



Council Building
2 High Street
Perth
PH1 5PH

10 September 2020

Attached is a supplementary agenda for the Virtual Meeting of the **Audit and Performance Committee of the Perth and Kinross Integration Joint Board** to be held via Microsoft Teams on **Monday, 14 September 2020 at 09:30**.

If you have any queries please contact Committee Services - Committee@pkc.gov.uk.

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

Please note that the meeting will be streamed live via Microsoft Teams, a link to the Broadcast can be found via the Perth and Kinross Council website. A recording will also be made publicly available on the Integration Joint Board pages of the Perth and Kinross Council website following the meeting.

Members

Councillor Callum Purves, Perth and Kinross Council (Chair)
Councillor John Duff, Perth and Kinross Council
Pat Kilpatrick, Tayside NHS Board
Ronnie Erskine, Tayside NHS Board
Bernie Campbell, Carer Public Partner

Board
Monday, 14 September 2020

AGENDA

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5.1 ASSURANCES RECEIVED FROM PARTNERS

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**PERTH AND KINROSS INTEGRATION JOINT BOARD
AUDIT & PERFORMANCE COMMITTEE**

14 SEPTEMBER 2020

ASSURANCES RECEIVED FROM PARTNERS

Report by Chief Financial Officer (Report No. G/20/86)

PURPOSE OF THE REPORT

In compiling the Integration Joint Board's Annual Governance statement, reference was made to receipt of assurance from NHS Tayside and Perth and Kinross Council regarding their governance arrangements noting that Perth and Kinross Integration Joint Board (IJB) is reliant on both Partners to deliver the IJB's overall aims and objectives. This report provides an update on those assurances.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board Audit & Performance Committee:

- (i) Note that the IJB has issued confirmation of the adequacy and effectiveness of the governance arrangements in place within Perth and Kinross IJB for 2019/20 to NHS Tayside, Perth and Kinross Council and the 2 Tayside IJBs.
- (ii) Note the position re confirmation of the assurance from NHS Tayside;
- (iii) Note the position re confirmation of the assurance from Perth and Kinross Council;
- (iv) Note the position re confirmation of the assurance from Dundee IJB;
- (v) Note the position re confirmation of the assurance from Angus IJB;
- (vi) Note that the status of assurances from NHS Tayside, Perth and Kinross Council, Dundee IJB and Angus IJB is consistent with the contents of the IJB's Governance Statement in the audited Annual Accounts.

2. BACKGROUND

- 2.1 On an annual basis the IJB has to include a Governance Statement within its Annual Accounts. Perth and Kinross IJB Audit and Performance Committee considered Perth and Kinross IJB's draft 2019/20 Governance Statement at its June 2020 meeting (paper G/20/68). Paper G/19/68 noted that Perth and Kinross IJB had to provide assurances to both NHS Tayside and Perth and Kinross Council. This was duly completed in September 2020 and are attached at Appendices 1-2.

- 2.2 It has been agreed with NHS Tayside that they would share their 2019/20 Governance Statement with Perth & Kinross IJB as the vehicle for providing assurance. NHS Tayside's Governance Statement was considered within Annual Accounts approved at NHS Tayside's Board meeting of on 30th July 2020. That Governance Statement concluded by noting:- "As the appointed Accountable Officer, I am able to conclude with the ongoing improvement work undertaken throughout the year, as evidenced above, the governance framework, the assurances and evidence received from the Board's committees, that corporate governance continues to be strengthened and was operating effectively throughout the financial year ended 31 March, 2020." This consequently provides the required assurance to Perth & Kinross IJB regarding arrangements in place within NHS Tayside.
- 2.3 PKC Scrutiny Committee considered the PKC Governance Statement on 5th August 2020. The Convenor of Perth & Kinross Council's Audit Committee has written to the Chair of this Committee providing assurance on PKC governance arrangements for 2019/20 stating '...The Annual Governance Statement is audited as part of the 2019/20 Annual Accounts by the Council's external auditors, KPMG. In their Draft Annual Audit Report to Members and the Controller of Audit for the year ended 31 March 2020 KPMG conclude that the "Council's governance arrangements operate effectively" and "the Annual Governance Statement shows an appropriate and accurate reflection of the governance arrangements at the Council".

The audit of the 2019/20 Annual Accounts is substantially complete and KPMG plan to issue an unqualified audit opinion following the anticipated approval of the Accounts at the meeting of the Audit Committee on 16 September 2020.

- 2.4 In 2019/20 formal assurance has been provided by the Tayside IJBs to each other. The Angus IJB Governance Statement 2019/20 was considered at the IJB's Audit Committee of 24th June 2020. It concludes '...that at 31 March 2020, reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements'. The Dundee IJB Governance Statement was considered by the IJB at their meeting on 25th August 2020. It concludes that 'reliance can be placed on the IJBs governance arrangements and systems of internal controls for 2019/20.'

3. CONCLUSIONS

The IJB's Audit and Performance Committee should:

- (i) Note the assurance has been received from all partners;
- (ii) Note that Perth & Kinross IJB has provided assurance to all parties that adequate and effective governance arrangements were in place during 2019/20.

Author(s)

Name	Designation	Contact Details
Jane M Smith	Chief Financial Officer	janemsmith@nhs.net janemsmith@pkc.gov.uk 07966 875713

APPENDICES

1. Letter of Assurance to Perth & Kinross Council from PKIJB
2. Letter of Assurance 2018/19 from Perth & Kinross Council



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

Enquiries to	Jane Smith
Extension/Direct Line:	59557 / 01738 459557
Email	janemsmith@nhs.net
Your Ref	
Our Ref	JMS/PJ
Date	8 September 2020

Dr Robert Peat
Chair
Audit & Risk Committee
NHS Tayside
Ninewells Hospital
DUNDEE

APPENDIX 1

Dear Robert,

ASSURANCES PROVIDED BY PERTH & KINROSS INTEGRATION JOINT BOARD

Perth & Kinross Integration Joint Board (IJB) took on responsibility for the commissioning of delegated services in the line with its Strategic Commissioning Plan from 1 April 2016. The IJB has an Audit & Performance Committee with devolved responsibility for Governance issues including assessing the adequacy and effectiveness of systems of internal control. The assurance as to the effectiveness of the governance framework and systems of internal control is provided by the IJB's Annual Governance Statement which was discussed and approved for inclusion in the Unaudited Annual Accounts for 2019/20 at the meeting of the IJB's Audit and Performance Committee on 22 June 2020.

The Annual Governance Statement was audited in the preparation of the Annual Audit Report of the IJB by the IJB's External Auditors, KPMG. As part of this external audit KPMG have summarised that '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.'

As Chair of the Audit Committee, taking into account the work undertaken by the Audit and Performance Committee in the year 2019/20, I can confirm that adequate and effective governance arrangements were in place throughout Perth & Kinross IJB during the year 2019/20.

Yours sincerely,

Councillor Callum Purves
Chairperson
On behalf of Perth & Kinross Integration Joint Board Audit & Performance Committee

Copy to:
Stuart Lyall, Director of Finance, NHS Tayside
Grant Archibald, Chief Executive, NHS Tayside
Lorna Birse-Stewart, Chairperson, NHS Tayside

Headquarters: Council Building, 2 High Street, Perth. PH1 5PH



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

Enquiries to	Jane Smith
Extension/Direct Line:	59557 / 01738 459557
Email	janemsmith@nhs.net
Your Ref	
Our Ref	JMS/FL/PJ
Date	8 September 2020

Councillor Eric Drysdale
Chair - Perth & Kinross Council Audit Committee
Perth & Kinross Council
2 High Street
Perth
PH1 5PH

APPENDIX 2

Dear Eric,

ASSURANCES PROVIDED BY PERTH & KINROSS INTEGRATION JOINT BOARD

Perth & Kinross Integration Joint Board (IJB) took on responsibility for the commissioning of delegated services in the line with its Strategic Commissioning Plan from 1 April 2016. This includes over-seeing a range of Hosted Services on behalf of all 3 Tayside Integrated Joint Boards. Since 2016, the IJB has had an Audit & Performance Committee with devolved responsibility for a range of governance issues including assessing the adequacy and effectiveness of systems of internal control. As Chair of the Audit & Performance Committee, considering the work undertaken by the Audit & Performance Committee in the year 2019/20, I can confirm that adequate and effective governance arrangements were in place throughout Perth & Kinross IJB, including for Hosted Services, during the year 2019/20.

The Annual Governance Statement was audited in the preparation of the Annual Audit Report of the IJB by the IJB's External Auditors, KPMG. As part of this external audit KPMG have summarised that '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.'

As Chair of the Audit Committee, taking into account the work undertaken by the Audit and Performance Committee in the year 2019/20, I can confirm that adequate and effective governance arrangements were in place throughout Perth & Kinross IJB during the year 2019/20.

I trust the above is of assistance.

Yours sincerely,

Councillor Callum Purves
Chairperson
On behalf of Perth & Kinross Integration Joint Board Audit & Performance Committee

Copy to:
Lisa Simpson, Head of Legal Services, Perth & Kinross Council

Headquarters: Council Building, 2 High Street, Perth. PH1 5PH



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

14 SEPTEMBER 2020

ANNUAL ACCOUNTS 2019/20

Report by Chief Financial Officer (Report No. G/20/87)

PURPOSE OF REPORT

This report presents the IJB's Audited Annual Accounts for the period to 31 March 2020 to the Audit & Performance Committee for approval.

1. BACKGROUND

On 22nd June 2020 the IJB approved the Unaudited Annual Accounts for 2019/20. The Unaudited Annual Accounts for 2019/20 were then submitted to Audit Scotland on 30 June 2020. The Annual Accounts were prepared in accordance with the 2019 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 2020 and 21 July 2020(inclusive). KPMG, the IJB's external auditors, received no objections during this period.

2. ANNUAL ACCOUNTS 2019/20

The audit of the Annual Accounts took place between July and August 2020 during which time KPMG considered whether the Annual Accounts 2019/20:-

- Gave a true and fair view in accordance with applicable law and the 2019/20 Code of the state of the affairs of the IJB as at 31 March 2020 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 2019/20 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 Audit and Performance Committee at Appendix 2.

The key messages from the 2019/20 audit are set out at within the Executive Summary at Page 3 and are summarised as follows:-

- Unqualified independent auditor's report on the 2019/20 financial statements
- 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.
- The IJB faces ongoing financial pressures due to salary costs, price pressures and increasing demand for services. KPMG remain satisfied that the IJB is a going concern as a result of the integration scheme and the financial sustainability of the partners.
- There has been positive development of a three-year financial recovery plan during 2019-20 which will help the IJB plan for future pressures, and will enable management to have valuable conversations when discussing future budget settlements. KPMG consider the arrangements regarding financial management are effective.
- The IJB's arrangements for assessing and reporting on the impact of Covid-19 is considered appropriate.
- A recommendation surrounding the achievement of the reserves strategy in respect of the budget setting process has been made.
- Concerns remain around the high turnover of voting members, and a continued lack of a workforce plan, both of which were recommendations in the prior year.
- KPMG's recommendation last year of moving to a proportional risk sharing agreement has not been delivered in year, and is now reported as a grade one action point.

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

The Audit and Performance Committee are asked to consider the Letter of Representation at Appendix 3 for submission to the IJB for final approval.

3. CONCLUSION AND RECOMMENDATIONS

It is recommended that the Audit & Performance Committee:

- Approve the Audited Annual Accounts for 2019/20 ;
- Consider the contents of KPMG's Annual Audit Report to Members of Perth & Kinross IJB and the Controller of Audit on the 2019/20 Audit and approve for consideration by the IJB;
- Consider and approve the Letter of Representation for signature by the Chief Financial Officer.

Author(s)

Name	Designation	Contact Details
Jane M Smith	Chief Financial Officer	janemsmith@nhs.net janemsmith@pkc.gov.uk 07966 875713

Appendices

1. Annual Audit Report to the Members of Perth and Kinross Integration Joint Board and the Controller of Audit
2. 2019/20 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 2020

14 September 2020

DRAFT

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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 Diane McGiffen, Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN.

Executive summary

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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 14 September 2020.

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.

We concurred with management's assessment that the entity remains a going concern for the 12 month period from 30 September 2020, in compliance with the statutory requirement to prepare accounts on a going concern basis.

The annual accounts 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 position

Page 5

The IJBs final outturn was an overspend against budget of £1.8 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 decreased its reserves from £2.5 million to £1.2 million.

The integration scheme states that in the event of an overspend from 2019-20, the partners can opt to allocate the overspend on a proportional basis. The partners informally agreed to continue the default position of the integration scheme which is to fund overspends for which they have operational responsibility in 2019-20, and is expected to continue. Our recommendation of moving to a proportional risk sharing agreement has not been delivered in year, and is reported as a grade one action point for 2020-21.

Financial management and financial sustainability

Page 15

Since inception, the IJB has experienced an ongoing funding deficit, and the consolidated budget approved in September 2019 showed a £4.2 million overspend for the IJB in the year 2019/20.

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.

There has been positive development of a three year financial recovery plan during 2019-20 which 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.

The IJB's arrangements for assessing and reporting on the impact of Covid-19 is considered appropriate.

We made a recommendation surrounding the achievement of the reserves strategy in respect of the budget setting process.

We also repeated concerns around the high turnover of voting members, and a continued lack of a workforce plan, both of which were recommendations in the prior year.

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 engagement has been extended by Audit Scotland to 2021-22 in order to mitigate any potential impact of Covid-19 on the process for the next period of appointment.

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 17 February 2020.

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

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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 2019-20 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 presented to the Board for approval by March in advance of the financial year. Delegated baseline budgets for 2019-20 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.

The IJB have also introduced the Invest to Save strategy which is a three year strategy linked to the Older People Shifting the Balance of Care Programme that supports financial sustainability over the 3 year period. In developing this strategy, management drew on their budgetary review groups involving members, and member-officer working groups which is good practice. This approach, which has supported a significant reduction in delayed discharge, is anticipated to save £2.8 million over 3 years

In 2019-20, the IJB participated in the Perth and Kinross Council (“the Council”) 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.

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.

Funding contributions from Perth and Kinross Council £54.1 million	Funding contributions from NHS Tayside £160.2 million	Gross expenditure £205.6 million	Deficit on provision of services £1.3 million
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During 2019-20, the IJB had an overspend of £1.8 million compared to an initial expectation of £4.2 million, which is different to the deficit on the provision of services owing to the IJB’s responsibility for those hosted services across the Tayside region. The integration scheme states how overspends are resolved and a result was funded via the use of reserves (see page six). The final accounting position shows a deficit on the provision of services of £1.3 million which decreased the general fund reserve to £1.2 million.

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 2020-21, 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)

2019-20 financial position

The annual accounts are prepared on a going concern basis. A overspend of £1.8 million was reported in the final outturn in June 2020 for the year ended 31 March 2020. 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 tri-partite 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.'

The out-turn in 2019-20 was an overspend of £1.8 million was an improvement when compared to the original budget with a deficit of £4.2 million and the subsequent financial recovery plan ("FRP") target of £3.3 million.

Against social care budgets, where operational responsibility remains with the Council, an overspend of £2.4 million was originally budgeted for, however actions from the financial recovery plan lower than anticipated spent have offset this at the year end, resulting in an overspend of £1.5 million being reported.

In line with the integration scheme, both NHS Tayside and the Council 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:

- Core Health Services: overall year-end overspend of £0.55 million due to there being higher numbers and due to the complexity of patients.
- In-Patient Mental Health: the overspend of £0.6 million was largely predicted as it is driven by medical locum costs required.
- Prescribing services: an underspend of £0.4 million driven by unanticipated levels of national rebates totalling £1.2 million significantly improved the position against budget.



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Expenditure	2019-20 Budget (£m)	2019-20 FRP (£m)	2019-20 Actual over/ (under) spend (£m)	Over/ (under) spend against budget (£m)
Core	0.5	0.2	0.5	0.0
Other Hosted	0.0	(0.1)	(0.4)	(0.4)
Prescribing	0.8	0.3	(0.4)	(1.2)
General medical services	0.0	0.1	0.0	0.0
IMPH	0.6	0.7	0.6	0.0
Health	1.8	1.3	0.3	(1.5)
Social Care	2.4	2.1	1.5	(0.9)
Total	4.2	3.3	1.8	(2.4)

Source: 29 May 2020 – 2019/20 Financial Position report to the Board

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 hosted 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. The CIES includes the utilisation of reserves in order to achieve the year end position.

Financial position (continued)

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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 £18.3 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 £1.2 million debtors balance at the year end decreased as a result of overspends and the use reserves to support delivery of services. IJB 'cash' is held by the partner organisations 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	2019-20 £000	2018-19 £000
Short term debtors	1,159	2,470
Net assets	1,159	2,470
Usable reserve : General fund	(1,159)	(2,470)
Total reserves	(1,159)	(2,470)

Source: Annual accounts 2019-20

Audit conclusions

DRAFT

Audit opinion

Following approval of the annual accounts by the IJB Board, we intend to issue an unqualified opinion on the truth and fairness of the state of the IJB's affairs as at 31 March 2020, 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 2019-20 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. A expanded basis of preparation in respect of going concern was included 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

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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 £2.0 million for the IJB's financial statements. This equates to approximately 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 £1.5 million. We report all misstatements greater than £100,000.

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 signed complete draft financial statements were provided on 1 July 2020.

