address the level of pressures moving forward. Without further sustainable change, a financial gap of £3.6m is predicted in 2019/20.

Discussions are continuing with NHS Tayside Inpatient Mental Health (which Perth & Kinross IJB hosts on behalf of all three IJB's). Significant transformation and cost improvement plans are being developed which is anticipated will support future financial sustainability.

Best Value

Best Value is about creating an effective organisational context from which Public Bodies can deliver key outcomes. The following four themes are considered to be the building blocks on which to deliver good outcomes by ensuring that they are delivered in a manner which is economic, efficient, sustainable and supportive of continuous improvement. The key arrangements in place within the IJB which support each theme are also set out:

The IJB has agreed a Strategic Plan which sets out its key aims and ambitions and which guides the transformation of devolved health and social care services lead by the Chief Officer and the wider Perth and Kinross Health and Social Care Partnership (PKHSCP) Team. The Strategic Plan has been developed in close consultation with a wide range of stakeholders. PKHSCP are currently developing Strategic Delivery Plans for its 4 Key Care Programmes and each will be supported by a performance framework against which progress will be monitored. The Strategic Plan is currently being refreshed and this will inform the priorities of the IJB moving forward

Effective Partnerships

A communication and engagement group has been established to ensure that the most effective routes are identified to engage with stakeholders and partners in development of plans for service redesign. This is being reviewed and strengthened. Partnership working with the Third Sector continues to develop and deepen with the support of PKAVS as the Third Sector Interface in Perth and Kinross and a flourishing Third Sector Health & Social Care Strategic Forum. The Forum has 43 organisational members. Members meet regularly to engage with the Partnership's business, strengthen connections and progress joint action.

Governance and Accountability

The governance framework is the rules and practices by which the IJB ensures that decision making is accountable, transparent and carried out with integrity. The IJB undertakes an annual review of its governance arrangements based on CIPFA Good Governance Principles. The IJB is able to demonstrate structures, policies and leadership behaviours which demonstrate good standards of governance and accountability. In particular the robust financial planning arrangements and the publication of this Annual Performance Report give a clear demonstration of our best value approach. The Joint Inspection undertaken in 2018/19 will also make recommendations that will further improve the effectiveness of our governance arrangements.

Use of Resources

The IJB is now supported by a robust 3 Year Financial Planning process which forms the basis for budget agreement each year with NHS Tayside and Perth & Kinross Council. Performance against the Financial Plan is reported to the IJB on a regular basis throughout the year. All significant service reviews considered by the IJB are supported by an effective option appraisal. A budget review group has been established to ensure that investment and disinvestment plans are in line with strategic plan objectives.

Performance Management

Throughout 2018/19 a key role of the new programmes of care has been the development of performance frameworks to ensure that the IJB can measure our success in delivery against strategic objectives. The Older People and Unscheduled Care Programme of Care has made significant progress and reports regularly to the IJB's Audit & Performance Committee. Developing a consistent approach to performance review across all areas of the IJB will be a key objective in 2019/20.

Next steps

This budget gap will need the IJB to consider what type and level of service is required and can safely and sustainably be delivered. The Chief Officer, and the HSCP Senior Management Team will work with key stakeholders to continue to challenge current models of service delivery to ensure resources are focused on areas of greatest need, delivering the best outcomes to the citizens of Perth and Kinross. That said, significant number of service areas have been subject to review and redesign over the past 4 years with productivity gains and cost efficiencies identified, using where available evidence of best and safe practice, and effective service models.

The IJB's three-year Financial Plan reflects the economic outlook beyond 2019/20, adopting a strategic and sustainable approach linked to the delivery of priorities which will be detailed in our Strategic Plan. These priorities will continue to provide a focus for future budget decisions, where the delivery of core services must be balanced with the resources available. Our Financial Plan, underpinned by a robust financial planning process, focuses on a medium-term perspective. It is predicated on financial sustainability, acknowledging the uncertainty around key elements including the potential scale of savings required and the need to redirect resources to support the delivery of key priorities.