We recognise the efforts of the finance team given significant Covid-19 pressures to deliver a set of accounts with no identified misstatements to us in accordance with the normal timeframes. The finance team were retasked with additional responsibility in respect of additional financial reporting requirements, workforce planning and third party sustainability payment administration. In this context, this represents a significant achievement.

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.

Significant risks

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Significant risk	Our Response	Audit approach
Fraud risk from management override of controls* 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.	<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. 	<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 attention.</i>
Fraud risk from income revenue recognition and expenditure (rebutted) 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.	<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. 	<i>Our conclusion is that income and expenditure is appropriately stated, in line with the CIPFA Code.</i>

We set out above the significant risks 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.



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Other focus area	Our response	Audit approach
Financing focus area		
<p>Completeness and accuracy of expenditure</p> <p>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.</p>	<p>— 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>	<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>
<p>Financial sustainability</p> <p>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.</p>	<p>— 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 2019-20, 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.</p> <p>— We have considered the Board's financial planning, reserves strategy, and Board's use of reserves, concluding on the appropriateness of these in our annual audit report.</p> <p>— See page 17 for further information regarding the financial sustainability wider scope.</p>	<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

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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 consider the annual governance statement to ensure compliance with the Local Government finance circular 10/2020 which updated the requirements in response to the Covid-19 pandemic.</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 10/2020 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 2019-20 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 considered whether the annual governance statements adequately described the changes arising in governance as a result of the Covid-19 pandemic.</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> <p>We were satisfied with the proposed disclosure over the temporary governance arrangements.</p>

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 Council's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.

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

There were no accounting estimates identified as part of our audit.

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

Future accounting and audit developments

There are no significant future accounting or audit developments relating to the financial statements of the IJB.

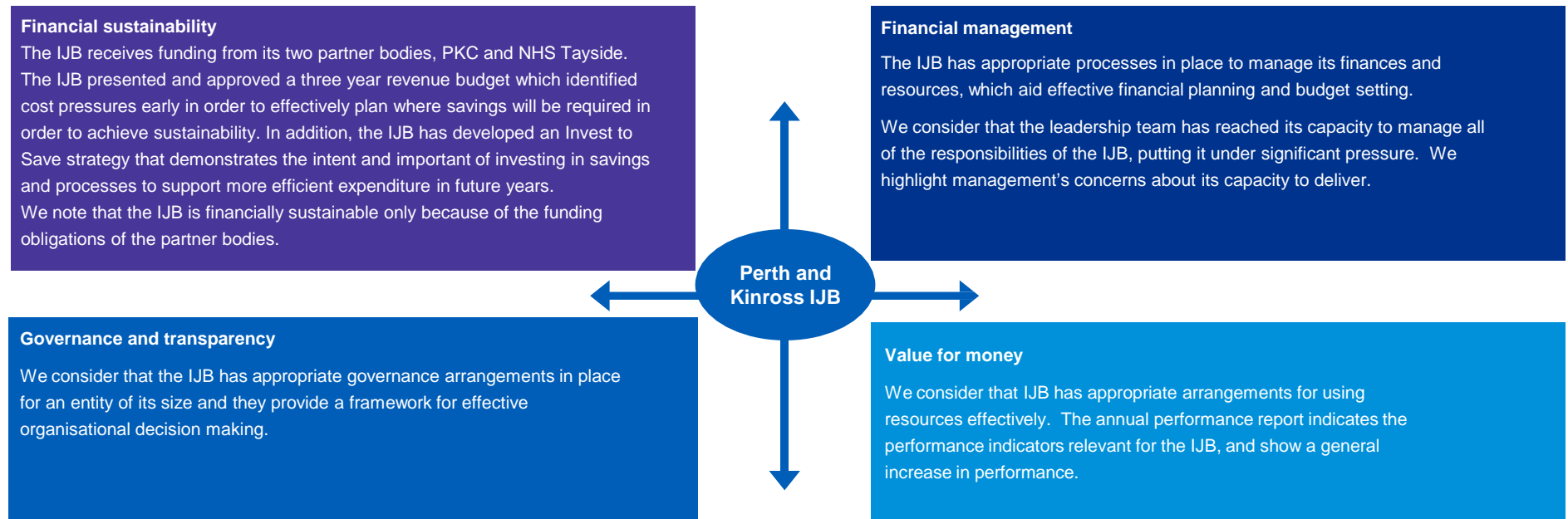
Audit dimensions introduction and conclusions

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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.

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.



Financial management

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

Budget setting process

In 2018-19, we recommended management present a balanced budget for approval in advance of the financial year in order to meet legislative and best practice requirements, and this recommendation was delivered for 2020-21.

Management continue to work with the partner bodies to discuss, develop and set an achievable budget, identifying pressures in order to manage overspends and the process was significantly improved for 2020-21 (see page 17).

Budgetary reporting

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 finance updates which are taken to both the Board and the Audit and Performance Committee ("APC"). Management aims to report 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.

In line with best practice, management have presented a finance update to all held Board meetings.

Budget outturn and 2019-20 performance is discussed further on page five.

Financial recovery plan

The integration scheme requires that where overspends are identified, management prepare a deficit recovery/action plan to be approved by the Board prior to any actions implemented. Management prepared the financial recovery plan ("FRP") in order to demonstrate a response to this requirement.

The 2019-20 Finance Update provided to the IJB in September 2019 gave an indication of overspends and cost pressures. As a result, the IJB prepared and approved a Financial Recovery Plan on 27 September 2019 in order to identify areas of savings and note actions to be taken to achieve these savings. We note that the FRP projected overspends of £3.3 million, and due to unanticipated rebates in respect of prescribing, reduced the final overspend to £1.8 million.

In order to deliver and forward plan, management introduced the three year revenue budget which sought to smooth expenditure, and manage overspends and savings progress. This was considered appropriate and demonstrated clear development and mitigation of demand pressures faced by the IJB over the medium term.

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.

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

Financial management

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Capacity and service transformation

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

In 2018-19, we reported that the Chief Officer would review the current leadership and management arrangements to support ongoing and improved integration between the IJB and its partner bodies. We confirmed that this review had not been completed and progress is ongoing. With increasing demand on senior officers time and resources, management should undertake reviews such as this to ensure that required resources to deliver integrated services are full identified and sourced.

Recommendation three

The integrated finance function consists of the Chief Financial Officer and financial management resources transferred to Perth and Kinross Integration Joint Board by NHS Tayside and Perth and Kinross Council. In addition, NHS Tayside provide finance support for specific service areas such as Prescribing, and Primary Care. The Partnership Finance Manager provides significant support to the day to day financial management and control within the IJB. Operational management of Inpatient Mental Health formally moved to NHS Tayside early in 2020-21 under instruction from the Scottish Government

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.

Arrangements for the prevention and detection of fraud

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

Covid-19 impact assessment

The worldwide Covid-19 pandemic has understandably had an impact on a wide ranging number of topics across the globe. As part of our wider scope reporting in respect of the IJB, we considered the impact on governance and financial sustainability.

As part of its response to Covid-19 pressures, the IJB participated in regular reporting to the Scottish Government, initially on a weekly basis detailing financial pressures. This covered both health and social care, being reported via NHS Tayside. Management considered this process to be robust, and challenged a number of assumptions to reasonably forecast financial impact.

The financial pressures identified included additional social care provision demand, and additional GP and prescribing costs.

The IJB also completed financial reporting on the Mobilisation plan, planning the necessary actions to prepare for the impact of the pandemic, identifying new approaches to service delivery, redeploying staff and capturing additional costs.

Management reported significant work in respect of Delayed discharges to improve the path through hospitals for patients, and developed a Community Assessment Hub at Perth Royal Infirmary to improve the number of patients being supported.

Conclusion

The IJB has not set its 2020-21 budget on a balanced basis, though we recognise the challenges faced by management and that the three year financial recovery plan does bring the IJB back to a financial balance.

Overall financial capacity is appropriate for the purposes of delivering services and day to day management. However, there remains no specific strategic planning capacity within the IJB to inform and lead strategic development.

Financial sustainability

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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

In 2019-20, management began the process of setting a full three year revenue budget which covered 2019-20, 2020-21 and 2021-22. This was updated in 2019-20 to include 2021-22 and significantly improved medium-term financial planning. The three year revenue budget for Health and Social Care was approved on 31 March 2020 and achieves a financial balance over the three years.

	Year 1: 2020-21	Year 2:2021 -22	Year 3: 2022-2023
	Shortfall/ (Surplus) £m	Shortfall/ (Surplus) £m	Shortfall/ (Surplus) £m
Health	1.8	(0.4)	(1.4)
Social Care	0.0	0.7	0.0
Total	1.8	0.3	(1.4)

2020-21 budget process

Management invested significant resource in working with partners to prepare its three year revenue budget to achieve financial balance and this is a marked improvement achieving best practice. This was ultimately accepted by Perth and Kinross Council, but not NHS Tayside and is reflected accordingly in respective partners budget settlements for 2020-21.

Management presented an unbalanced but comprehensive budget to the Board for approval on 31 March 2020, which due to restrictions was undertaken via email submission. The members approved the budget on an interim basis.

Due to lockdown restrictions this special meeting was held via email submission. It is generally accepted that this option was not best practice however it was not unreasonable given the circumstances and we are not aware of clear contraventions of the IJB's regulations.

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 Financial 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 £1.2 million at the year end, or 0.5%. This is below the target level, and given the level of overspend anticipated as a result of Covid-19, management face a significant challenge to meet this target in 2020-21.

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

We discussed with management how the reserves strategy will be delivered. There is consideration of the need to achieve reserves of 2%, however, in conjunction with pressures identified in the three year plan, the achievement of this is accepted as challenging. There is no allowance in the three year plan that supports the achievement of the reserves strategy.

Recommendation one

Financial sustainability (continued)

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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 (2017-18 and 2018-19) any overspend is met by the partner with operational responsibility.

From the third year (2019-20) 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 2020-21, 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. We note that this has been partially delayed due to Covid-19, however the deadline reported by management in 2018-19 would have been missed.

Management confirmed that the integration scheme will be reviewed by the partners which may result in an alternative risk sharing arrangements being agreed, however, we reaffirm the importance of a proportionate arrangement to encourage integrated delivery and as a minimum recommend formal agreement of the approach to risk sharing.

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 (pending central KPMG review)

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.

Management consider it appropriate to continue to adopt the going concern assumption for the preparation of the annual accounts, supported by factors including:

- The regulations governing the IJB include reference to the entity following appropriate accounting practice, which is the 2019-20 Code. This code states that the entity shall prepare accounts on a going concern basis.
- The Integration Scheme provides that all overspends shall ultimately be met by the partner bodies. Given that the positions of NHS Tayside and Perth and Kinross Council are also going concerns, management believe that the partner bodies have sufficient ability to meet any liability that falls due.

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 2019-20, the required savings identified in the budget were £2.63 million (2.7%). The actual savings achieved was £2.56 million, the only shortfall due to one project not delivering the savings intended, totalling £74,000.

It is noted as part of the impact of Covid-19 on 2020-21, £1.3 million of savings are not expected to be met as included in the Covid-19 September update to the Board.

Financial sustainability (continued)

Financial sustainability

Management have provided two updates to Board members during the pandemic, with a further update to be provided at the end of September. Reporting to members was in addition to the regular financial assessments submitted to the Scottish Government, which covered both Health and Social Care elements via NHS Tayside.

In July 2020, the Chief Officer reported estimated additional costs totalling £9.4 million as summarised below:

20/21 Projection	£m
Third Party Care Providers Additional Costs	4.9
Slippage in savings delivery	1.4
Loss of Income	0.5
Supporting flow-additional inpatient bed capacity	0.5
Additional Payments to GP Practices	0.5
Additional staffing costs	0.4
Supporting flow- additional care home capacity	0.2
Care Home Additional Responsibilities	0.2
Mental Health & Drug & Alcohol Support	0.2
Service Management Capacity and Communications	0.2
Other equipment, IT, property and PPE	0.2
Supporting Flow – Discharge Capacity	0.1
Additional Payments Pharmacists	0.1
Increase in GP Prescribing	0.1
Additional Care at Home	0.1
Offsetting Cost Reductions	(0.2)
Total	9.4

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The costs in Health service delivery will be met by the Scottish Government with additional funding expected later in the year. Perth and Kinross Council has incorporated associated financial pressures as part of the Council's financial recovery.

Governance arrangements

As part of its response to the Covid-19 lockdown, there were some changes to the IJB's governance structure.

The Chief Officer was a member of both partners' Gold Command structure, which saw senior officers having authority to make decisions in response to a changing environment. Particularly at the council, this included the use of emergency powers which were subsequently ratified by councillors.

The IJB have resumed virtual meetings to ensure Board members have oversight of decisions made.

Several meetings were carried out through written submission, particularly the approval of the budget on 31 March 2020. Given the proximity of the meeting to the First Minister's imposing of lockdown, and to the 31 March year end, management elected to continue with the meeting as part of its drive to respond to our recommendation on preparing a balanced budget for approval before 31 March in line with best practice

Conclusion

The IJB faces ongoing financial pressures in respect of Covid-19 in particular. 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 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

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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.

During June 2020, a working group of Board members and officers met to bring a review of the governance structure and Standing orders. The working group agreed to develop key themes, and present to the IJB by November 2020. This work remains ongoing.

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 2017-18 report, and membership changes have continued, albeit at a slower rate, throughout 2019-20. Only three members have continued in office during 2019-20, with five new members.

Member instability 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.

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 2020-21 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. In this context, member continuity and experience is important.

Recommendation four

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. In July 2020, the Board approved the re-appointment of the Chief Internal Auditor.

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 2019-20 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)

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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 on a regular basis.

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.

Audit Scotland area of focus: Fraud and corruption in procurement

As part of our audit strategy, it was reported that work would be carried out in respect of fraud and corruption within procurement, which would review the IJB's processes to manage and manage the risk from its partner bodies.

We agreed with Management in July 2020 that in order to ensure best use of resources, this review would be deferred to 2020-21 as permissible in Audit Scotland's 2019-20 Planning Guidance.

We will therefore provide our conclusions and findings as part of the September 2021 annual audit report.

Conclusion

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 remains unstable. Further changes to membership to voting members could significantly impair the IJB's ability to operate effectively.

Value for money

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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

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 IJB produced and approved a refreshed Strategic Commissioning Plan in 2019 that covers the period 2019-2022.

The plan aligns the Scottish Government's nine national outcomes against the objectives of the IJB. The plan also highlights what residents of Perth and Kinross can expect from the refreshed plan.

The plan includes clear explanation for the overarching goal and planned solutions to deliver against the national outcomes.

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.

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

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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 2020 can be analysed as follows:	2019-20 £	2018-19 £
Audit of IJB financial statements	20,950	20,700
Total audit services	20,950	20,700
Non-audit services	-	-
Total	20,950	20,700

There were no non-audit services provided during the year to 31 March 2020.

Independence and objectivity considerations relating to other matters

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 2020.
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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Appendix four

Action plan

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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. Achievement of reserves strategy (page 17)		Grade two
The budget should reflect the intentions of management to build reserves in line with its reserves strategy, which will also require significant discussion and planning with its partner bodies.	We recommend the IJB and its partners work towards developing a plan to achieve the reserves outlined in its strategy.	Management response: Agreed Responsible officer: Chief Financial Officer Implementation date: 31 st March 2021

Action plan (continued)

DRAFT

Finding(s) and risk(s)	Recommendation	Agreed management actions
2. Risk sharing agreement (page 18)		Grade one
<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 formal 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>This recommendation is unchanged from 2018-19, but we note that there is a planned refresh of the integration scheme which may result in a change in respect of risk sharing.</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>Management response: Agreed. The Chief Officer will formally request that the review of IJB's Risk Sharing Arrangements is a formal part of the imminent review of the IJB's Integration Scheme.</p> <p>Responsible officer: Chief Officer</p> <p>Implementation date: 31st March 2021</p>
3. Strategic and corporate planning capacity (pages 17 & 21)		Grade one
<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 also note that the IJB is currently developing a workforce plan. The revised deadline was 31 March 2019 having been deferred on several occasions. However, from discussion with management in September 2020, this continues to not be achieved.</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>In addition, it was indicated as part of our 2018-19 work that the Chief Officer would undertake a review of current leadership and management arrangements in 2019, however, this has also been delayed. This recommendation is unchanged from 2018-19.</p>	<p>It is recommended that management:</p> <ul style="list-style-type: none"> • completes its planned review of current leadership and management arrangements to ensure sufficient strategic planning capacity.; and • prepares a workforce plan. 	<p>Management response: Agreed. The wider organisational restructure has been delayed due to the global pandemic. However, the demands of the pandemic have also further highlighted the need for an enhanced corporate and strategic planning capacity. We are actively considering how we address and resource this, without awaiting a full restructure.</p> <p>The IJB is undertaking a review of the current position to develop a 3 year workforce plan which will be aligned with our Strategic Commissioning and mobilisation Plans. An initial draft will be completed by 14th September and will underpin our workforce plan which will be submitted to IJB in February 2021.</p> <p>Responsible officer: Chief Officer</p> <p>Implementation date: 31st March 2021</p>

Action plan (continued)

DRAFT

Finding(s) and risk(s)	Recommendation	Agreed management actions
4. Membership of the Board (page 18)		Grade one
<p>The appointment of voting members is the responsibility of the partner bodies. In our previous two annual audit reports, we have commented on significant changes in voting members, and the importance of maintaining voting members on the Board who build up experience in respect of the IJB. We identified that only three members of the Board had held positions continuously throughout the year.</p> <p>This significantly reduces the ability of voting members to challenge, scrutinise and make long-term consistent planning and strategic decisions. We also consider that the resources utilised by management to train new voting members are effective, but that delivery of induction training on numerous occasions throughout the year is not sustainable.</p>	<p>We recommend that management discuss the appointment of voting members with partners, in order to enhance consistency of membership.</p> <p>This will support effective integration of services which is the ultimate goal of the IJB.</p>	<p>Management response: Agreed.</p> <p>Responsible officer: Chief Officer</p> <p>Implementation date: 31st 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 2018-19 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. Budget Setting	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>	<p>Implemented</p> <p>We recognised the significant achievement by management to present a comprehensive three year budget to the Board on 31 March 2020.</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 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 overspend 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>Management response: Agreed.</p> <p>Responsible officer: Chief Officer</p> <p>Implementation date: 31 March 2019</p>	<p>Not implemented</p> <p>No formally documented position has been reached.</p> <p>Management response:</p> <p>Auditor response:</p> <p>We will continue to review this action point, and will report on progress as part of our 2020-21 annual audit report.</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 2020</p>	<p>Not implemented</p> <p>Through reviewing the risk register, it was noted that the workforce plan has not been completed yet.</p> <p>Management response:</p> <p>Auditor response:</p> <p>We will continue to review this action point, and will report on progress as part of our 2020-21 annual audit report.</p>



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Perth and Kinross
Integration Joint Board

Audited Accounts
2019/20





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MANAGEMENT COMMENTARY

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STATEMENT OF RESPONSIBILITIES

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REMUNERATION REPORT

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ANNUAL GOVERNANCE STATEMENT

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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 2020.