Appendix 1

Glossary of Abbreviations

A&E	Accident & Emergency
ADP	Alcohol and Drug Partnership
AHP	Allied Health Professional
AP/HSW	Assistant Practitioners/Health Care Support
ASD	Autism Spectrum Disorder
BSL	British Sign Language
CAPA	Care about Physical Activity
CIAM	Change is a Must
CIPFA	Chartered Institute of Public Finance & Accountancy
CPGF	Care & Professional Governance Forum
DN	District Nurse
DCJCAD	Duncan of Jordanstone of Art and Design: University of Dundee
ECHO	Extension of Community Healthcare Outcomes
EESHS	Energy Efficiency Standard for Social Housing
EST	Employment Support Team
FHS	Family Health Service
GMS	General Medical Services
GP	General Practitioner
HART	Home Assessment Recovery Team
HIS	Healthcare Improvements Scotland
HMP	Her Majesty's Inspectorate of Prisons
HON	Head of Nursing
HSCP	Health and Social Care Partnership
ICT	Integrated Care Team
IJB	Integration Joint Board
LAL	Live Active Leisure
LAP	Local Action Partnerships
LEAD Scotland	Linking Education and Disability Scotland
LD Team	Learning and Development Team
LGBT	Lesbian Gay Bisexual Transgender
MA	Modern Apprenticeship/Apprenticeship
MDT	Multidisciplinary Team
MECOPP	Minority Ethnic Carers of People Project

MftE	Medicine for the Elderly
MSG	Ministerial Strategic Group for Health & Community Care
MWC	Mental Welfare Commission
NES	NHS Education Scotland
NHS	National Health Service
NHST	National Health Service Trust
OT	Occupation Therapy/Therapist
PAMIS	Promoting a More Inclusive Society
P&K	Perth & Kinross
PKAVS	Perth & Kinross Association of Voluntary Service Ltd
PKHSCP	Perth & Kinross Health & Social Care Partnership
PMLD	Profound and Multiple Learning Disabilities
POA	Psychiatry of Old Age
PRI	Perth Royal Infirmary
QI	Quality Improvement
QNIS	Queen's Nursing Institute Scotland
QSEP	Quality, Safety and Efficiency in Prescribing Programme
RRTP	Rapid Rehousing Transition Plan
ROSC	Recovery Orientated System of Care
SCARF	Save Cash and Reduce Fuel
ScotPHO	Scottish Public Health Observatory
SCN	Senior Charge Nurse
SCYD	Strathmore Centre for Youth Development
SDS	Self Directed Support
SMFHA	Scotland Mental Health First Aid
SPS	Scottish Prison Service
SSSC	Scottish Social Services Council
TEC	Technology Enabled Care
TMASRG	Tayside Multi Agency Suicide Review Group
TRE	Tension & Trauma Release Exercises

Appendix 2

Highlights from 2018/19

Health and Wellbeing Network

National Health and Well-being Outcomes:

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2

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Strong links have now been established between the local Action Partnerships and the Health and Wellbeing Networks to address health inequalities. Examples in practice include:

In Eastern Perthshire, “Get Together” lunch events run by community groups helped to raise awareness on food and fuel poverty, debt management and to signpost people to relevant services for support. Over 800 people attended the 12 events.

Within Highland Perthshire and Strathclyde in March 2019, there was a Food and Health Festival was held. There were 43 community events run in the area with 260 individuals/families completing the Festival questionnaire.

- Community Investment Fund

Through the Local Action Partnerships £50,000 was made available for each ward within Perth and Kinross. This enabled local people to identify which community initiative should be supported. Across Perth and Kinross, 149 applications were received, totalling £1.59M. The total spend across Perth and Kinross was £579,312.

205 projects are now receiving funding

Some of the projects include:

- Stanley and District Men’s Shed receiving £6,000 for computer equipment to allow training and access to IT for a cross section of the community.
- West Woodland Stormont Group received £3,432 to carry out community engagement activities to support the group’s bid to take ownership of the forestry area for the use of the local community.
- South Perth Community Garden received £8,100 to redevelop the community garden and replace raised beds and paths to make it more accessible.
- Auchterarder Community Bus Group received £10,000 to provide local transport for the area.

Across Perth and Kinross there are five Health and Wellbeing Networks – Perth City, Carse of Gowrie, Strathmore, Highland Perthshire and Kinross, with 253 members. The key themes emerging are around social isolation, promotion of health and wellbeing within local areas and increasing awareness and partnership working around delivery of relevant activities within the localities.

A new Perth City Centre Community Hub group has emerged from the discussions at the Perth Health and Wellbeing Network. The objective of the project is to help tackle social isolation, loneliness and improve the health and wellbeing for people in Perth. The proposed hub will provide a

neutral and inclusive safe place in which to access/ be signposted to a range of community, health and social care information, along with making connections with services and providing a social space for anyone to come to. A Feasibility study is currently underway to determine the viability of a hub and this work is being delivered by Community Enterprise Ltd.