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 2020. 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 Perth and Kinross.

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 health care 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.

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.

During the first half of 2019/20 an NHS Tayside Board Non-Executive nominee was the Chair of the IJB, replaced in October by a Perth & Kinross Council Elected Member in line with planned rotation. A change in Vice-Chair also took

place reflecting arrangements to ensure the Chair and Vice-Chair are representatives from the different partner bodies. 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 and include a GP and 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 four principal service areas:

- *Community Health/Hospital & Other Hosted Services*
- *Primary Care 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 further work has been taken forward in 2019/20 to integrate and where necessary enhance resources available to build effective partnership functions. The Chief Officer is currently reviewing leadership and management arrangements with a view to further integration.

SECTION 1: MANAGEMENT COMMENTARY

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.

A review of the Strategic Commissioning Plan was undertaken during 2019/20 and the refreshed Strategic Commissioning Plan 2020:25 approved by the IJB in December 2019. However the Vision for the Health and Social Care Partnership remains unchanged:

"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 their care and support."

Similarly, the refreshed Strategic Commissioning Plan continues to focus on 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. *Working together with our communities*
2. *Prevention and early intervention*
3. *Person-centred health, care and support*
4. *Reducing inequalities and unequal health outcomes and promoting healthy living*
5. *Making best use of available facilities, people and other resources*



SECTION 1: MANAGEMENT COMMENTARY

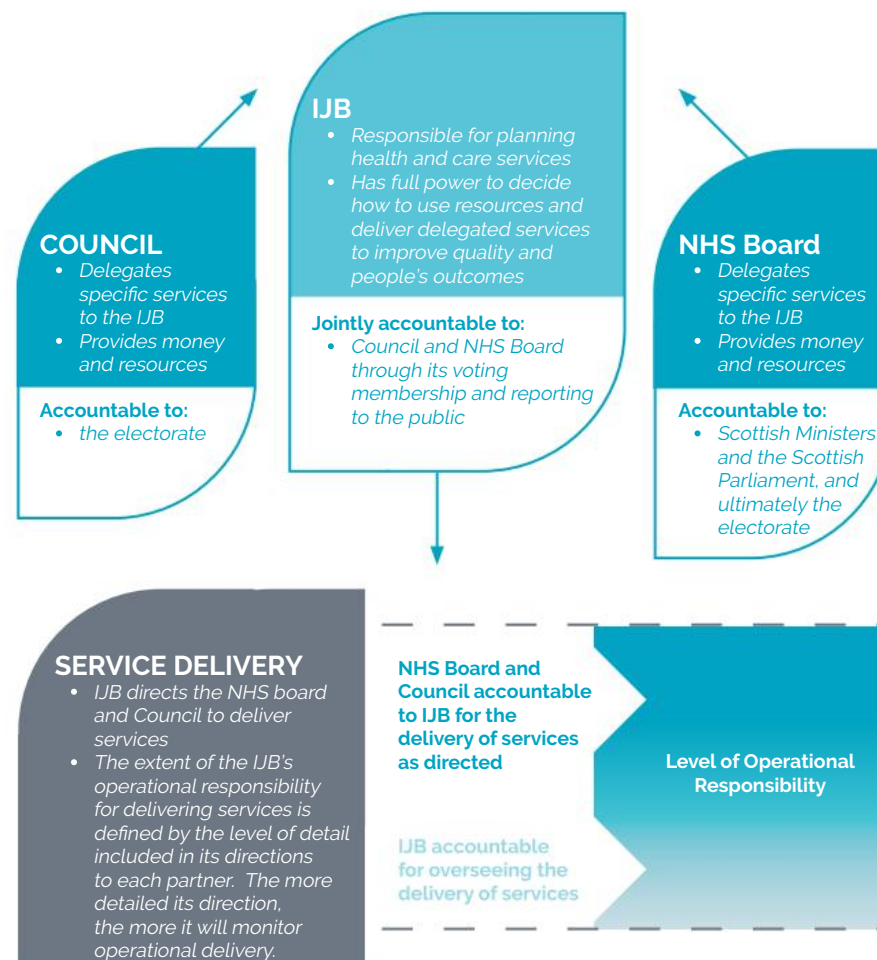
Exhibit 1 sets out the governance arrangements that support delivery of PKHSCP strategic priorities. The IJB's strategic ambitions sit alongside operational imperatives across a wide range of services. This creates a very challenging landscape for each Programme Board in developing and overseeing implementation of major plans for service redesign.

A summary of progress during 2019/20 and priorities moving forward for each Strategic Programme along with Inpatient Mental Health Services (which Perth and Kinross IJB host on behalf of all three Tayside IJBs) are set out on the following pages.

Exhibit 1 *Integration Joint Boards*

There are 30 Integration Joint Boards across Scotland.

Source: Audit Scotland



SECTION 1: MANAGEMENT COMMENTARY



Older People and Unscheduled Care (OPUSC) Board

During 2019/20 the first stage of ambitious plans to transform Older People's Services were implemented:

- *Establishment of the Locality Intermediate Care and Respiratory (LINCS) service model. This model takes a multi-disciplinary approach to the delivery of community services which assists people to stay at home for longer.*
- *Review of the provision of Inpatient Rehabilitation beds has been initiated. The purpose of this is to ensure equity of access to all Perth and Kinross adult residents and to further ensure that beds are placed where the most need and demand is. This review takes into consideration the new community models being introduced such as LINCS.*
- *As part of the Care About Physical Activity programme (CAPA), "Paths for All", PKHSCP successfully secured funding from the Spirit of 2012 Changing Lives Sport and Physical Activity Fund (2 year fund from January 2019 to December 2020). This was used to develop dementia-friendly walking resources to support 5 care homes in 2019 and a further 5 in 2020. These resources enable care home residents to walk more both within the care home and outdoors, and to take part in strength and balance exercises.*

In response to the COVID-19 pandemic PKCHSCP is undertaking a review of all planned work including for example, LINCS and Inpatient Rehabilitation Beds, in order to ensure that services continue to best meet the needs of patients.



SECTION 1: MANAGEMENT COMMENTARY



Mental Health and Wellbeing Board (MHWB)

During 2019/20 the Mental Health and Wellbeing Board has overseen investment of Scottish Government Action 15, Mental Health Strategy and Alcohol and Drugs Funding to enhance Community Mental Health Services across a number of areas:

- *Additional nursing staff aligned to GP Practices and to the Social Care Access Team to provide triage, initial assessment and support and ongoing referral/signposting. In addition the 'It's Good to Talk' service is now available in every GP Practice in Perth and Kinross.*
- *Additional mental health support workers now provide support with self-management, symptom control and to provide wellbeing advice the number of Third Sector provided counselling sessions has been increased to reduce waiting times and increase availability in rural areas.*
- *The 'Lighthouse Project' now provides increased support for people 'in distress' outwith office hours.*
- *Within Prison Healthcare additional specialist staffing are supporting people with mental health issues in Perth Prison and to support prisoners with substance misuse issues using funding provided by the Alcohol and Drug Partnership.*

The Mental Health and Suicide Prevention training programme continues to run in Perth and Kinross. This feeds into the wider awareness raising projects which in 2019 included Mental Health Awareness Week in May, Suicide Prevention Week in September, and Mental Health Awareness Day in October. These campaigns support early intervention and prevention by creating informed communities within Perth and Kinross.

In addition to the above the Mental Health Alliance was established across Tayside in order to influence the strategic and operational direction of mental health service development.

Following the publication of Dr David Strang's report into Mental Health Services in Tayside further work has been undertaken to understand the recommendations and a pan-Tayside approach to service development is now being taken forward including amendments to current governance arrangements.

The implications of COVID-19 on demand for community mental health services is being actively considered with plans being implemented to increase service capacity including Third Sector support.

SECTION 1: MANAGEMENT COMMENTARY



Primary Care Board (PCB)

During 2019/20 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 2019/20 the PKHSCP Quality Safety and Efficiency in Prescribing Programme has continued to provide significant focus on the review of 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 continue to engage proactively with all GP Practices across Perth and Kinross to maximise effectiveness. Prescribing trends in Perth and Kinross highlight that all of the major indicators demonstrate further improvement.

In response to COVID-19, Primary Care Services working with GP's and other staff groups across Perth and Kinross to establish almost overnight the Covid Assessment Centre on the PRI site. This is now being reviewed in light of anticipated demand. In parallel, escalation plans were established to ensure safe delivery of critical primary care services in the event of increased levels of infection. Plans are now being implemented to resume service levels and to embed Covid and Non-Covid work flows within practices.



Other Hosted Services

As part of the IJB's wider responsibilities for hosted services, significant review and redesign has been progressed throughout 2019/20.

SECTION 1: MANAGEMENT COMMENTARY



Tayside Podiatry Service

- *The Podiatry centralised Musculoskeletal (MSK) Hub has been developed to provide specialist support to all residents in Tayside improving equity of access. The Hub provides more opportunities to see a highly experienced MSK Podiatrist and more rapid access to skilled clinicians; fostering better team working and supporting the improvements in waiting times.*
- *Podiatry Service is providing Third Sector organisations with the support and training to establish models that can support local provision of personal foot care. This supports the building of community capability and patient self-care.*
- *Patient care, safety and improved outcomes have been enhanced through the optimisation of digital solutions including increased use of telephone consultation allowing advice, support or reassurance and delivery of remote training to healthcare staff/partner organisations in foot health.*

The Podiatry Service has assisted in PKHSCP's COVID-19 response by redeploying staff to support other front-line critical services. This has impacted on some of the developments which were being taken forward in the latter part of 2019/20. As services resume (including wider local community services) it is anticipated that the Podiatry Service will be able to provide ongoing support, ensuring an appropriate level of local competence and safe practice is maintained.



Public Dental Services

The Public Dental Service provides dental care for the most vulnerable people in Tayside:

- *To improve access to regular care for older people in care homes the Scottish Government has developed an enhanced practitioner programme to enable independent dentists to take responsibility for bi-annual screening and straightforward dental treatment within designated carer homes.*
- *Throughout 2019/20 the Public Dental Service continued to provide domiciliary care for housebound patients; this service is planned to continue on an ongoing basis.*

In response to the COVID-19 pandemic the Public Dental Service has assisted in PKHSCP's COVID-19 response by redeploying staff to support other front-line critical services. As services resume, new pathways of care and safe systems of working are being/will be scoped out and deployed so that this valuable service can continue to be provided for those most in need.

SECTION 1: MANAGEMENT COMMENTARY



Prison Healthcare

Following a positive inspection by the Mental Welfare Commission of HMP Perth in late 2018, HMP Castle Huntly was similarly inspected in November 2019. These visits resulted in a single recommendation to increasing staffing levels and to improve the skill mix available. In this regard Mental Health Occupational Therapists have been recruited and plans are being developed to recruit further nurses and psychological therapists.

HMP Perth was the first prison in Scotland to register for peer review through the Quality Network for Mental Health in Prisons. A peer review was then undertaken in March 2019 (reported August 2019) which identified that 51 of 100 standards were met. In relation to the standards which were not met, an improvement plan has been developed and is currently being implemented.



Carers Board

During 2019/20 the Carers Board implemented the Joint Carers Strategy 2019-22 which was approved in November 2019 by the IJB and Perth & Kinross Council Lifelong Learning Committee. This followed extensive consultation with stakeholders to inform and produce the Adult Carers Eligibility Criteria and the Short Breaks Services Statement.

Recognising the impact of the COVID-19 pandemic on how we support carers, the annual Carers Week 2020 is still planned to take place 8-24 June. To make this a successful event, alternative arrangements are being implemented which will allow participants to take part remotely. This continues to be an excellent opportunity for carers to provide feedback and to influence future service developments.



Inpatient Mental Health Services

Perth and Kinross IJB hosts Inpatient Mental Health Services on behalf of all three IJBs in Tayside. During 2019/20, there has been continued significant challenges relating to the supply, attraction and retention of critical posts for the medical workforce. A Mental Health Workforce Plan is being developed 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. Work has continued in partnership with NHS Tayside and all three IJBs to establish a new Mental Health Alliance aimed at involving all stakeholders in the future redesign pathways and models of care moving forward. During 2019/20 the NHS Tayside commissioned enquiry into Mental Health Services led by David Strang reported its finding and an improvement plan will be implemented during 2020/21.

SECTION 1: MANAGEMENT COMMENTARY



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 Recovery Plan agreed by the IJB, sets out an anticipated shift in resources from bed-based to community over the three year period.

PERFORMANCE REVIEW

Due to the necessary focus of the PKHSCP on sustaining critical services safely during the COVID-19 pandemic, it has not been possible to produce the Annual Performance Report (APR), and therefore not possible to provide the required commentary in this section. Nevertheless, work on the APR will recommence in the coming weeks and it is planned to be considered by the Audit and Performance Committee and the IJB in September 2020.

SECTION 1: MANAGEMENT COMMENTARY

FINANCIAL MANAGEMENT

Background

The IJB's finances 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.

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 2019/20 Annual Accounts comprise:

- (a) **Comprehensive Income and Expenditure Statement -**
This shows a deficit of £1.311m. This is made up of a break-even position for the IJB overall, less the £1.311m spend of earmarked reserves in 2019/20. Further detail is provided in section (c) below and in Note 6. The underlying out-turn for the IJB is a £1.798m 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 break-even.
- (b) **Movement in Reserves -** *In 2019/20, earmarked reserves had an opening balance of £2.470m, of which £1.311m have been utilised and a balance of £1.159m remains. Most significant balances remain in Partnership Transformation Fund, Primary Care Transformation Fund and Alcohol and*

Drug Partnership Funding. This balance of £1.159m remains within earmarked IJB reserves for specific projects and commitments.

- (c) **Balance Sheet -** *In terms of routine business the IJB does not hold assets, however the balance of £1.159m 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 2019/20 do not include a Cash Flow Statement as the IJB does not hold any cash or cash equivalents.

SECTION 1: MANAGEMENT COMMENTARY

Financial Performance 2019/20

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

		Financial Plan 2019/20	FRP Mid-Year 2019/20	2019/20 Year- End Out-Turn	Movement From Plan
	Finance Plan/ Forecast	Over/(under) £m	Over/(under) £m	Over/(under) £m	Over/(under) £m
Core	PKHSCP	0.475	0.246	0.550	0.075
Other Hosted	ALL HSCP	0	(0.097)	(0.364)	(0.364)
Prescribing	NHST	0.752	0.322	(0.442)	(1.194)
GMS	NHST	0	0.123	(0.020)	(0.020)
IPMH	PKHSCP	0.574	0.672	0.623	0.049
Health		1.801	1.266	0.0347	(1.453)
Social Care	PKHSCP	2.367	2.053	1.451	(0.916)
Total		4.168	3.319	1.798	(2.370)

The out-turn in 2019/20 was an overspend of £1.798m. This compared to a financial plan deficit of £4.168m and a subsequent Financial Recovery Plan Target of £3.319m agreed with both Partner Bodies and the IJB during 2019/20. The significant improvement in out-turn against plan has largely been driven by GP Prescribing which has benefited from higher than anticipated national rebates and profit-sharing clawbacks. The key areas of overspend are:

- *The Core Health Services year-end overspend is driven by the underlying financial deficit of £0.475m arising from funding issues in relation to complex care pressures. Overspends in inpatient beds during 2019/20 due to numbers and complexity of patients has been largely been managed through recovery plan actions and high levels of vacancies in some services.*

SECTION 1: MANAGEMENT COMMENTARY

- *PKIJB's £0.623m share of an overall £1.8m overspend in Tayside Inpatient Mental Health Services was largely predicted as part of the Financial Plan and is driven by medical locum costs required to cover significant vacancies.*
- *Social Care year-end overspend is largely driven by the underlying financial deficit of £2.367m arising from funding issues in relation to complex care packages and loss of charging income. Financial recovery plan actions and lower than anticipated spend on Care at Home have offset this at the year-end.*

At the year-end both Perth & Kinross Council and NHS Tayside increased the devolved budget to the IJB by £1.451m and £0.347m respectively, in order to support delivery of break-even for 2019/20 in line with the Integration Scheme.

Of £2.6m approved savings within Core Health and Social Care, £2.5m were delivered (96%). During 2019/20, 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 £1.159m against improvement funds in 2019/20 has been transferred to an earmarked IJB reserve to meet future year commitments.

Additional costs incurred in relation to COVID-19 in 2019/20 were met in full by the Scottish Government and had no impact on financial out-turn.

COVID-19, FINANCIAL OUTLOOK AND PLANS FOR THE FUTURE

The COVID-19 Pandemic impacted on service delivery from early March 2020. It is now recognised that it will be an ongoing challenge to varying levels for the foreseeable future with levels of social distancing and lockdown measures likely to be in place for 12 months or more. For health and social care services across Perth and Kinross the ongoing constraints of PPE use, isolation and shielding of both staff and service users has a significant impact on the ability to deliver services in the same way. The challenge is how PKHSCP rebuilds health and social care services whilst maintaining service capacity to respond to a potential further surge in COVID-19 activity.

The COVID-19 Pandemic response by PKHSCP has resulted in a dramatic and unprecedented level of change in how day-to-day services are delivered with new access channels, new ways of working implemented including significant use of digital and telephone services, as well as significant efforts to free up hospital bed capacity. Going forward into the recovery phase we are identifying how these changes were delivered and which changes should now be embedded in service models and practice moving forward, seizing the good practice and innovation that has emerged.

Predicting the immediate and future financial implications of the pandemic is extremely challenging. At this stage it is assumed that there will be sufficient Scottish Government to fund the additional net costs. PKHSCP is working closely with the Scottish Government to provide necessary assurance for

SECTION 1: MANAGEMENT COMMENTARY

funding to be allocated for all of the additional activities and costs set out in the PKHSCP Mobilisation Plan. However our estimates at this stage are subject to significant change. The further development of the PKHSCP Mobilisation Plan will set out a range of further service changes as the focus shifts from response to recovery and then to renewal in line with the Scottish Government's Re-Mobilise, Recover, Redesign Framework. A fundamental review of Strategic Objectives and the 3-Year Financial Recovery Plan will be required. As we embrace the renewal phase, we hope to embrace many of the positive changes over a difficult pandemic response period and accelerate service redesign to support future financial sustainability.

Workforce planning and development will be of upmost importance and ensuring the necessary capacity and expertise to support service leaders as they seek to embrace change creatively will be critical. In parallel, the historic gaps in leadership capacity must be addressed to ensure all opportunities can be seized with the momentum required.

CONCLUSION AND ACKNOWLEDGEMENTS

We are pleased to record that during 2019/20 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. In the last month of 2019/20 this was significantly challenged by the COVID-19 Pandemic. PKHSCP's ability to continue to deliver critical is wholly attributable to the hard work of staff employed in Perth & Kinross Council and NHS Tayside and other partner organisations.

Looking forward the IJB faces continuing challenging financial circumstances. The COVID-19 Pandemic response has resulted in a dramatic and unprecedented level of change in how day-to-day services are delivered and significant additional costs are expected to be incurred. Financial balance in 2020/21 relies on securing additional funding from the Scottish Government. In the longer term we must identify the changes in service delivery over the COVID-19 response period that should now be embedded in service models and practice moving forward, seizing the good practice and innovation that has emerged to accelerate the delivery of sustainable services moving forward.

SECTION 1: MANAGEMENT COMMENTARY

FURTHER INFORMATION

You can find links to the IJB's Integration Scheme, Strategic Commissioning 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 and Kinross IJB
Council Building
2 High Street
PERTH
PH1 5PH
Tel 07966 875713

Councillor Eric Drysdale
IJB Chair

Gordon Paterson
Chief Officer

Jane Smith
Chief Financial Officer

Date: 14/9/20

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 Integrated Joint Board's Audit & Performance Committee on 14 September 2020.

Signed on behalf of the Perth and Kinross IJB

Councillor Eric Drysdale
IJB Chair

Date: 14/9/20

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 2020 and the transactions for the year then ended.

Jane Smith
Chief Financial Officer

Date: 14/9/20

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 following 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 2020, Perth and Kinross IJB had 8 voting members and 9 non-voting members as follows:

Voting Members:

Councillor Eric Drysdale (Chair)

Bob Benson (Vice-Chair) (Non-Executive Member)

Councillor Callum Purves

Councillor John Duff

Councillor Xander McDade

Pat Kilpatrick (Non-Executive Member)

Peter Drury (Non-Executive Member)

Ronnie Erskine (Non-Executive Member)

Non-voting Members:

Gordon Paterson (Chief Officer)

Jane Smith (Chief Financial Officer)

Jacqueline Pepper (Chief Social Work Officer)

Dr Douglas Lowden (Associate Medical Director)

Sarah Dickie (Associate Nurse Director)

Allan Drummond (Staff Organisations Representative)

Stuart Hope (Staff Organisations Representative)

Sandy Watt (Third Sector Representative)

Lynne Blair (Independent Sector Representative)

During 2019/20 the position of Chair was held by Robert Peat, Non-Executive, until 16 September 2019, then by Councillor Eric Drysdale from 22 October 2019 until present day.

The position of Vice-Chair was held by Councillor Colin Stewart until 3 October 2019. The position of Vice-Chair from 31 October 2019 until present day has been filled by Bob Benson, Non-Executive.

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 2019/20.

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.

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 2018/19 £	Senior Employees	Salary, Fees & Allowances £	Total 2019/20 £
89,261	Rob Packham Chief Officer	7,706	7,706
n/a	Gordon Paterson Chief Officer	108,024	108,024
72,675	Jane Smith Chief Financial Officer	74,952	74,952
161,936		190,682	190,682

Gordon Paterson was appointed to the position of Chief Officer on 1 April 2019. Rob Packham retired on 30 April 2019, there was an overlapping handover period of one month.

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 pensions liability reflected on the IJB Balance Sheet for the Chief Officer or any other officers.

SECTION 3: REMUNERATION REPORT

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 31/03/19 £	For Year to 31/03/20 £		Difference from 31/03/19 £	As at 31/03/20
Rob Packham <i>Chief Officer</i>	13,510	1,579	Pension	93	26,819
			Lump Sum	279	80,457
Jane Smith <i>Chief Financial Officer</i>	10,829	15,614	Pension	2,095	25,074
			Lump Sum	1,432	52,601
Gordon Paterson <i>Chief Officer</i>	n/a	18,364	Pension	n/a	49,085
			Lump Sum	n/a	91,950
Total	24,339	35,557	Pension	2,188	100,978
			Lump Sum	1,711	225,008

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 2018/19	Remuneration Band	Number of Employees in Band 2019/20
1	£70,000 - £74,999	1
1	£85,000 - £89,999	0
0	£105,000 - £109,999	1

Exit Packages

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

Councillor Eric Drysdale

IJB Chair

Gordon Paterson

Chief Officer

Date: 14/9/20

SECTION 4: ANNUAL GOVERNANCE STATEMENT

INTRODUCTION

The Annual Governance Statement explains Perth and Kinross Integration Joint Board's (IJB) governance arrangements and reports on the effectiveness of the IJB's system of internal control.

SCOPE OF RESPONSIBILITY

Perth and Kinross 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.

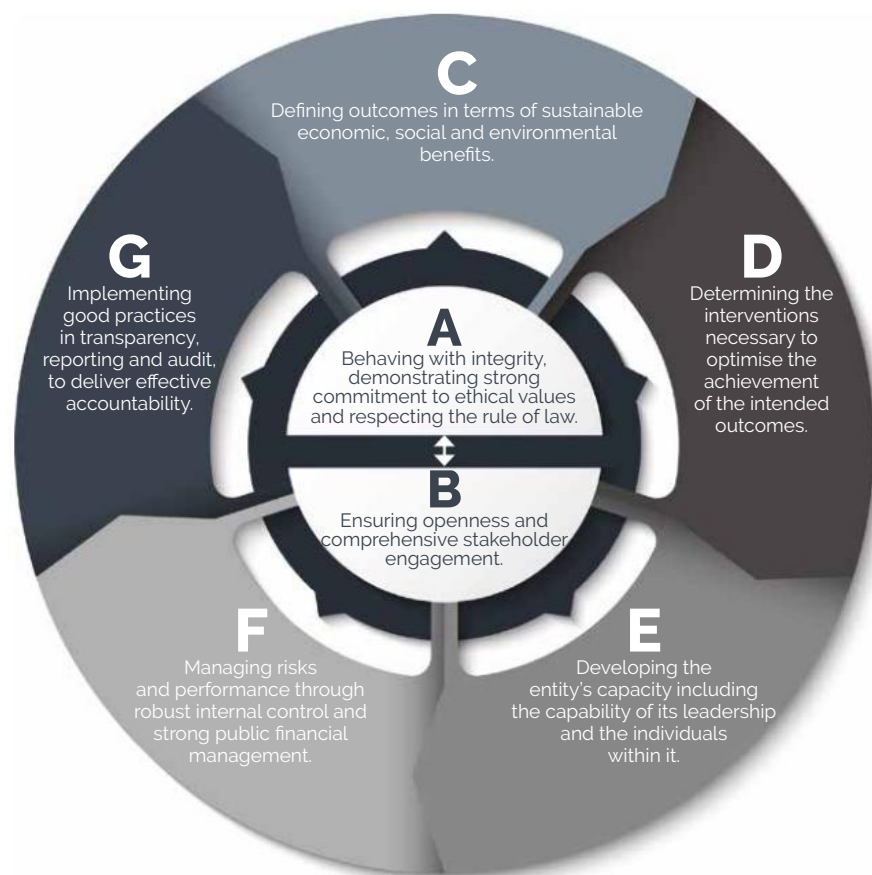
To meet this responsibility the IJB has established arrangements for governance that includes a system of internal control. The system is intended to manage risk to support achievement of the IJB's policies, aims and objectives. Reliance is also placed on the NHS Tayside and Perth & Kinross Council systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives including those of the IJB. Assurance has been received from both NHS Tayside and Perth & 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 Perth and Kinross 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 PKHSCP Team 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 partner bodies but have also sought to identify best practice systems and processes from elsewhere.

Further we have developed a comprehensive improvement plan that brings together improvements identified in our annual review of governance, the findings of the External Joint Inspection and as part of that the MSG Review of Integration undertaken in collaboration with both Partner bodies.

The key features of the governance framework that was in place during 2019/20 are summarised below. This includes the additional governance arrangements required to respond to the COVID-19 Pandemic in the last quarter of 2019/20.

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/refreshes at regular intervals. This has been particularly important in the face of ongoing changes to membership.

SECTION 4: ANNUAL GOVERNANCE STATEMENT

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 has been completed fully aligns our collective and collaborative activity.

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 partner organisations, a member of the Executive Teams, attends the Board and Council and is directly accountable to both Chief Executives, who provide regular one-to-ones. As well as the support from both partner 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.

A refreshed Strategic Commissioning Plan has now been developed following engagement with 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 are 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. 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 PKHSCP'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 Recovery Plan.

The refresh of the Strategic Plan sets out our ambitions for transformation of services which will be done together with citizens and communities to deliver improved outcomes.

SECTION 4: ANNUAL GOVERNANCE STATEMENT

VISION, DIRECTION AND PURPOSE

The refreshed Strategic Commissioning Plan 2020-2025 provides 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. The Chief Officer is leading 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 2019/20 has been developed to ensure regular opportunity for review and scrutiny of progress in delivering strategic priorities. The Executive Management Team meets regularly 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. During 2019/20 the PKHSCP Transformation Board has been re-established to further oversee and support the programme of key transformation plans being taken forward to deliver on strategic objectives. This includes membership from both Partners.

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 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. We 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 our intentions. We have particularly tried to ensure reports to the IJB 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.

We report at regular intervals on financial performance and we are required to publish externally audited Annual Accounts each year. We are drafting our fourth Annual Performance Report which will account for our activity, report on our success and outline further areas for improvement and development.

We have provided regular reports to the IJB Audit and Performance Committee on our progress in implementing all external and internal audit recommendations and we have included a transparent assessment of how we are delivering against our Best Value responsibilities 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 partner 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 2019/20 the Audit and Performance Committee has overseen the ongoing development and strategic risk register. 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 targets. The re-establishment of the Transformation Board has provided an improved oversight function in delivering transformation

SECTION 4: ANNUAL GOVERNANCE STATEMENT

and service redesign. The Audit and Performance Committee have provided a strong scrutiny and review of our actions to develop our governance arrangements. The establishment of a new Clinical Care Governance sub-group has been agreed by the IJB to provide improved scrutiny and oversight as further streamlining of review arrangements are taken forward. This has been delayed in 2019/20 as efforts to align with the assurance structures in partners bodies have been made.

We have an agreed Internal Audit Service from Perth & Kinross Council Internal Audit Services and Fife, Tayside and Forth Valley Internal Audit Services (FTF).

We have agreed with Perth & Kinross Council 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 Perth & Kinross Council 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. This will require to be an area of increased focus given the IJB's support to an Older People's Redesign Programme which is anticipated to deliver a significant shift in the balance of care over the next 3 years.

We are working hard with the other IJBs 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*

Perth and Kinross 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 2019/20 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 2019/20, 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

COVID-19

PKHSCP's COVID-19 Pandemic response required immediate changes to governance arrangements in the last month of 2019/20.

Decision-making required to be rapid within an effective control environment. This was achieved through the establishment of a robust command structure which ensures necessary and agile escalation of issues for decision-making and communication. The Chief Officer is a member of the Gold Command Structure in both Partner Bodies ensuring strong and connected decision-making.

A workforce matching unit has been rapidly established and this plays a key role in ensuring critical services are able to function despite significant workforce shortages over the period. This will be developed to provide more intensive workforce planning support across all staff groups as we consider the next phases of our response.

The COVID-19 Pandemic response by PKHSCP has resulted in a dramatic and unprecedented level of change in how day-to-day services are delivered. The financial and service implications have been captured through the development and regular submission of PKHSCP's Mobilisation Plan to Scottish Government. Oversight of the Mobilisation Plan has been through the PKHSCP Command Structure and directly by the Chief Officer, as delegated by the IJB.

A COVID-19 Risk Register is under development that will identify the mitigating actions required to ensure that the IJB can continue to deliver on its strategic objectives. Going forward into the recovery and review phase we are identifying

which changes should now be embedded in service models and practice moving forward, seizing the good practice and innovation that has emerged and supporting accelerated delivery of strategic plan objectives.

ONGOING REVIEW AND FURTHER DEVELOPMENTS

To support the annual review of governance, we have undertaken a full self-assessment using the Governance Self-Assessment Tool provided by Internal Audit. The annual self-assessment has been supported strongly through full reference to the plans and progress thereon set out in the Partnership Improvement Plan. This identifies areas of progress which can be summarised as follows:

- *Approval of refreshed Strategic Commissioning Plan.*
- *Development of first stage of the PKHSCP Performance Framework.*
- *Development of the first stage of performance review in relation to Clinical Care and Professional Governance.*
- *Re-establishment of PKHSCP Transformation Board to oversee challenging programme of redesign.*
- *Development of Partnership Improvement Plan consolidating key actions identified as part of internal and external assessment to further improve governance.*

Those areas identified which still require further development are set out in detail in the Partnership Improvement Plan.

SECTION 4: ANNUAL GOVERNANCE STATEMENT

REVIEW OF ADEQUACY AND EFFECTIVENESS

Perth and Kinross 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 2019/20, 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 2019/20 received by the Audit and Performance Committee on 22 June 2020 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 2020/21

The key improvement required to further strengthen governance arrangements are set out in detail in the Partnership Improvement Plan and are summarised below.

Leadership, Culture & Values

- *Assessment of performance against the Perth and Kinross IJB Integration Scheme.*
- *Review of PKHSCP organisational structure.*
- *Leadership Development Program focused on Collaborative Practice.*
- *Refresh of induction and review and refresh of IJB Annual Training and Development Plan.*

SECTION 4: ANNUAL GOVERNANCE STATEMENT

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 Engagement and Co-production at Locality Level: individual locality reports brought forward to the IJB.*

VISION, DIRECTION & PURPOSE

- *Complete review of our planning and commissioning structures and leadership arrangements.*
- *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.*

Internal Controls

- *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.*

The above areas form the key elements of the Partnership Improvement Plan as it rolls forward to 2020/21. Further consideration will be required of the changes that may be necessary to further strengthen governance to support the Perth and Kinross IJB's response to COVID-19. Progress updates on the Partnership Improvement Plan and COVID-19 Governance implications will be provided to each meeting of the IJB's Audit and 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 that internal control environment operating during 2019/20 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.

Councillor Eric Drysdale

IJB Chair

Gordon Paterson

Chief Officer

Date: 14/9/20

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.