The Strathmore Health and Wellbeing Network has focused on aspects of social isolation. As a result of discussions at the network a third sector project fronted a successful lottery funding bid of £130,000 to provide a number of new initiatives in the area focused on supporting men and providing access to social activities. The network also supported the Big January anti-poverty/healthy eating programme, which saw 12 events being run in Coupar Angus, Burrleton, Alyth, Carse of Gowrie and Blairgowrie. Over 900 people took part and due to the success it is hoped that this will be an annual event

Participatory Budgeting

National Health and Well-being Outcomes:



The Health and Social Care Partnership has led the way in delivering Participatory Budgeting in Perth and Kinross. In 2018 £225K of funding was allocated via 9 local events. Participatory Budgeting marks a fundamental shift in the relationship between public bodies and communities.

Communities are enabled to make decisions on the priorities that matter to them, promoting active citizenship and building community capacity and cohesion.

The Health and Social Care Partnership and the Local Action Partnerships continue to work together to deliver a Participatory Budgeting community grants scheme across Perth and Kinross to help communities address health and social care needs, tackle inequalities, build community capacity and increase participation.

Home Assessment and Recovery Team

National Health and Well-being Outcomes:



The transformation of the Reablement service to become the **Home Assessment and Recovery Team (HART)** continues to support our aim to work with vulnerable people to support improved independence.

A particular outcome of the reablement process is the number of people who after working with the reablement team for several weeks, require no further support to live independently and safely at home. Although this measure is currently showing a slight downward trend in the number of people requiring no further support after reablement, down from 47% last year to 43% this year, this is still a very good result for our people.

The number of bed days lost due to patients waiting for a care at home package has dramatically reduced. Over the last 12 months the average time spent as a delay in hospital reduced from 13 days to 7 days. There has been a renewed focus on quality of care delivered by the HART team. This can be demonstrated through the implementation of a 7 day review to gather feedback from service users. This was carried out twice throughout 2018 and on both occasions 100% of people surveyed felt that staff asked and cared about how they felt.

Primary Care Improvement Plan

National Health and Well-being Outcomes:



A new approach is being taken provide a joint focus on the quality, safety and efficiency of prescribing across Perth & Kinross. This approach, the Quality Safety Efficiency in Prescribing Programme, has built on the GP Engagement Programme which has been in place for two years to support strong and effective engagement with GPs in relation to prescribing.

In September 2018, the Quality, Safety and Efficiency in Prescribing (QSEP) programme was launched to deliver safe, effective and person-centred prescribing in Primary Care, across the Perth and Kinross HSCP.

Funding was provided, allowing active support to G.P. practices to further engage with quality prescribing initiatives. This has proven to be successful, with one of the practices reducing their year-on-year prescribing expenditure by 15%. An initial portfolio of prescribing initiatives was developed by the QSEP team, aimed at targeting the priority areas within the Perth and Kinross HSCP area. G.P.'s positively engaged with this portfolio and 19 out of the 24 practices within the Health & Social Care Partnership area have engaged in undertaking this work.

Supporting People Living with Dementia

National Health and Well-being Outcomes:



Within the Partnership the Post Diagnostic Support service continues to be delivered through the Older Peoples Community Mental Health Teams supported by Link Workers from Alzheimer Scotland.

Feedback from service users has been very positive despite the challenges faced in terms of increasing demand. However, as demand for services continues to rise we need to deliver Post Diagnostic Support in a more flexible way and ensure that Post Diagnostic Support should commence as soon after diagnosis as is possible.

Day services have been redesigned to enhance the support to enable people living with dementia to continue to live, and be actively involved, in their communities for as long as possible by providing a quality, person centred, flexible and evidence based service that supports individual strengths, interests and levels of independence.

Key highlights for the Rannoch Centre include:

- A team of clients won the Go4Gold event at Bells Sports Centre. This was quite an achievement and symbolised and unified the coming together of the two client groups.
- Building links with Craigie Park nursery to develop intergenerational working. This is still in the early stages but already the benefits to the children and older adults are clear and they look forward to getting together with shared activities weekly.
- The centre's strolling group has grown from strength to strength (and fitness) taking part in a step challenge with the Paths for All project and linking in with the Woodland Activity programme up Kinnoull Hill.

Social Prescribing

National Health and Well-being Outcomes:

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Our current model of social prescribing (implemented 2018) enables Social Prescribers who are aligned to GP practices helping to build relationships with fellow professionals and expand their knowledge base of community supports. In the first 6 months there have been 346 referrals. The Social Prescribers signpost and offer support to people to access and use community based activities at a locality level. This helps to address factors which contribute to health issues, with the aim of improving health and wellbeing by providing a response to the increasing demands on health and social care services that does not involve prescribing medication or referring to statutory supports.