2018/19		2019/20
Net Expenditure £000		Net Expenditure £000
28,660	Community and Hospital Health Services	33,036
21,433	Hosted Health Services	22,587
27,520	GP Prescribing	27,008
41,480	General Medical/Family Health Services	44,080
14,346	Large Hospital Set aside	16,280
241	IJB Operating Costs	282
69,405	Community Care	72,336
203,085	Cost of Services	215,609
(205,555)	Taxation and Non-Specific Grant Income (Note 4)	(214,298)
(2,470)	(Surplus) or Deficit on Provision of Services	1,311
(2,470)	Total Comprehensive (Income) and Expenditure (Note 3)	1,311

SECTION 5: ANNUAL ACCOUNTS

Whilst this statement shows a deficit of £1.311m, this is offset by a planned utilisation of earmarked reserves in year to meet planned expenditure (as per Movement in Reserves Statement and Note 6 below).

There are no statutory or presentation adjustments which affect the IJB's 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 2019/20	General Fund Balance £000
Opening Balance at 31 March 2019	(2,470)
Total Comprehensive Income & Expenditure	1,311
(Increase) or Decrease in 2019/20	1,311
Closing Balance at 31 March 2020	(1,159)

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)

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 2019 £000		Notes	31 March 2020 £000
2,470	Short-Term Debtors	5	1,159
2,470	Current Assets		1,159
-	Short-Term Creditors		-
-	Current Liabilities		-
-	Provisions		-
-	Long-Term Liabilities		-
2,470	Net Assets		1,159
(2,470)	Usable Reserve: General Fund	6	(1,159)
(2,470)	Total Reserves		(1,159)

The unaudited annual accounts were issued on 22 June 2020, and the audited annual accounts were authorised for issue on 14 September 2020.

Jane Smith
Chief Financial Officer

Date: 14/9/20

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 2019/20 financial year and its position at the year-end of 31 March 2020.

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 2019/20, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The Chief Financial Officer is responsible for making an annual assessment of whether it is appropriate to prepare the accounts on a going concern basis. In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, an authority's financial statements shall be prepared on a going concern basis; that is, the accounts should be prepared on the assumption that the functions of the authority will continue in operational existence for at least twelve months from the date of approval of the financial statements and it can only be discontinued under statutory prescription. The Board has a three-year recovery plan in order to make medium-term

financial decisions which identify a financial balance over this period, and the authority has, through the Integration Scheme, the ability to draw on funds from its partner bodies in order to meet any further liabilities that arise. In late 2019/20 and throughout 2020/21, COVID-19 will have a significant impact on the finance and operations of the IJB. Work has been ongoing since the end of March to assess the impact and mitigating actions to ultimately deliver a balanced out-turn and this has been reported to the Board in May and July. It is anticipated that a further update will be presented to the Board on 23 September 2020. Taken together, the Chief Financial Officer has determined that it remains appropriate to prepare the financial statements on a going concern basis..

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.*

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

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.

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 2020.

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

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.

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 2018/19 was £14.346m. The total expenditure in 2019/20 of £16.280m 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 2019/20 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.

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

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 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 14 September 2020. 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 2020, 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

2018/19 £000		2019/20 £000
69,405	Services Commissioned from Perth & Kinross Council	72,336
133,439	Services Commissioned from NHS Tayside	142,992
210	Other IJB Operating Expenditure	249
3	Insurance and Related Expenditure	3
28	External Audit Fee	29
(205,555)	Partner Funding Contributions and Non-Specific Grant Income	(214,298)
(2,470)	(Surplus) or Deficit on the Provision of Services	1,311

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

2018/19 £000		2019/20 £000
(51,661)	Funding Contribution from Perth & Kinross Council	(54,077)
(153,894)	Funding Contribution from NHS Tayside	(160,221)
(205,555)	Taxation and Non-Specific Grant Income	(214,298)

The funding contribution from NHS Tayside shown above includes £16.280m 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

2018/19 £000		2019/20 £000
2,470	NHS Tayside	1,159
2,470	Debtors	1,159

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 31 March 2019, the IJB's Annual Accounts showed that Perth and Kinross IJB had reserves totalling £2.470m. The following table sets out the earmarked reserve balances as at 31 March 2020 which are required for specific commitments in future years.

	Balance as at 31 March 2019 £000	Transfers (In)/Out £000	Balance as at 31 March 2020 £000
Primary Care Improvement Fund	642	(576)	66
Mental Health Action 15 Fund	171	(152)	19
Primary Care Transformation Fund	359	(4)	355
Alcohol and Drug Partnership Fund	572	(366)	206
Partnership Transformation Fund	554	(123)	431
GP Recruitment and Retention Fund	118	(118)	0
Mental Health Bundle	54	(54)	0
GP Premises Improvement Fund	0	82	82
Closing Balance at 31 March	2,470	(1,311)	1,159

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, Prison 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.

2018/19 £000		2019/20 £000
21,432	Expenditure on Agency Services	22,908
(21,432)	Reimbursement for Agency Services	(22,908)
-	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 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

2018/19 £000		2019/20 £000
51,661	Perth & Kinross Council	54,077
153,894	NHS Tayside	160,221
205,555	Total	214,298

Expenditure - Payments for delivery of integrated functions

2018/19 £000		2019/20 £000
69,541	Perth & Kinross Council	72,368
133,334	NHS Tayside	142,992
210	NHS Tayside: Key Management Personnel Non-Voting Board Members	249
203,085	Total	215,609

This table shows that expenditure within Perth & Kinross Council is £18.291m 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 postholders 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

2018/19 £000		2019/20 £000
-	Debtor balances: Amounts due from Perth & Kinross Council	-
-	Creditor balances: Amounts due to Perth & Kinross Council	-
-	Total	-

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

Balances with NHS Tayside

2018/19 £000		2019/20 £000
2,470	Debtor balances: Amounts due from NHS Tayside	1,159
-	Creditor balances: Amounts due to NHS Tayside	-
2,470	Total	1,159

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 AND 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 and Kinross Integration Joint Board for the year ended 31 March 2020 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 2019/20 (the 2019/20 Code).

In our opinion the accompanying financial statements:

- *give a true and fair view in accordance with applicable law and the 2019/20 Code of the state of affairs of the body as at 31 March 2020 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 2019/20 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 4 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 AND KINROSS INTEGRATION JOINT BOARD AND THE ACCOUNTS COMMISSION

- *the Chief Financial 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 report in a separate Annual Audit Report, available from the Audit Scotland website, the most significant assessed risks of material misstatement that we identified and our conclusions 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 Financial 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 Financial 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 Financial 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 Audit and Performance Committee 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 risks of material misstatement due to fraud.

SECTION 7: INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERTH AND 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 Financial 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 AND 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.*

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)

Chartered Accountants
St Vincent Plaza
319 St Vincent Street
Glasgow
G2 5AS

Date:

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

Enquiries to	Jane Smith
Extension/Direct Line:	01738 459542
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Your Ref	
Our Ref	JMS/CW
Date	15 September 2020

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

APPENDIX 3

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Perth and Kinross Integration Joint Board ("the IJB"), for the year ended 31 March 2020 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 IJB's affairs as at 31 March 2020 and of IJB's income and expenditure 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 2019/20; and
- iii. whether the financial statements have been prepared in accordance with the requirements of the Local Governance (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

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

I confirm that the representations I make in this letter are in accordance with the definitions set out in the Appendix to this letter.

I confirm that, to the best of my knowledge and belief, having made such inquiries as I considered necessary for the purpose of appropriately informing myself:

Financial statements

1. I have fulfilled my 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 IJB's affairs as at the end of its financial year and of its income and expenditure for that financial year ;

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- 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 of Local Authority Accounting in the United Kingdom 2019/20; and
- iii. have been prepared in accordance with the requirements of the Local Governance (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

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

- 2. Measurement methods and significant assumptions used by the IJB 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. I have provided you with:

- access to all information of which I am 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 IJB for the purpose of the audit; and
- unrestricted access to persons within the IJB 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. I confirm the following:

- i) I have disclosed to you the results of my 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) I have disclosed to you all information in relation to:

- a) Fraud or suspected fraud that it is aware of and that affects the IJB 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 IJB's financial statements communicated by employees, former employees, analysts, regulators or others.

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

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7. I have 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. I have 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. I have disclosed to you the identity of the Company'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. I confirm that:

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

This letter was tabled and agreed at the meeting of the Audit and Performance Committee on 14 September 2020.

Yours faithfully,

Jane Smith
Chief Financial Officer
Perth & Kinross Health and Social Care Partnership

Appendix to the Board Representation Letter of Perth and 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.

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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 HEALTH AND SOCIAL CARE PARTNERSHIP

Audit and Performance Committee

14 September 2020

Annual Performance Report 2019/20

Report by Gordon Paterson, Chief Officer (Report No. G/20/88)

PURPOSE OF REPORT

This report presents the Annual Performance Report for Perth & Kinross Health & Social Care Partnership for 2019/20. It sets out our performance against the National Health and Wellbeing Outcomes as well as our progress towards the achievement of our ambitions outlined within the Strategic Commissioning Plan 2020:2025.

1. RECOMMENDATION(S)

1.1 The Audit and Performance Committee is asked to:

- (i) Approve the Annual Performance Report for 2019/20.
- (ii) Note the progress towards achievement of the aims outlined within the Strategic Commissioning Plan 2020:2025.

2. BACKGROUND

2.1 This Annual Performance Report for 2019/20 outlines the progress of the Perth and Kinross Health and Social Care Partnership in meeting its key priorities set out in the Strategic Commissioning Plan. It focuses on key areas of performance as well as where we need to improve to achieve delivery of our key objectives:

- Working together with our communities
- Prevention and early intervention
- Person-centred health, care and support
- Reducing health and social inequalities and promoting healthy living
- Making best use of available facilities, people and other resources

- 2.2 At the meeting on 22 June 2020 this Committee agreed to postpone the publication of the Annual Performance report until September 2020 in light of the Covid pandemic emergency and in line with the Coronavirus (Scotland) Act 2020.
- 2.3 The Scottish Government, as part of its legislation on the integration of Health and Social Care Services across Scotland, published guidance on the way Partnerships account for their delivery of integrated services to the nine health and wellbeing outcomes for health and social care. The preparation and presentation of the 2019/20 Annual Performance Report has been fully informed by this guidance.
- 2.4 The Covid 19 global pandemic has impacted from February 2020 onwards and therefore the performance implications will be reported in the 2020/21 Annual Performance Report.

3. OVERVIEW

- 3.1 Progress against each of the National Health and Wellbeing Outcomes is summarised within the report and includes data on key performance as well as information on the following:
- Feedback from people who use our service – this has been interspersed throughout the document and comes from various sources, e.g. national and local surveys, complaints and compliments as well as feedback for those involved in various groups.
 - Priorities for improvement – the information presented within the report demonstrates the positive impact that our work is having. However, there are areas where we need to do more and these improvements are highlighted under each of the outcomes.
 - The indicators used to measure achievement towards the National Health and Wellbeing Outcomes together with how we compare with the Scottish picture. It also provides some narrative and context to the data by outlining our achievements to provide a more rounded view of performance.
- 3.3 There is a requirement to include a section on how the Partnership's resources are used effectively and efficiently in the provision of health and social care services. This includes details of how the Partnership have responded to the significant financial challenges of the COVID pandemic. This is detailed in Section 5 of the report.
- 3.4 Once approved by the IJB Audit & Performance Committee and received by the Integration Joint Board at its meeting on the 23rd September 2020, this Annual Public Performance Report will be published on the Health & Social Care Partnership's webpage, submitted to NHS Tayside, Perth & Kinross Council, and the local Community Planning Partnership Management Group. It will be also be summarised in a 'Bite Size' publication for sharing with staff

and stakeholders across Perth & Kinross. Fitting with the modernising performance agenda this report is intended to be accessed online, however, hard copies will also be made available.

4. **CONCLUSION**

- 4.1 This report provides a summary of the Health and Social Care Partnership's performance in meeting key objectives set out in the Strategic Plan and the achievement towards the National Health and Wellbeing Outcomes.
- 4.2 Significant progress has been made across a range of performance indicators, which has provided positive outcomes for citizens and communities.

Author(s)

Name	Designation	Contact Details
Jane Smith	Chief Financial Officer	Janemsmith@nhs.net

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 and Social Care Partnership

Annual Performance Report for 2019/20



Our Vision

“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.”

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FOREWORD & INTRODUCTION



I am pleased to introduce the fourth annual review of the performance of the Perth and Kinross Health and Social Care Partnership and my second annual review of services since I took up the role as Chief Officer in April 2019.

The challenges we have faced from COVID-19 have determined our priorities and activities since March 2020 and will continue to do so for the remainder of this financial year, at the very least. However, despite the challenges of maintaining and adapting essential health and social care services in the face of a global pandemic, this experience has taught us that we can adapt, regroup and mobilise to meet the needs of our population. In the worst of times, we have witnessed a number of positives that as a Health and Social Care Partnership we will seek to capitalise on moving forward; our partnership work with stakeholders; the swiftness of our decision-making and action; the versatility, commitment and compassion of our workforce; our use of digital technology; initiating new ways of working; and the ability and willingness of local communities to mobilise support for their citizens. Capitalising on these positives provides the opportunities for us to build a better Health and Social Care Partnership.

Even while still within this pandemic, it is important that we look back to celebrate our achievements and identify areas where greater focus is needed to improve the quality of our services and the outcomes that they deliver. There are many important lessons for us to take away from our review of 2019-20, alongside a great many achievements that highlight the hard work and professionalism of those working to make health and social care services better across Perth and Kinross.

While the size, scale and complexity of the Health and Social Care Partnership (HSCP) encompasses many different services, I hope that this report provides a useful snapshot of the overall performance of the HSCP in delivering against the priorities in our Strategic Plan. This report highlights our strategic ambition to improve and transform how health and social care is planned, delivered and experienced across Perth and Kinross and improve performance against the key indicators that identify those areas in which we excel and those in which we continue to strive for improvement.

Gordon Paterson, Chief Officer
Perth and Kinross Health and Social Care Partnership

SECTION 1

OUR HEALTH AND SOCIAL CARE PARTNERSHIP

Our Vision, Aims, Values and Principles

Our vision as a Health and Social Care Partnership is to work together to support people living in Perth and Kinross to lead healthy and active lives and to 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 local people, to intervene early and to 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

As a Health and Social Care Partnership we have adopted the principles underpinning the Scottish Government's **National Health and Social Care Standards** <http://www.newcarestandards.scot/> which were published in June 2017. These seek to provide better outcomes for everyone, to ensure that individuals are treated with respect and dignity and to ensure that the basic human rights we are all entitled to are upheld. We are committed to embedding the Care Standards in all that we do, and we seek to achieve this during the period covered by this plan.

Perth and Kinross Integration Joint Board and the Health and Social Care Partnership

Since its inception in April 2016, Perth and Kinross Health and Social Care Partnership (HSCP) has been developing more integrated health and social care services across the three Perth and Kinross localities, on behalf of the Integration Joint Boards (IJB).

Our focus has been on working together with partners to ensure that the services that we provide, or commission make a demonstrable and positive impact on the outcomes that Perth and Kinross citizens experience. In doing so, our activity and plans seek to contribute towards the achievement of the Scottish Government's [National Health and Wellbeing Outcomes](#), which are described in more detail in the Performance section below.

Our Strategic Plan

A review of our Strategic Commissioning Plan was undertaken during 2019/20. Over a 5-week period in July and August 2019, we engaged with local communities in Perth and Kinross to identify their priorities for the Health and Social Care Partnership for the next 3 - 5 years. This engagement programme built on the initial consultation programme “Join the Conversation” completed prior to publishing our Strategic Plan 2016 –2019.

Strategic Plan 2020:2025

1,420 people completed an engagement survey (online and paper based). Respondent numbers were fairly equal across all three Perth & Kinross Localities. Although people completed individual surveys, we targeted 90 community organisations, mainly by attending a group session, to explain more about the survey and to encourage people to participate who would not normally complete an online survey.

Our Strategic Objectives

The responses we received to this consultation have informed the Strategic Objectives and Intentions outlined in our refreshed Strategic Commissioning Plan 2020:25, which was approved by the IJB in December 2019.

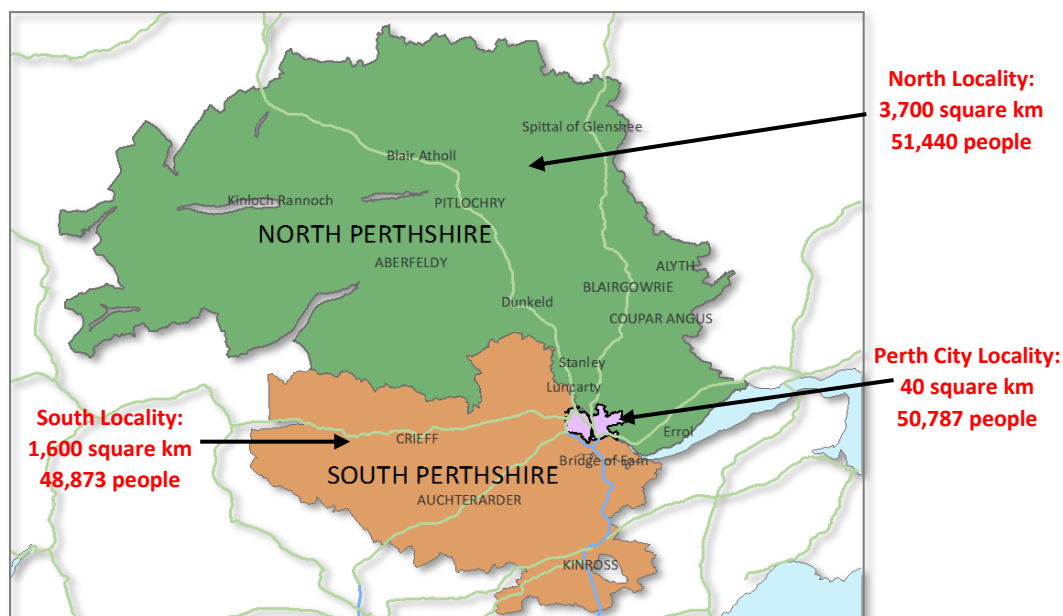
These ensure a direction of travel by the Perth and Kinross Health and Social Care Partnership that is consistent with [National Health and Wellbeing Outcomes](#):

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

The consultation exercise was only one component of our planned, ongoing programme of consultation and engagement as we deliver on our strategic priorities and redesign services, to ensure that we improve our performance and better meet the needs of the communities and citizens of Perth and Kinross.

Our Localities

Perth and Kinross HSCP has committed to the three localities which are detailed in the map below. These localities form the geographical basis on which we engage with our communities and how we deliver services.



Perth and Kinross is the 8th most densely populated local authority area in Scotland, however the area covers a large geography, and this leads to an above average percentage of the population being in some way “access deprived” (36.8% for Perth and Kinross compared to 20.2% for Scotland). These figures demonstrate the impact of remoteness and illustrate the challenges of providing and accessing health and social care services across Perth and Kinross.

Currently, as a percentage of our whole Perth and Kinross population, and comparing to other Scottish Local Authority areas, we have the 8th largest 65+ population, the 5th largest 75+ population and the 2nd largest 85+ population.

As our people get older they rely on health and social care services to support them to stay at home safely and for longer notwithstanding the fact that our elderly population within Perth and Kinross are generally healthy. We can see this when we look at the average age, for example, of people receiving Care at Home services in Perth and Kinross being 82.

However, an elderly population has a greater need for urgent care and support from specialist hospital services. With an elderly population we see higher usage of hospital services and an increased likelihood of readmission within 28 days. In response, we continue to invest in community-based services to reduce admissions and support people in their own homes.

It is well recognised that local people are well placed to identify local solutions and we are committed to working with them to continue to develop the services that they use in their areas. This approach is reflected in our strategic priorities which show our commitment to work with partners and local communities across our three localities, in a person centred and preventative manner.

Recognising the geographical challenges we encounter, as well as the benefits that can be gained from community engagement, we have:

- Continued to develop our Local Action Plans via Area Action Partnerships;
- Worked closely with our Community Engagement colleagues to better understand the needs of communities and how they can assist to provide support on a sustained basis;
- Developed services which are wrapped around GP practices and provide locality based, multidisciplinary team approaches.

SECTION 2

OUR PERFORMANCE

Introduction

The following section provides an overview of the achievements within Perth and Kinross Health and Social Care Partnership in pursuance of the objectives set out in the recently approved Strategic Commissioning Plan. These are aligned to the National Health and Wellbeing Outcomes, as follows:

National Health and Wellbeing 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

This report covers the period April 2019 to March 2020. It provides a broad range of information and includes detail on partnership performance in relation to the National Indicators, as well as those that were identified by the Ministerial Strategic Group (MSG).

The table below provides an overview of performance taking into account the latest available data for the reporting period.

Indicator Origin		RAG	
National Indicators	Ministerial Strategic Group Indicators		
17	4	Green	Within 3%, or are meeting or exceeding the number we compare against
0	1	Amber	Between 3% and 6% away from meeting the number we compare against
2	0	Red	More than 6% away from meeting the number we compare against
0	1	Not yet available	

Our performance over the 2019/20 period has largely fallen within the national target value. Of the 19 National Indicators (summarised on page 10), 17 are within the target range and are designated Green. Of the six Ministerial Strategic Group Indicators four are designated Green, one is designated Amber with none designated Red (detailed on page 12).

National Indicators Overview

The National Indicators (detailed in the table below) were identified by the Scottish Government to provide a basis for benchmarking against all other Health and Social Care Partnerships across Scotland. Currently the national indicators comprise of:

- 9 Health and Care experience survey indicators collected every two years, that inform us as to what our people think of our services, and
- 10 activity indicators derived from operational data that are collected monthly and demonstrate our performance against the national indicators

To allow comparison to the Scotland value and to our own previous years' performance, all of these indicators are expressed as percentages and rates. Presenting the data for each indicator has been a challenge this year as COVID-19 has impacted on the ability of HSCPs to submit their data returns in time. This has not been universally possible and so we have therefore followed Public Health Scotland guidance to ensure the most up to date and comparable data has been provided.

While the results of the 2019/20 'Health and Care Experience Survey' have not yet been published, we have re-produced the 2018/19 data. In response, we intend to provide updated performance data on these indicators via Quarterly Performance Reports, as soon as the data becomes available.

The following table provides an overview of current performance in relation to all national indicators with full performance data supplied in the Appendix to this report. Furthermore we have provided commentary on National Indicators 11-20 in the sections below and we have linked these indicators to our strategic objectives.

ID	Indicator		How we compared to Scotland		ID	Indicator		How we compared to Scotland	
NI 01	% of adults able to look after their health very well or quite well		↑	1.6%	NI 11	Premature Mortality rate per 100,000*		↓	82
NI 02	% of adults supported at home who agree that they are supported to live as independently as possible		↑	2.0%	NI 12	Rate of emergency admissions per 100,000 population for adults		↓	1,089
NI 03	% of adults supported at home who agree that they had a say in how their help, care or support was provided		↑	1.7%	NI 13	Rate of emergency bed day per 100,000 population for adults		↓	10,687
NI 04	% of adults supported at home who agree that their health and care services seemed to be well co-ordinated		↑	0.5%	NI 14	Readmissions to hospital within 28 days of discharge per 1,000 admissions		↑	11
NI 05	Percentage of adults receiving any care or support who rate it as excellent or good		↑	0.3%	NI 15	Proportion of last 6 months of life spent at home or in a community setting		↑	1.13%
NI 06	% of people with positive experience of care at their GP practice.		↑	5.4%	NI 16	Falls rate per 1,000 population aged 65+		↑	0.014
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.		↑	0.6%	NI 17	Proportion of care and care services rated good or better in Care Inspectorate inspections		↑	4%
NI 08	% of carers who feel supported to continue in their caring role		↑	3.9%	NI 18	Percentage 18+ with intensive social care needs receiving care at home**		↑	1.35%
NI 09	% of adults supported at home who agreed they felt safe.		↑	4.9%	NI 19	Number of days people aged 75+ spend in hospital when they are ready to be discharged per 1,000 population**		↓	139
					NI 20	Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency		↑	1.76%
Performance Key	We are within 3%, or are meeting or exceeding the number we compare against	Green	We are between 3% and 6% away from meeting the number we compare against	Amber	We are more than 6% away from meeting the number we compare against	Red	An arrow indicates the direction the numbers are going in		
We have used the following definitions to set the colour and arrows:									

Across eight of these indicators we performed close to or better than the Scottish value. In particular we have seen high levels of performance against the following 3 indicators:

- The rate of emergency admissions per 100,000 population for adults. (NI 12)
- The rate of emergency bed days per 100,000 population. (NI 13)
- The number of days people aged 75+ spend in hospital when they are ready to be discharged per 100,000 population. (NI 19)

Our performance in relation to national performance indicator NI12 demonstrates that we continue to perform well compared to Scotland as a whole and that the services, and early

interventions, which are delivered in Perth and Kinross continue to prevent deteriorations in patients, reducing emergency admissions.

In relation to NI13 we continue to see improved performance. This indicator is showing a steady year-on-year improvement and is always better than the Scotland average. The work of the HART team and other locality teams in supporting early hospital discharge contributes to this improved performance.

Considering NI19 we can see a considerable improvement in relation to delayed discharge performance across the comparator period (from 2016/17) and also when compared to Scotland. This significantly reflects the changes we have delivered through the Home Assessment and Reablement Team (HART) and our work with our private care providers in Perth and Kinross to create capacity. We have further planned improvements to the HART service in 2020/21.

Given the demographic and geographic challenges we face, our positive performance against these indicators in particular confirms that we are supporting people at home by intervening early and when discharged from hospital we are providing early rehabilitation and access to wider supportive services. These results reflect our commitment to early intervention, reablement and to supporting people in their own communities.

However, we did not achieve the same level of performance relative to the Scottish value in relation to:

- “Readmissions to hospital within 28 days of discharge” (NI14), and
- “% of health and care resources spent on hospital stays where the patient was admitted as an emergency” (NI20).

With regard to readmissions, this was an area identified for improved performance in the 2018/19 Annual Performance Report. A number of pieces of work have been undertaken during 2019/20 and the outcomes of these will be pulled together by a short life working group to identify specific improvement actions.

We can see that more work is needed to improve our performance in relation to NI20. Our performance reflects our large elderly population and their increased likelihood of an emergency admission to hospital. The introduction of our new Locality Integrated Care Service (LinCs) is expected to deliver a reduction in our emergency admissions and a reduction in the specialist care they need whilst in hospital.

Moving forward improving performance across all indicators will continue to be our focus, however the challenging demands placed on the partnership by the ever increasing need for urgent care, as our population lives longer, mean more effective interventions are required. This work is underway and the section below explains the significant developments we are advancing, such as the introduction and extension of our Locality Integrated Care Service.

Ministerial Strategic Group Indicators Overview

The MSG indicators have been provided by the Scottish Government to support local monitoring of progress towards integration. We regularly feedback our results to the Scottish Government.

MSG Indicator	MSG Description			Perth and Kinross 2017/18	Perth and Kinross 2018/19	Perth and Kinross 2019/20	Movement in our performance last year
1a	Emergency Admissions			14,880	14,772	15,380	608 (4.12%)
2a	Unscheduled Hospital Bed Days			102,767	100,157	102,237	2,080 (2.08%)
3a	A&E Attendances			32,273	33,264	34,018	754 (2.27%)
4	Delayed Discharge Bed Days*			16,785	14,203	12,414	1,789 (-12.60%)
5.1	Proportion of last 6 months of life spent at home or in a community setting			89.52%	89.56%	89.75%	0.20%
6.1	Percentage of population at home unsupported			92.13%	92.32%	Not yet available	Not yet available
Performance Key We have used the following definitions to set the colour and arrows:	We are within 3%, or are meeting or exceeding the number we compare against	Green	We are between 3% and 6% away from meeting the number we compare against	Amber	We are more than 6% away from meeting the number we compare against	Red	An arrow indicates the direction the numbers are going in

These indicators reflect good performance across all indicators, with the exception of emergency admissions. Our performance in relation to emergency admissions (Indicator 1a) has declined by 4% over the reporting period and is now amber.

The level of unscheduled hospital beds days (Indicator 2a) is remaining stable. This is in part linked to our delayed discharge performance.

A&E attendances (Indicator 3a) were also stable this year and we have further improvement actions identified which will support future improvement.

The proportion of last 6 months spent in a home or a community setting (Indicator 5.1) is a long term indicator that continues to steadily improve with more people achieving their wish of being at home when they receive end of life care.

Overall these indicators demonstrate a high level of performance, a measure of our commitment to improving outcomes through effective collaboration with the independent and third sector partners.

STRATEGIC OBJECTIVE 1

WORKING TOGETHER WITH OUR COMMUNITIES

Strategic Aim: 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 and stronger connections in their community.

Contributes to National Health and Wellbeing Outcome 2 & 6

How well are we doing?

The Health and Social Care Partnership (HSCP) engages with our communities through a range of means. In larger scale service developments, we engage early to gather views that then shape future service delivery. Similarly, we regularly take the opportunity to engage on smaller scale developments and to support continuous service improvement.

Locality Action Partnerships

An integral part of locality working is undertaken through our Locality Action Partnerships. These groups bring together community representatives, elected members, service and locality representatives to discuss and agree the key actions for inclusion in Locality Action Plans. These action plans create a focus on the area's priorities and support our efforts to reducing inequalities.

Examples of Localities Engagement

Within each Locality there have been a number of service user and community-based engagement exercises and events throughout 2019/20.

Where	What	Outcome
Community Engagement		
North Locality	<p>The Aberfeldy Model of Care</p> <p>A short life working group was established to address community concern regarding the 2015 Community Hospital closure</p> <p>Focused on addressing local concern regarding healthcare provision in the locality</p>	<p>An NHS Tayside Informing, Engaging and Consulting Plan was designed and followed</p> <p>Community stakeholders were engaged, with a focus on information sharing</p> <p>Met local need - Aberfeldy Care and Treatment Hub was opened in late 2019</p>
South Locality	<p>Engagement on Health Provision in Lower Earn</p> <p>Provided a platform for community stakeholders to express views on</p>	<p>Highlighted Local demand for an expanded service.</p> <p>Action has taken place to renovate the Bridge of Earn Nurses' Cottage</p>

	<p>Future of healthcare, including mental health</p> <p>Provided opportunity to deliver feedback to staff in respect to the level of care provided</p>	<p>The aim is that an upgraded building will provide accommodation for the District Nurse Team and facilities to deliver Care and Treatment Services for the locality</p>
Perth City	<p>Evaluation of the Primary Care Mental Health and Wellbeing Nursing Service</p> <p>Gathered views of service users, GPs and GP practice staff, in response to the expansion of the Primary Care Improvement Plan -</p>	<p>Feedback highlighted positive reception by both Practice Staff and Patients</p> <p>Revealed patients value quick access to a Mental Health professional.</p> <p>Demonstrated an appetite for service expansion. Demand for:</p> <ul style="list-style-type: none"> - use not limited to be limited to 'crisis' times - check-up sessions <p>This will be useful when service rolls out to other areas</p>

■ Big January Get Together

- Local feedback suggested January was a time of stress and loneliness. To combat this a number of agencies and local community organisations put on a month of events, attracting 500 attendees. This acted as a platform for engagement with individuals whom we were then able to signpost to appropriate support services

■ South Perth Wellbeing Day

- We supported an information day with a focus on health and wellbeing for local residents, with 50 community stallholders involved and over 250 people in attendance. This celebrated and promoted the work being done by groups across the community and created opportunities to come together locally.

■ Jump into Wellbeing Festival

- This festival involved 30 local community groups, offering 76 activities and learning opportunities. This highlighted work being done across the community by key stakeholders and led to greater attendance at local civil society groups.

"We have had some more enquiries about the group and support, and the event raised awareness of the organisation and the youth group. It also allowed young people to self-refer to other services for support".

(South Perth Wellbeing Day)

"It has provided some ideas to try with the children to assist in developing their confidence and to build coping mechanisms."

(Jump into Wellbeing Festival)

More information is available through our regular Locality Newsletters:

<https://yourcommunitypk.org/2019/01/latest-health-and-wellbeing-newsletters/>

Consultations

As well as consulting to inform our review of the Strategic Commissioning Plan, consultations were carried out to gain people's views on Carers, Mental Health and Wellbeing and our Keys to Life strategies. The following examples evidence our commitment to this strategic aim.

- Carers - The Carers (Scotland) Act, launched in April 2018. It applies to both Adult and Young Carers and aims to support carers health and wellbeing and make it more sustainable.
- Embracing the Carers (Scotland) Act, we consulted with our Stakeholders to produce the Adult Carers Eligibility Criteria and the Short Breaks Services Statement which assisted in the development of the Joint Carers Strategy that was approved at the December 2019 meeting of the IJB.
- During that consultation exercise we received feedback from carers in different localities across Perth and Kinross. With 359 people giving their views and feedback this was the most successful consultation with carers and stakeholders we have undertaken.
- Responses were received from carers and their families from a wide variety of backgrounds, cultures and community groups, such as gypsy/traveller carers, carers of people with drug and alcohol use issues, and ethnic minority carers.
- Emerging themes highlighted during the consultation enabled our staff to work closely with Carers to shape the commitments included in our new Carers Strategy.

Six commitments were identified:

Joint Carers Strategy 2019-2022

Carers will be supported with clear information, consistent and flexible support to empower them to manage their caring role.

Everyone will have the information, opportunities and support to be identified as a carer.

Carers' voices will be critical to influencing the planning, development and improvement of supports.

Carers will be supported to actively participate in developing a course of supports within the local community to enable them to have a life out with their caring role

Carers will be valued, listened to and empowered to share their experiences.

We will provide specialist and person-centred support to avoid disadvantage to carers of all ages.

Mental Health

To inform the development of our local Community Mental Health Strategy in Perth and Kinross, we undertook a public consultation exercise last Autumn, in order to gather stakeholders' views and opinions. While 40% of respondents were satisfied with the services being provided a quarter highlighted the lack of equity of service provision and access in rural areas. There was however some positive acknowledgement that online and social media related support had been helpful, and that information was also available to help people find mental health services for their needs.

In response to concerns about the lack of services in rural communities, we have invested in "Mindspace" to provide counselling services throughout Perth and Kinross, with a particularly focus in rural areas. This service now extends to include Auchterarder, Crieff, Kinross and Blairgowrie with in excess of 140 sessions per week being provided to meet the support needs of people within their own local communities.

Learning Disabilities

Through our Keys to Life Strategy we are committed to ensuring that people with learning disabilities can achieve the highest attainable standard of living, health, and family life, and can live active and independent lives in the community.