Feedback from people who have used the service have been positive, comments include:

- I wanted to let you know that thanks to your help my outlook has improved recently. X has been to Parkdale twice and has had three outings with Crossroads. I am hoping that she visits Parkdale again this Friday. I have visited Strathearn Campus three times and I feel lucky that membership was suggested and made available to me. Thank you. (Carer)*

"You might remember fixing up client X to go out with the countryside ranger for voluntary work. He is doing great. His mood is better, he loves the work, and he told me a passer-by complimented him on his work efforts, he is drinking less and overall he is much better than when originally referred. So well done!" (GP Referral)

It has been recognised that reporting on outcomes for the social prescribing project is a challenge. We have started to examine and analyse current data and have plans in place to expand this in 2019 with particular focus on qualitative information.

Mental Health First Aid

National Health and Well-being Outcomes:

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We recognise the importance of having informed Communities and that raising awareness of mental health issues is a priority to support early intervention and prevention. 309 people have been trained on Mental Health First Aid (Adults and Young people), courses were open to everyone and targeted widely to public and professionals. People who attended the training varied including staff from NHS and Local Authorities including Housing and Education and Children Services and voluntary organisations.

Participants were asked what they thought they had gained from attending SMHFA training.

The majority of participants reported an increase in their knowledge, skills and confidence in talking about and supporting people with their mental health, including recognising and responding to suicidal thoughts.

When asked how confident participants feel about using their skills as a Scotland's Mental Health First Aider, the results were also positive. 23% of respondents stated that they were very confident with 74% fairly confident. This demonstrates greater awareness and confidence within Perth &

Kinross. There were also indications from the open responses that attending the course had increased confidence levels:

'I feel very confident in being able to broach the subject with someone who I feel needs it. I don't think I would feel quite as anxious about it as I would have had I not done the course.'

Working with Care Homes

National Health and Well-being Outcomes:

Over the past year there have been continuing developments within the Care Home Liaison Service across Perth & Kinross.

- Each Care Home has a named registered nurse, with support workers attached to each locality. Key developments to date have been in respect of weekly clinics whereby staff had the opportunity to discuss any resident in terms of their mental state presentation. This has significantly reduced those coming onto the active caseloads given the earlier intervention & prevention of escalation of their mental state presentation.
- Educational sessions have been offered in each of the care homes. These follow the Promoting Excellence framework devised through NES. Those who have attended report feeling more knowledgeable and confident in terms of delivering care to those presenting with mental health needs.
- During 2018/19 the Pressure Ulcers Care Home Improvement Programme focused on 2 key issues:
 - Identification of people at risk and appropriate escalation process for more intensive care
 - Integrated person centred care planning to reduce risk

Self Directed Support

National Health and Well-being Outcomes:

The continuous and robust upward trend in the numbers of people accessing Options 1 and 2 as a percent of all people accessing services via Self Directed Support indicates the positive approach Perth and Kinross has in ensuring that there is a variety of services people can access outside of statutory services. Over the last four years figures for SDS Options 1 and 2 increased from 11.9% in 2016/17 to 23.6% in 2018/19.

SDS implementation has generated a number of initiatives to increase the range of support available to people throughout Perth and Kinross including:

- The introduction of the Carers (Scotland) Act 2016 on 1 April 2018 introduced new rights for unpaid carers. Eligibility criteria framework gives the unpaid carer the opportunity to define their own needs and personal outcomes and have a say on the support they need, which may include an SDS Option. If this is the case then we must provide information and advice on the SDS options
- The Partnership produced the 'Personalisation & Self Directed Support Options' booklet
- The Partnership will continue to embed a 'person centred' approach in localities across all professions including improving access to Self-Directed Support options for all client groups, especially people with mental health and/or substance use issues.

Learning Disabilities

National Health and Well-being Outcomes: 2 9

Day Opportunities have recently acquired two Promethean Active panels, one based within Blairgowrie and one within Gleneagles Day Opportunities. The panels offer multi-touch screen capabilities which allows services users to interact with sensory activities. We have been working in partnership with PAMIS (*work in partnership with people with profound learning disabilities and their carers*) who have supported services users in the use of the screen.

We value the vital role that Unpaid Carers play in the lives of the people they care for. One of our Carer Champions was recognised at the Learning Disabilities Awards 2018.

Comments from the Carer included:

“For me I see the community my daughter required as being one of caring; caring enough to provide this type of environment where my daughter can flourish, achieve and feel secure, cared for and loved. This is what I work together with Perth and Kinross to achieve for my daughter and others like her. By working together we achieve a connected community that understands and provides an environment where everyone feels included no matter their disability.” Family Carer Award Winner 2018

Working with our Housing Partners

National Health and Well-being Outcomes: 1 2 4 5 7

The Housing Service is a key contributor to the development and implementation of the priorities set out within the Health and Social Care Strategic Commissioning Plan and the Health and Social Care Outcomes. In relation to Health and Social Care outcomes, the Scottish Public Health Network in their “Foundations for well-being: reconnecting public health and housing” clearly set out the contribution Housing can have on health and wellbeing. Stating that:

“Good housing is an essential pre-requisite for human wellbeing, and is central to some of the most pressing health challenges in Scotland, including poverty and inequality; climate change; and population ageing.”