In developing the refreshed Keys to Life Strategy, we carried out a consultation exercises (March and October 2019) with our stakeholders; private providers; third sector; voluntary; service users, family members / carers and with professionals. Service users were engaged in this process through their existing groups and networks, such as the 'Making Where We Live Better' group. Other groups were supported to participate by the Centre for Inclusive Living Perth & Kinross and Independent Advocacy Perth & Kinross.

Individuals were also encouraged to respond, often with the support of their family members or carers. Responses to our consultation, further feedback and an analysis of areas which require support, enabled us to identify 6 priority themes which will inform the content of our Keys to Life Strategy as it develops.

Themes included:

Keys to Life Strategy - 2020-2025		
Provide access to a greater range of quality 'short breaks'	Ensure that people with learning disabilities are central to and involved in their own life plans	Ensure a greater voice for people with learning disabilities in our society
Support people with learning disabilities to participate in their communities, which are welcoming and accessible	Address barriers to equality	All people with a learning disability have the right to live as independently as possible in their community and be supported

A Strategy for People with a Physical Disability

During 2019/20 work began to develop a new strategy and action plan 2020 - 2024 for people with a physical disability, including sight loss and hearing loss. The Strategy for People with a Physical Disability will draw on;

- the five ambitions set out in 'A Fairer Scotland for Disabled People'^[1] which is the Scottish Government's delivery plan for the UN Convention on the Rights of persons with disabilities,
- the strategic priorities in the HSCP's Strategic Commissioning Plan
- recommendations from the National See Hear Framework, views and experience of with people who live with physical disabilities and/or sensory impairment
- knowledge, experience and contributions from members of the Physical Disability Strategy Group and See Hear Steering Group members.

To identify areas of strength and gaps we have mapped out statutory and commissioned services, as well as community resources. This also enabled us to share information on all existing services, in accessible formats. We have broadened the membership of the Strategy Group to include greater input from social work locality teams and third sector partners. The outline for the new Strategy was agreed at the IJB in February 2020, with the following priority themes.

^[1] [A Fairer Scotland for Disabled People: delivery plan - gov.scot](https://www.gov.scot/publications/a-fairer-scotland-for-disabled-people/delivery-plan/pages/1/)

Physical Disabilities Strategy 2020-24

Accepting and addressing Inequalities	Housing and Support	Specialist services and equipment
Independent living and Active Participation	Employment and Volunteering	Person centred care and support
Communication	Early Intervention and prevention	Accessibility

The impact of Covid19 on services and providers has delayed the planned strategy development work. Action is now being recommenced and we plan to carry out a survey and engage widely with stakeholders in Autumn 2020.

Further information is available through our regular Locality Newsletters.

<https://yourcommunitypk.org/2019/01/latest-health-and-wellbeing-newsletters/>

National and MSG Performance Indicators related to Objective/National Outcomes

NI 03 - % of adults supported at home who agree that they had a say in how their help, care or support was provided (Health And Care Experience survey – HACE)

NI 04 - % of adults supported at home who agree their health and care services seemed to be well co-ordinated (HACE)

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 (HACE)

NI 08 Carers - % of carers who feel supported to continue in their caring role (HACE)

STRATEGIC OBJECTIVE 2

PREVENTION AND EARLY INTERVENTION

Strategic Aim: We will aim to intervene early, to support people to remain healthy, active and connected in order to prevent later issues and problems arising

Contributes to National Health and Wellbeing Outcomes 1,2, 4, 5 and 7

How well are we doing?

Locality Integrated Care Team (LINCS)

We invested around £1.2 m for additional staffing to enhance our Locality Integrated Care Teams. LINCS is intended to provide a short period of enhanced care, coordinated by a lead professional. The lead professional has access to a range of community support and services, including Home Assessment Recovery Team who will provide additional support when required.

This is enabling us to monitor and manage patients to prevent further deterioration and complications, to prevent hospital admission by providing a range of early interventions and support. It also enables early supported discharges from hospital.

LINCS has now been rolled out across the three localities of Perth and Kinross.

Primary Care

Primary Care is healthcare delivered in the community by health professionals that can be accessed directly usually through self-referral. These professionals include GP's, Nurses, Dentists, Pharmacists, Optometrists and Allied Health Professionals such as podiatrists and physiotherapists

During 2019/20 our Primary Care Improvement Plan for Perth and Kinross was in year 2 of a 3-year implementation period. This involves the establishment of multi-disciplinary teams connected to GP practices, in order that patients can see the right health professional at the right time in the right setting. Progress made to date includes:

- Six Primary Care Mental Health Nursing posts, 2 per locality, have been established to Support the provision of Mental Health services early. Additional mental health capacity has been brought in to support these posts with the introduction of a further 3 well-being support workers. This allows patients to see a mental health professional within their GP practice rather than waiting for a referral. It can be seen from early activity data that 71% of available appointments have been utilised and user feedback has been positive.
- Three Community Link Workers/Social Prescribers have also now been appointed to permanent positions, again bolstering support within GP practices and forming part of a wider group including Healthy Communities Project Officers and Move Ahead Project Officers. This is in keeping with the HSCP's overarching strategy of increased integration of health and social care, as Community Link Workers/Social Prescribers collaborate across local authority services to identify and respond to the specific needs of locality plans, school plans and research data. The HSCP is thus better placed to deliver a person centred service, with a greater level of coordinated activity delivering the best possible outcomes for our communities.

- We have recruited physiotherapists to deliver a dedicated “First Contact Physiotherapy Service’ (FCP). This enables patients to access services and treatment directly and more swiftly from the appropriate professional, rather than via traditional referral routes.
 - As at January 2020, 7 clinics are located in Perth City and 3 in the South Locality (Kinross)
 - On average 80 patients per month were seen between January - November 2019
 - Outcomes included: 73% of patients discharged, 15% were referred to Physio, 7% for follow up with FCP and 4% Onward referral
 - As of June, as part of an ongoing Covid response to support other services, FCP service was fast tracked and was accessible from all GP Practices across Perth & Kinross.
 - In July when 645 appointments were available across P&K; 642 of these were filled, demonstrating a 99.53% utilisation of this service.
 - Feedback from patients: 97% of people were either satisfied or very satisfied with the overall quality of physiotherapy assessment and advice received. Comments included “I do not have any negative comments, it is a brilliant service” and “The physio made me feel at ease and spoke in clear simple terms.”

*“Very many thanks, what a prompt and caring service!”
(General Practitioner)*

“Without support we would never have applied for our benefit and carer entitlements. My husband now has PIP and I have respite. I didn’t classify myself as a carer before our discussions. I feel someone is listening and I feel better informed.” (Service user)

“I have found the Social Prescribing service invaluable in my role as an assessing worker specifically when clients are at risk of isolation but do not fit the criteria for care services. The positive impact that the service has had on some of my client’s wellbeing has been immeasurable and I have found the Social Prescribing service in Perth another effective tool for engaging and signposting service users.” (HSCP Community Care Assistant)

Care About Physical Activity (CAPA)

The mental and social health benefits of increased physical activity are widely recognised bringing increased independence, a sense of wellbeing, reduced falls risk, and improved quality of life.

Throughout 2019/20 we continued to support Care About Physical Activity (CAPA) which is a programme being run between Scottish Social Services Council (SSSC), the Care Inspectorate, and Care Homes, and is 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 that in turn will reduce some of our unplanned admissions for older people.

Other examples of initiatives which support improvements in physical and mental wellbeing include:

- A dementia friendly walking group in partnership with 'Paths for All' has been developed to support 10 care homes across Perth & Kinross;
- Strength and balance exercises have been introduced by the way of apparatus in 5 care homes in Perth and Kinross. This enhances the creation of dementia friendly sensory areas;
- A weekly Golf Memories Group for older adults with dementia and age-related memory conditions;
- Saints Community Trust delivers various initiatives such as Football Memories working with our client groups from mental wellbeing, autism and learning disabilities.

"I have Parkinson's and have to move every day, it is so important to me. I enjoy the posts and getting out and I do sit to stand exercises daily and am improving well. Some days are better than others, but exercise is great for me"

"Since the start of this initiative my health has improved with the walking and exercise that I have been doing, I have lost weight and I have been able to come off my diabetic medication which I am pleased about."

Mental Health

In enhancing community mental health support, we have delivered a Mental Health and Suicide Prevention training programme throughout 2019/20. This raises awareness and links to Mental Health Awareness Week in May, Suicide Prevention Week in September, and Mental Health Awareness Day in October. These campaigns supported our commitment to early intervention and preventative approaches by raising awareness of mental health and suicide and creating informed communities within Perth and Kinross.

National and MSG Performance Indicators related to Objective/National Outcomes

NI 01 - % of adults able to look after their health very well or quite well (HACE)

NI 02 - % of adults supported at home who agree that they are supported to live as independently as possible (HACE)

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 (HACE)

NI 09 - % of adults supported at home who agree they felt safe (HACE)

NI 11 – Premature mortality rate per 100,000

NI 12 – Rate of emergency admissions per 100,000 population for adults

NI 13 – Rate of emergency bed day per 100,000 population for adults

NI 16 – Falls rate per 1,000 population age 65

MSG 1a – Number of emergency admissions

MSG 2a – Number of unscheduled hospital days; acute specialties

MSG 3a – A&E attendances

STRATEGIC OBJECTIVE 3

PERSON-CENTRED HEALTH, CARE AND SUPPORT

Strategic Aim: By embedding the national Health and Care Standards we will put people at the heart of what we do

Contributes to National Health and Wellbeing outcomes 1,2,3,4,and 9

How well are we doing?

Single Handed Care

To improve the effectiveness of the services we provide and to take a more person-centred approach we are implementing "Single Handed Care". Training on this has now been rolled out to a wider staffing group, enabling people to be supported by one instead of two carers, through the use of appropriate equipment. This delivers tailored packages of care for the individual and improves efficiency in allocating our scarce resources to more people.

Occupational Therapists are integral to the implementation of Single Handed Care and our ambition to integrate our Occupational Therapy service will support the success of this approach. All moving and handling training and refresher courses now include the concept of Single Handed Care ensuring that all our service users can benefit from this service.

Mental Health Services

To deliver on their Mental Health Strategy 2017-2027 the Scottish Government has provided funding through Action 15 to enhance the mental health workforce and improve access to dedicated Mental Health Professionals in all A&E departments, GP practices, police custody suite and in our prisons.

In 2019, we used this funding to create a new post of co-ordinator for the Lighthouse project. This position was filled in January 2020 and enables the service to assist in supporting people in distress, out of hours and at weekends.

Action 15 funding was also used to create a Mental Health Practitioner (MHP) position within the Access Team to now provide person-centred care for individuals in crisis, at point of first contact. This was in addition to Social Prescribers who enhanced our provision for early intervention and prevention, creating a whole systems approach.

These posts provide support to individuals who come into contact with the service but do not necessarily meet the eligibility criteria for more formal social work services. Intervening early to provide appropriate support at this stage provides great benefit to the individual.

Investing in these roles has ensured that in our communities, we can intervene quicker and earlier in a person's deteriorating in mental health and wellbeing issues and support them to have better and more positive outcomes.

Home Assessment and Recovery Team (HART)

Over the last 12 months 45% of people in receipt of reablement via HART were able to re-establish independence within their own home. This represents an improvement on the previous year evidencing our commitment to support people to remain at home for as long as possible, including after discharge from hospital.

Key activities during 2019/20 included:

- Training and Development: Induction and training for new staff has helped retain staff and develop confident carers.
- Inspection by the Care Inspectorate: HART was awarded 'Very Good' gradings for both Quality of Care and Support and Staffing. People using the service reported that they were respected as individuals and treated with dignity and respect. They were positive about the encouragement they receive to have control over their own support and to be as independent as possible.
- Total Mobile: A Project group has taken forward a move to be more digitally enabled. This "Total Mobile" tool improves working practices and efficiency in ways which can also support carer consistency. This has supported a digital solution to real time monitoring of Care at Home provision, falls screening tools, incident reports realising time efficiencies and creating better quality record keeping.

To assess the quality of care delivered by the HART team we have introduced 7-day review, together feedback from service users. The review is based on the key principles within the Health and Social Care Standards. 107 respondents between January 2019 to Mar 2020 provided overall positive feedback on the service. Key highlights from the survey included:

- 100% agreed that they were treated with dignity and respect
- 100% agreed that Members of staff pay attention to details that are important to them
- 98% agreed that staff ask about how people wanted support delivered
- 99% agreed that they have confidence and trust in the staff

Care Homes

As people get older and require more support, Care Homes provide residents with the opportunity to continue to live in homely settings when they are no longer able to do that safely on their own. The HSCP is committed to ensuring that all care homes maximise the quality of care and the experience for their residents.

We continue to engage with Care Home providers on their approach to quality improvement. The Care Inspectorate and Scottish Care are trialling an approach to Care Homes developing their own improvement plans. Four homes in Scotland are involved in this pilot of which two are in Perth and Kinross. Our local Scottish Care Integration Lead is working with these care homes on an individual basis to assist with, care planning, improvement planning and peer support, working closely with the Care Inspectorate.

The staff involved have found this a very positive experience and it has given these teams the ownership of their improvement plan and a commitment to delivering on their plans.

Floating Housing Support and Hostel

Since October 2019, three Housing Support Providers have worked with people who are at risk of losing their tenancy to live independently. This short term, flexible, service works with people to achieve individual outcomes which maximise their independence. A mix of practical and emotional skills are developed which supports people to become self-sustaining and connected to their community. As we transition from the Covid 19 'lockdown' period a range of virtual and face-to-face support is being provided. In partnership with PKC Housing Service this service supports individuals into permanent accommodation. This approach aims to reduce reliance on temporary accommodation, which can have a detrimental effect on a person's health and well-being.

National and MSG Performance Indicators related to Objective/National Outcomes

NI 02 - % of adults supported at home who agree that they are supported to live as independently as possible (HACE)

NI 03 - % of adults supported at home who agree that they had a say in how their help, care or support was provided (HACE)

NI 06 - % of people with positive experience of care at their GP Practice (HACE)

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 (HACE)

NI 08 - % of carers who feel supported to continue in their caring role

STRATEGIC OBJECTIVE 4

REDUCING INEQUALITIES AND UNEQUAL HEALTH OUTCOMES AND PROMOTING HEALTHY LIVING

Strategic Aim: Our services and plans will seek to reduce health inequalities, to increase life expectancy, increase people's health and wellbeing and to reduce the personal and social impact of poverty and inequality

Contributes to National Health and Wellbeing Outcomes 5, 6 and 7

How well are we doing?

Equalities Outcomes

In June 2019, we reported to the IJB on how we are contributing to the Equalities Agenda within our partnership. Examples of the developing work in support of the reduction of health inequalities includes the following:

- In response to increased demand we have increased the number of available British Sign Language (BSL) interpreters. Additionally, BSL interpreters can now engage patients through new video call facilities, which improves access and limits the number of cancelled or missed appointments.
- The Perth and Kinross Gypsy Traveller Strategy was approved by Perth & Kinross Council Housing & Communities Committee in 2018. This is fully supported by the HSCP. An annual Gypsy/Traveller community wellbeing event was held in October 2019 and attracted 112 attendees.
- We continue to support the 'MoveAhead' service. MoveAhead is a locally based support service which enables people with mental health support needs to access opportunities and services in the community. It aims to help people regain confidence self-esteem and enhance individual skills and encourages people to realise their full potential.
- We are promoting Physical Health Check monitoring for individuals who are accessing Adult Mental Health services, Psychiatry of Old Age services and Learning Disability services.
- Recovery Cafes have been developed to provide additional support mechanisms to a range of individuals with varying complex needs from mental health and wellbeing, loneliness, substance use. These have been developed across Perth and Kinross including rural areas.

Carers

At the 'Carers Connect' event in 2019, we worked with carers to assess the availability of peer and community support groups across Perth and Kinross. This identified 46 local groups and organisations Our Carer Support Workers, Community Engagement Team and PKAVS are thus better able to support carers to access community services wherever they live.

We are promoting a digital training resource that has been produced by NHS Education for Scotland and Scottish Social Services Council, to raise awareness of carer issues amongst health and

social care professionals. This updates previous materials to reflect changes following the introduction of the Carers (Scotland) Act 2016. This new resource is now available for all health and care professionals including those in the Third Sector.

To combat inequalities we have commissioned Minority Ethnic Carers of People Project (MECOPP) and PKAVS Minorities Communities Hub to provide support to carers from the gypsy traveller community

Diabetes

We are progressing a range of actions in support of the Type 2 Diabetes (T2D) Prevention, Early Detection and Early Intervention Framework which is being delivered pan Tayside.

- 300 places have been procured for NHS Tayside for the Oviva type 2 education and support programme. Additionally, the Tayside Adult Weight Management Service is also now part of the overall education and support programme. This programme will go live in April 2020
- 580 places for the Slimming World programme have been procured for weight management purposes for people with type 2 diabetes. This is awaiting sign off from NHS information governance.
- The Tayside Adult Weight Management Services are exploring other digital options such as YouTube for sharing resources, presentations and exercise sessions for all to access

National and MSG Performance Indicators related to Objective/National Outcomes

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 (HACE)

NI 08 - % of carers who feel supported to continue in their caring role

STRATEGIC OBJECTIVE 5

MAKING THE BEST USE OF PEOPLE, FACILITIES AND RESOURCES

Strategic Aim: We will use our combined health and social care resources efficiently, economically and effectively to improve health and wellbeing outcomes for the people of Perth and Kinross.