The Housing Service want to make it an area where everyone will have access to good quality, energy efficient housing which they can afford to live in and which is in a safe and pleasant environment. We will ensure that people have access to services that can enable them to live independently and that they have the opportunities within their communities to participate and make social connections which they can then rely on for support in times of need.

The following are key examples of work that has been taken forward in partnership with housing contributing to Partnership’s strategic objectives:

New floating housing support

Floating Housing Support (FHS) services enable vulnerable individuals at risk of losing their tenancy to live independently and maximise their independence. The aim is to provide short-term personal outcomes focussed support, on both a practical and emotional level, to support people to live independently in their own home.

Housing for people with particular needs

161 of new build houses were for social rent and all complied with the “housing for varying needs” standard. The housing for varying needs sets out design standards for mainstream housing to achieve “barrier free” design, which aims to ensure a home is flexible enough to meet the existing and changing needs of most households, including those with temporary or permanent physical disabilities, especially as the occupants age, but also provides further details of design standards for ambulant disabled people and for wheelchair users.

Through new build developments at Scone, Blairgowrie and Stanley a number of homes were designed to facilitate independent living to meet the specific needs of households in the area, for example wet floor showers, wheelchair access, automatic door closers and wet rooms.

Older People Community Health Teams

National Health and Well-being Outcomes:

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Within the Older Peoples Community Mental Health Teams we have worked with our multi agency colleagues across Tayside to develop standards for those with a functional mental illness. This is ensuring that those living with functional mental health illness are receiving the right care, at the right time by the right person.

Homelessness

National Health and Well-being Outcomes:

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The need for collaborative working between Homelessness and Health and Social Care is clear.

In 2018/19, 938 households presented as homeless, a reduction from 999 in 2017/18. A proactive approach to early intervention and prevention through a range of measures including the integrated schools programme, family mediation, our hospital and prison discharge protocols and personalised budgets has led to a reduction of 6.1% in the overall number of households presenting as homeless.

Positively, the number of families presenting as homeless over the last 12 months has reduced from 306 to 232 demonstrating continued commitment to minimising the impact of homelessness on children.

There is an investment from Housing with dedicated resource to work with the Discharge Hub and will work with us to improve pathways ensuring timely discharge.

Housing continues to work with partners to provide people seeking information about their housing situation with advice and assistance about the range of housing options available to them. The Housing Options approach also allows early intervention to prevent homelessness and identify any support requirements to enable tenants to sustain their tenancy.

New Build Housing and Adaptations

National Health and Well-being Outcomes:

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Enabling people to have access to suitable housing and support is key to enabling them to live independently. All of our new homes meet or exceed the housing for varying needs standards, ensuring that our mainstream housing is barrier free with the flexibility to meet the existing and

changing needs of most households, including those with temporary or permanent physical disabilities.

161 of new build houses were for social rent and all complied with the “housing for varying needs” standard. The housing for varying needs sets out design standards for mainstream housing to achieve “barrier free” design, which aims to ensure a home is flexible enough to meet the existing and changing needs of most households, including those with temporary or permanent physical disabilities, especially as the occupants age, but also provides further details of design standards for ambulant disabled people and for wheelchair users.

Through new build developments at Scone, Blairgowrie and Stanley a number of homes were designed to facilitate independent living to meet the specific needs of households in the area, for example wet floor showers, wheelchair access, automatic door closers and wet rooms.

Working with a range of partners, we ensure residents and tenants have access to services to allow their homes to be adapted to meet their medical needs. These adaptations allow people to live at home safely and independently including Care and Repair completed 24 new shower adaptations to elderly or vulnerable private residences under the Over 80's Level Access Shower Scheme and provided financial support for 26 secure door entry installations for residents who are vulnerable or on a low income within flatted blocks where Perth & Kinross Council has a shared interest.

Average Time for Approved Medical Adaptations

	2016/17	2017/18	2018/19
% medical adaptations completed	77.87%	84.53%	89.83%

Scottish Average 2017/18, 84.3%

	2016/17	2017/18	2018/19
Average time(in days) taken to complete approved applications for medical adaptations in the reporting year	73.75	95.53	56.20

There has been a significant improvement in performance and this has been achieved by revised processes where Work Planners schedule all minor adaptations. We have outsourced all bathroom, kitchen and major adaptations to the capital programme or Term Maintenance Contractors (The previous in-house social work adaptations team is now utilised for voids and repairs)

Rapid Re-housing and Health (LHS)

National Health and Well-being Outcomes:



Preventing homelessness, and minimising its impact when it does occur, continues to be a key challenge and priority. The Rapid Rehousing Transition Plan (RRTP) was submitted to the Scottish Government in December 2018. In their feedback, the Scottish Government commented that “the outcomes of Home First have been very impressive to date”. Implementation of the plan will continue to support further improvements.

Overcrowding

National Health and Well-being Outcomes:



At the end of March 2018, there were 109 PKC households with an overcrowding need who had an application for re-housing. Over the last 4 years numbers in overcrowding households has reduced by 14% since 2015/16. Monitoring arrangements are in place, to reduce the number of overcrowded households in Perth and Kinross, however this can only be achieved when there is appropriate housing available to allocate.

Through the Housing Allocation Policy waiting lists have been reduced, tackled overcrowding and provided permanent and temporary housing to homeless households. 292 social tenants were supported to move to homes that better met their housing and medical needs as well as their aspirations.

Fuel Poverty

National Health and Well-being Outcomes:



The three main factors influencing fuel poverty are fuel prices, household incomes and energy efficiency levels within the housing stock. These three factors are inextricably linked meaning that households can move in and out of fuel poverty as circumstances change. It also means that a household with a good income could still face fuel poverty if their home is unaffordable (e.g. if it's energy inefficient and/or in a location which is not on the gas network).

- Comprehensive benefits checks to everyone contacting the Welfare Rights Hotline and work with partners to provide information on income maximisation and fuel advice. Our Energy
- Efficiency Programme and HEAT (delivered by SCARF) ensures people are aware of other opportunities to maximise their incomes by saving on their fuel costs (through private sector grants and schemes).
- The level of compliance with the Energy Efficiency Standard for Social Housing (ESSH) was 82% as at March 2019, compared to 80.2% the previous year. This sits above the Scottish Average. A successful outcome to a funding bid for Warm Homes fund cash during 2019 has provided additional opportunities to offer assistance and improve home energy efficiency levels for households.

Equalities Strategy

National Health and Well-being Outcomes:



- the development of a new Gypsy/Traveller Strategy for Perth and Kinross (2018-21) and the production of a British Sign Language (BSL) Plan (2018-24) which was a statutory requirement for both Perth & Kinross Council and NHS Tayside.
- Work with third sector partners including MECOPP Gypsy/Traveller Carers project and PKAVS Minority Communities Hub enhance the services offered to minority community members whilst projects such as the Golf Memories Group; St. Johnstone Community Trust and Centre for Inclusive Living Keep Safe Scheme ensure that inclusive opportunities for participation, safety and wellbeing are offered to service users.
- The first Perthshire Pride was held in 2018 which was attended by 3000 people and had advice on the day around health and wellbeing from a variety of organisations.

- NHS Tayside launched an in-house model to deliver interpretation and translation services. The Interpretation Model allows the service to co-ordinate daily workload of interpreters thus enabling greater responsiveness to patient needs, and improves the management of interpreter availability allowing the service to respond quicker to emergency requests.
- An Equalities Learning Programme has been provided and is available to all staff and covers sessions on topics like HIV awareness, Immigration, Asylum and Discrimination, Gypsy/Traveller Awareness and LGBT Awareness.
- EU Settlement Scheme and Brexit. Signposting information for EU citizens and businesses employing EU workers has been added to the Council's [website](#). A community information event also took place in February this year at which the Home Office attended to raise awareness of the scheme.

Employability Network

National Health and Well-being Outcomes:

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The Perth & Kinross Employability Network's objective is to seek to improve employability services for young people and adults with additional challenges and barriers to work (disabilities, illness or a history of offending). The Network provides a wide range of supports, opportunities, and volunteering or work experience placements to help people achieve their personal goals/outcomes.

- The actual 2018/19 total number of clients 3860, an increase on the 2133 last year.
- The review report also detailed that there was a slight increase of 5% in the number of employers engaged compared with the 2018/19 performance review, 565 employers to 593 employers.

The 2019 review had 16 returns from the 37 members (43% return rate which is consistent to the return rate of 45% in 2017/18). Based on feedback from our 2019 performance review, 100% of members are either Satisfied (38%) or Very Satisfied (62%) with the role and functions of the Employability Network. Comments from members included:

"The Employability Network is a very positive business networking experience. It has helped our service build a profile with community partners and increased programme referrals and visibility as result. The partner focus sessions during the meetings have sparked new relationships between public and third sector partners which has enhanced our service offer to clients".

- The number of individuals supported into and to sustain paid employment has continued to rise in line with the employability support team now becoming accredited to deliver sustained supported employment.
- Learning Disability clients make up just under 50% of the individuals supported into paid employment and 67% of the individuals in Voluntary Employment /Work Experience.
- The Employment Support Team also offer additional dedicated support to people with Learning Disabilities only to prepare for employment through a range of employability focused initiatives.
- In addition the Employment Support Team also continue to offer a consultative employability role to other support agencies.

New initiatives such as Working Roots and Retails Roots offer a portfolio of opportunities to support individuals with significant barriers to work to develop skills relating to the horticulture and retail

sectors. This is positive collaborative working with local retailers supporting individuals to achieve their employability outcomes and matching the workforce requirements of local businesses.

Adult Support and Protection

National Health and Well-being Outcomes: 5 7

During 2018/19 In 2018/19 there were 1445 referrals received of which 1156 were from Police Scotland. 289 were Adult Protection concerns, 179 progressed to ASPs. Information collected locally show that 40% of adults at risk in Perth & Kinross are over 80 years old with 31% in the 65-80 year category. Females account for 66% of all cases investigated. This consists of 2 main client groups with infirmity of old age accounting for 43% and people with dementia for another 24%. People with a learning disability accounted for 13% of all adults at risk. The home address was the location of harm in 55% of cases (increased from 36% last report) with 30% of cases recorded in Care Homes (decrease from 55% last year).

Physical and financial harm are the main types identified in over 60% of cases followed by neglect in 18% of cases

97% of referrals were screened within 24 hours an increase of 4% compared to the previous year. Perth and Kinross continues to demonstrate a high level of compliance with the 24 hr target which in turn ensures a high level of support for these clients. This indicator is monitored on a regular basis and staff are aware of the procedures to follow. This helps to ensure the continuing high percentage of the adult protection cases screened within 24 hours.

CAPA (Care About Physical Activity)

National Health and Well-being Outcomes: 1 2 4 7

We continue to progress the good work in relation to programme supported by the Care Inspectorate called Care About Physical Activity (CAPA) for both care homes and care at home/ day care/sheltered housing services. This aimed to build the skills, knowledge and confidence of social care staff to enable those they care for to increase their levels of physical activity and move more often.

Through CAPA we have observed some outstanding results with residents and clients empowered to be more independent and move more. The Health and Social Care Standards are integral to the delivery of CAPA with individuals involved in identifying their own individual goals, aspirations and wishes and supported to achieve their full potential. In addition there have been significant cultural changes, and whole homes and care services adopting the CAPA principles impacting clients, relatives and staff.

Some examples include:

- Intergenerational activities with residents teaching pupils the old dances and how to golf and Perth College UHI supporting care homes with strength and balance exercises and physical activities.
- Body Boosting Bingo, a fun strength and balance activity created by Age Scotland and Live Active Leisure created a Chair based exercise DVD for staff to use with their residents and clients.

Last year one care setting worked alongside "Paths for All" to create a Care Home Walking Pack. All care homes in P&K have now been issued with walking packs for their residents.

Case Studies

Walking Stick Ferrule Initiative

Progressed in 2018 this exciting new initiative has been developed where Culture Perth & Kinross Libraries will be providing additional services to remote and rural communities through their mobile library service. This has been a joint development with a local Councillor and the Perth and Kinross Home Safety Partnership.

The mobile library service already supplies hearing aid batteries to rural communities and this has proven so successful the scheme is being extended to include walking stick ferrules, datalink bottles and information on both benefits and Home Safety Visits.

Funding has been provided by the Community Planning Partnership to purchase ferrules and datalink bottles and training has been delivered to the staff involved. This will ensure that people in remote areas will have access to a valuable service which contributes towards their health, safety and wellbeing in the home.

School Transition / Work Experience – Green 2 Go/Fairview

Transition from school to employment can be challenging for any student, particularly so when facing barriers such as illness or disability. Work experience for school students is extremely valuable and provides a sense of what it's like to do a job in a real work setting. The Employment Support Team (EST) worked in collaboration with Fairview School to provide 2 pupils with a 6 day work experience as recycling operatives on the Green2Go project. Feedback was given by the pupils and Fairview support staff. Comments included:

- *'It was a fantastic chance to provide pupils with life skills experience and transference of skills into new settings but also to offer them the opportunity to try in a safe environment what it would be like to work in a more realistic setting.'*
- *'It was really helpful and supportive, particularly recognising and supporting the pupils own personalities, levels of engagement and needs. Both pupils have talked about this experience in their transition meetings and have still said 'they would like to work for the council and/or be outdoors when they leave school.'*

Working in partnership with Education and Children's Services provided Social Care Services an opportunity to work with students who we may well encounter in our adult services in the very near future and be able to support them to achieve their employability goals sooner.

Suicide Prevention

Suicide Prevention funding was provided to the Perth and Kinross Rape and Sexual Abuse Centre (RASAC) which regularly co-deliver suicide prevention activities including Safe Plan Training and hosting special screenings of the 'Resilience' Film. In 2018-19, the centre received 167 referrals and 297 survivors accessed services. The effects of abuse has a significant effect on a person's mental health and wellbeing – feedback from their survivors indicate that:

- 41% experienced depression.
- 45% experienced anxiety.
- 19% had taken action to end their life.
- 32% regularly experienced suicidal thoughts.

RASAC's therapeutic support services and crisis support mean survivors have a safe space to speak about their feelings and trauma with a member of their skilled support team. One of their highlights this year was hosting a Wellbeing Day in January. 20+ survivors took part in a range of activities, including a TRE session (Tension & Trauma Release Exercises) with a trained facilitator, a therapist, reiki and manicures. Survivors were all given wellbeing bags and were able to create their own wellbeing book whilst in the centre. They also worked with the Violence Against Women Partnership on Project Forte where we supported 6 survivors to access a 6 week Fencing Programme.

Feedback included: "I am active for the first time in a year...I think everyone gained something out of this. It made a difference" and "(I am) more confident, happy".

Technology Enabled Care and Dementia

Mrs R is over 90 and living with dementia. Her family expressed concern following an incident where she left her flat late at night and was found by another resident who helped her back to bed. An i-care assessment was suggested as a way to gain an accurate picture of how Mrs R was managing and in particular whether getting a good night's sleep was an issue for her. The family were fully consulted in this decision and were supportive. They were provided with a link to the i-care dashboard so that they could check on Mrs R's activity although this was monitored daily by her social worker during the assessment period.

Feedback from those involved in the case review was that the i-care data helped greatly in deciding the best course of action for Mrs R.

- The community nurse commented - 'Our job is based on uncertainty and it's great to have some definite data and clarity to work with'.
- The social worker who made the i-care referral is keen to use the system again and has already made another referral.
- For the family the assessment provided peace of mind that all was well with Mrs R at night and although they didn't access the i-care data themselves they have now decided to invest in technology to help them support Mrs R from a distance.

Celebrating Success in Perth and Kinross

Securing the Future Awards 2018

The annual Securing the Future Awards celebrate innovative projects and initiatives which are enhancing the lives of people who live in, work or visit Perth and Kinross.

Silver Winners

Participatory Budgeting in the Achieving Better Outcomes in Partnership category. Local Action Partnerships and the Health and Social Care Partnership have delivered a PB community grants scheme across Perth and Kinross in 2017 and 2018 to help communities tackle inequalities, build community capacity, increase participation and address health and social care needs. In 2018, £225K of funding was allocated via 9 local events. PB marks a fundamental shift in the relationship between public bodies and communities.

Retail Roots in the Tackling Inequalities and Improving Health category. In partnership with Dobbie's Perth Retail Roots was developed last year to support individuals with significant barriers to work to develop skills relating to the retail sector.

Bronze Winners

Bronze winners for 2018 included: Health and Wellbeing Café, Technology Enabled Care, Perth City Teams and Community Capacity Building in Highland Perthshire.

The David White Award 2018

This award is about celebrating employees who demonstrate outstanding determination to improve themselves through learning and applies this to all areas of their work, making a valuable contribution to the performance of their team. 'Exceptional achievement' was awarded to:

- Claire Ferrier, Social Worker
- Laura Carse, Social Worker

Appendix 3

Services Hosted by Dundee and Angus HSCP

Dundee	Angus
<ul style="list-style-type: none">• Psychology services• Sexual and Reproductive Health services• Homeopathy service• Specialist Palliative Care• The Centre for Brain Injury Rehabilitation (CBIRU)• Eating disorders• Dietetics• Medical Advisory Service• Tayside Health Arts Trust• Keep Well• Psychotherapy	<ul style="list-style-type: none">• Locality Pharmacy• Primary Care Services (excludes the NHS Board administrative, contracting and professional advisory functions)• GP Out of Hours• Forensic Medicine• Continence service• Speech and Language Therapy

The three NHS Tayside Health and Social Care Partnership have clear principles for how hosted services will be managed effectively and consistently and recognise that strategic planning responsibility for the services should be retained by all three IJB's in respect of their own population.