Contributes to National Health and Wellbeing Outcomes 2,3 4 and 9

How well are we doing?

Review of Inpatient Rehabilitation

We are reviewing the provision of inpatient rehabilitation beds, assessing need and demand, to ensure equity of access to across Perth & Kinross. This review is also looking at the new community models being introduced to support and maintain people at home for longer (Locality Intermediate Care and Respiratory Services).

Our review has highlighted that given the changes in population need, not all the beds are in the right place to meet the needs of the current and projected population of frail, older people.

This review is also focusing on developing and enhancing community services to support more people at home or in homely environments. These evolving services will support our objective to shift the balance of care, by providing earlier intervention and preventative approaches to care, which allow effective management of more acute care needs in the persons own home and reduce reliance on the use of hospital beds.

Specialist Community Respiratory (Telecare)

We are responding to a recognised gap in the provision of specialist community services for adults living with long term respiratory conditions (mostly housebound COPD, chronic asthma, bronchiectasis or Interstitial Lung Disease). There are around 3,200 people registered with Perth and Kinross GP Practices with a diagnosis of COPD, along with around 1,400 respiratory emergency admissions to hospital in 2019. Many people struggle with chronic respiratory conditions and this will have a major impact on their lives. It is also common for people with respiratory conditions to have additional long-term conditions.

In response we are developing a new service that will align with the Locality Intermediate Care service. The service will provide an earlier response and assessment and self-management support for people living with COPD and asthma. To support self-management approaches, SMART technology is being identified to provide patient specific education and information links to community services.

Primary Care

As part of the Primary Care Improvement Plan a range of new services have been developed. The following examples illustrate how we are making best use of resources and giving better access to patients, so that they can be treated by the right professional in the right location at the right time.

- Advanced Nurse Practitioners (ANP) have been recruited to work alongside our General Practitioners and our Locality Integrated Care Service to provide specialist support to frail adults with complex needs and prevent unnecessary admissions and readmissions to hospital, or premature entry into residential care.
- The First Contact Physiotherapy Service provides access for patients through their GP, to specialist physiotherapists. This provides a swift response and diverts people from specialist services, making best use of resources by reducing the need for ongoing support.

Staffing

Making the Best Use of People, Facilities and Resources

We understand that we need a confident, competent and professional workforce who feel, supported, valued and equipped to deliver the Partnership's vision and priorities. We also need to plan to address some key issues, including the high turnover and shortages of suitably skilled staff in key areas and recruitment and retention challenges.

We recognise that our staff are our greatest asset and that it is important to have their feedback., We engage in different ways with staff, including through the annual iMatter survey the results from which are as follows:

iMatters Survey Questions	Health and Social Care Staff			
	2017/18	2018/19	2019/20	Difference compared to previous year
I am clear what is expected of me at work	86.5%	88.5%	86.0%	↓ 2.5%
My team has a good team spirit	75.5%	79.0%	84.0%	↑ 5.0%
I am treated with dignity and respect as an individual	82.0%	82.0%	84.0%	↑ 2.0%
I know how my job contributes to the organisation's objectives	79.5%	80.5%	81.0%	↑ 0.5%
I feel appreciated for the work I do	68.0%	70.5%	75.0%	↑ 4.5%

**A joint Health and Social Care iMatters Staff Survey was carried out in 2019. The 2017/18 and 2018/19 surveys were carried out separately but have been combined to allow comparison.*

We are pleased to see an overall improvement in most key indicators. However, there is slight decline in how staff feel about what is expected of them at work. To address this we have been collaborating with our workforce to develop the action plan that will be implemented in 2020/21.

Workforce Planning

From last year's survey, we said we would continue to improve services and develop new ways of working, and that it was essential we have our staff in the right places.

In response, we embarked on a series of digital workshops to build our understanding of the key digital and technical infrastructures that could support our workforce in their daily activities and in their engagement with our service users. This has resulted in a Digital Strategy Group whose role now is to develop these key action plans for delivery during the coming years.

Supporting Staff – Healthy Working Lives

Last year we said we would undertake 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;
- the Council reviewing current attendance policies in collaboration with trade unions;
- close working with HR colleagues to deliver training on supporting attendance;
- ongoing health improvement activities and support through Healthy Working.

The result of this is that:

- We held accountability meetings with managers to support them to manage and improve attendance.
- We have seen an improvement in absence and a reduction long term absence over the year.
- We have had an iMatters and pulse survey undertaken where staff indicated that they felt well supported and we are working on the outcome of that to identify more actions

The work of the Learning and Development team is grounded in the values of participation and collaboration in order to support services including Team and Locality Support, Partnership Opportunities and Qualification Support.

During 2019/20, we have seen a wide range of learning and development sessions, quality improvement programmes and, accreditations taking place across the Partnership.

Some of the highlights include:

- Community Mental Health Nursing learning and development session to share information on developments across mental health services and consider future service delivery.
- South Locality staff had the opportunity to explore the organisational vision and values, the team values and to develop a South Locality mission/purpose statement using the 9 National Health and Wellbeing Outcomes, the Health and Social Care Standards and the Perth & Kinross HSCP Strategic Vision.
- Clinical and Professional Team Manager (Perth City) Lindsey Griffin, successfully achieved the Queens Nursing Institute (Scotland) Award in August 2019. Lindsey was the only nurse from Perth and Kinross as well as the only Mental Health Nurse from across Tayside to achieve the award. The award is internationally recognised and requires sponsorship from an Executive Nurse Director. In

order to achieve the award, Lindsey undertook an ongoing piece of development around Monitoring Physical Health within Mental Health service users.

- Staff from SouthLocality were involved in the SSSC Integrated Working Research as one of 3 sites in Scotland. The research was to gain deeper understanding of the workforce's experience of integrating health and social care, consider the conditions required for effective integrated working and identify what skills, competencies, qualities, values, behaviours and qualifications the workforce have or need in an integrated working environment.
- Perth City has successfully secured a place for a team of their health and social care staff commencing in October 2019 on Tayside's Quality Improvement Programme (TQuIP). Evidence of joint working, joint learning and development and the enhancement of quality improvement skills across integrated care.
- Pitlochry GP Unit have undertaken Values Management approach to service development and team working supported by the Improvement Academy. Expected outcome is to develop a team-based ethos of continuous improvement. It gives the team the tools and skills to do this in a structured and coordinated way while managing costs and focusing on the information that is important to them to reduce waste, harm and variation.

1.	<p>We require to be clearer about our performance, our achievements and the impact of our activity.</p> <p>During 2019/20 we created and approved our performance framework. This framework provides structure around our performance reporting to ensure that our achievements and the impact of our activities are appropriately communicated. Examples of improvements that have been made in this regard are the publication of our first quarterly performance report in February 2020 as well as the creation of regular Clinical and Care Governance locality reports.</p>
2.	<p>We will develop a performance framework that reports more effectively and routinely across a number of agreed measures.</p> <p>Update: See above.</p>
3.	<p>We will perform a “deep dive” audit to explore the root cause of the increase in Accident & Emergency (A&E) attendance.</p> <p>Update: A model has now been developed that will deliver two independent outcomes during 2020:</p> <ol style="list-style-type: none"> 1. Overall reduction in self-presenters to A&E where care can be delivered more appropriately 2. Effective management and scheduling of the flow of self-presenters to A&E and local Board services <p>We will work with colleagues across Health and Social Care to better understand patient presentations.</p>
4.	<p>We will ensure that all future reporting includes a benchmark comparative with Scottish averages and will also include upper quartile performance markers.</p> <p>Update: The core data used within the performance framework is the National Indicators agreed with the Scottish Government. These indicators are expressed in percentages or rates per 100,000 for comparative purposes. Work has not been progressed in respect to further comparisons, for example quartile performance. In future we will provide additional performance measures based on HSCPs which are comparable as well as Scotland as a whole.</p>
5.	<p>We will work closer with our communities to better understand public perception that services provided are not making people feel part of the local community.</p> <p>Update: Engagement with our communities is supported by our Community Engagement Workers to determine people’s priorities and perceptions of services being delivered, informing service improvements.</p> <p>A review of the Strategic Commissioning Plan was undertaken during 2019/20. Over a 5-week period in July/August 2019 the Health & Social Care Partnership engaged with local Perth & Kinross Communities to better determine what Strategic Priorities the Partnership should focus on over the next 3 - 5 years.</p>

6.	<p>We will also perform a “deep dive” audit to explore the root cause of an increase in readmissions to a care establishment.</p> <p>Update: A number of pieces of work has been undertaken during 2019/20 to understand readmissions. These will now be pulled together by a short life working group aimed at identifying any specific improvement actions which can be taken.</p>
7.	<p>We will ensure a greater focus on physical disabilities and develop a performance framework to monitor the quality and effectiveness of service provision in that area.</p> <p>Update: During 2019/20 work was undertaken to develop a new strategy and action plan 2020 - 2024 for people with a physical disability, including those with sight loss and hearing loss. The outline for the new Strategy was agreed at the IJB in February 2020. This will focus our resources from statutory and commissioned services and the community to ensure a person centred whole system approach is taken.</p>
8.	<p>As part of our workforce plan, we will ensure robust auditing of our sickness/absence occurrence to better understand the root causes of such and enable mitigating actions to be put in place.</p> <p>Update: During 2019/20 Social Work and Social Care saw an improvement in overall absence including long term. During this reporting period we held supportive meetings along with managers and Human Resource services to better understand sickness absence causes and what can be done to improve absence.</p> <p>Similarly within Health Services sickness absence is managed robustly through the Promoting Attendance At Work Policy (PAWS). The Health team receive monthly Absence Rate Information (AIR) reports which identify areas of concern. On a monthly basis these are worked through with individual managers, overseen by the Head of Health and Lead HR manager, in relation to standard setting and promoting attendance at work.</p> <p>The iMatters workforce engagement tool was also used for the first time across health and social care where, overall, staff indicated that they felt well supported. Further elements of the survey results are now being used to develop and further enhance the wellbeing of our staff.</p>

SECTION 3

HOSTED SERVICES

Delegated and Hosted services

Across Tayside there are three Health and Social Care Partnerships, aligned to the three local authority areas and reporting to their respective IJBs. Each Integrated Joint Board is responsible for the strategic planning and delivery of a range of services that are **delegated** to them by their Council and by NHS Tayside. Additionally there are a range of services which are hosted by each of the 3 Integration Joint Boards and are delivered on a pan-Tayside basis.

More information on the range of services delivered by Perth and Kinross Integration Joint Board is available [here](#).

Perth and Kinross Hosted Services

- **Inpatient Mental Health and Learning Disability Services**

(Note that the operational responsibility for inpatient Mental Health Services transferred to the new Interim Director for Mental Health Services in NHS Tayside in June).

During the reporting period the Inpatient Mental Health and Learning Disability service has undergone a sustained period of improvement in a broad range of areas.

The NHS Tayside Mental Health Nursing Standards for person centred care was referenced by the Mental Welfare Commission as an area of good practice and subsequently won a National award in November 2019.

This achievement is complimented by our continued work towards rights based and person centred care to improve outcomes, support recovery and sustain wellbeing. Keeping the patient at the centre of all that we do, all inpatient wards have been focused on improving structured activity and therapeutic engagement. This has been developed with patients, and their carers, considering the whole process with the emphasis on linking activity.

Continuing this theme we are working towards person centred visiting which seeks to provide flexible visiting for those family members and friends that matter the most in the lives of our patients.

Through our “Listen, Learn Change” action plan which follows the “Trust and Respect” report, we have implemented measures which create systematic opportunities for learning lessons following challenging or difficult events as well as our related interventions. In particular we strive to deliver the Least Restrictive Care options whilst also reflecting on the reasons why an episode occurred, what could have been done differently and also examine the intervention itself to ensure the least restrictive care has been provided.

To continue the success of this approach and to ensure transparency we report our restraint data on a monthly basis to the Scottish Patient Safety Programme for Mental Health. To maximise opportunities to learn and improve, we also report this data

internally within each ward and it is then also reviewed by our Least Restrictive Practice Steering Group.

In relation to patient self-harm, following an initiative developed in Ward 1, Carseview Centre, we have developed the use of self-soothing techniques and the use of alternatives to self-harm boxes. This approach has been successfully developed and implemented in collaboration with patients with lived experience and through gathering patient feedback.

It is recognised that to sustain the progress made over this period and to continue to develop our services we must invest in the development of our staff. In this regard we have a set aim of ensuring that 95% of inpatient staff will receive trauma-informed training commensurate with their role by the end of 2020. Achievement against this aim is being supported by our Senior Nurse for Practice Development and our Lead Nurse who have undertaken Scottish Trauma Leaders training. More broadly we have created and implemented a weekly programme of education and learning for staff. This has proved to be very successful and is well received with over 1000 attendees having taken part so far.

- **Public Dental Services/Community Dental Services**

We 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. Referrals to the Public Dental Service (PDS) for dentally anxious patients continue to increase and we have organised additional sedation training to meet this demand. PDS has supported three independent practitioners through the enhanced practitioner training enabling them to care for residents in designated care homes.

- **Prison Healthcare**

Prison Healthcare operational activity this year focused on ongoing service improvement following an inspection from Her Majesty's Inspectorate of Prisons and continuing with the Patient Safety Collaborative. The service has worked hard to improve the provision of high-quality healthcare services within both HMP Perth and HMP Castle Huntly for both planned and unscheduled care. In addition to this the service has had to respond to increase in prisoner numbers in HMP Perth. Despite these challenges the service has made some significant progress in relation to the provision of healthcare which has been commended by HMIPS in a follow-up inspection. The service was also successful in getting a poster accepted at the International Quality Forum held in Glasgow in March 2019: the poster and work going on within Prison Healthcare was highlighted in the closing remarks of the conference as an area of excellent work.

- **Podiatry**

The Podiatry service continues to develop its workforce to provide person-centred approaches to wellbeing, prevention, care and support. We have increased the use of technology enabled care with partner organisations and providers of personal care to deliver foot health care education sessions remotely and provide individual 'Near Me'

consultations. We engage with our staff on service improvement through our podiatry service improvement group ensuring engagement and consultation of staff at all levels.

The service has continued to build on community capability for personal footcare through expanding work with local volunteer groups across Tayside and now has 3 groups in Perth and Kinross, 1 in Angus 1 in Dundee ready to start once restrictions allow.

SECTION 4

SCRUTINY AND INSPECTION OF SERVICES

The HSCP Care and 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 Associate Medical Director.

The CPGF receives assurance reports from all localities and services within the partnership, and all have provided an annual report providing details and assurances regarding the provision of safe, effective and person-centred services, and any ongoing improvement.

Each locality has in place a Clinical, Care and Professional Governance Group, all of which are now firmly established. These groups have representation across both Health and Social Care and provide an opportunity for shared learning as well as ensuring effective Clinical and Care Governance processes across the locality.

Overall, registered care services (internal and external) in Perth and Kinross are providing high quality care to local people. In 2019/20, 86% of our care and care services for adults were rated good or better in Care Inspectorate Inspections and this is higher than the Scotland figure of 82%.

ID	Indicator	Latest Data available*	2016/17 Perth and Kinross	2017/18 Perth and Kinross	2018/19 Perth and Kinross	Latest Perth and Kinross	What is our trend over last three years	Latest Scotland	How we compared to Scotland
NI 17	Proportion of care and care services rated good or better in Care Inspectorate inspections	2019/20	83%	88%	87%	86%	↑ 3%	82%	↑ 4%

Highlights from 2019/20

Care Inspectorate

Perth and Kinross HSCP has 10 registered services, 6 of which were inspected in 2019/20: Parkdale Care Home and Day Service, New Rannoch Day Centre and Dalweem Care Home were inspected under the new inspection frameworks; Dalweem were inspected at end of February 2020 (due to Covid19 the final report has still to be published). Home Assessment and Recovery Team (HART) and Adults with Learning Disabilities Supported Living were inspected under the older inspection frameworks.

Care Homes and Day Services

Of the 4 services inspected under the new frameworks, 12 quality themes were assessed in the following key areas: How well do we support people's wellbeing? How good is our leadership? How good is our staff team? and How well is our care and support planned?

Out of the 12 quality themes assessed; 1 received Excellent (Level 6), 7 Very Good (Level 5) and 4 Adequate (Level 3). As part of the new inspection framework, the Care Inspectorate evaluate the following areas under 'How well do we support people's wellbeing?', grading is detailed in the table below:

Theme	Assessment
People experience compassion, dignity and respect	3 services received Excellent and 1 Good
People get the most out of life	2 services received Excellent, 1 Very Good and 1 Good
People's health benefits from their care and support	1 Service received Excellent, 2 Very Good and 1 Adequate

This demonstrates that services continue to perform well and offer high quality care. The care Inspectorate made no requirements or recommendations during their inspections. Feedback gathered during the inspection process was overall positive, comments included:

"I am very happy." "The staff are very friendly and easy to get on with." "The service has been a great support to me." (Parkdale Day Service)

"Cannot say any more than how excellent the care and support my mother gets from Parkdale", "The staff are very friendly and helpful." (Parkdale Care Home)

"They are very well looked after, nothing is too much trouble, "Communication is very good, and they are always looking for new ideas." (New Rannoch Day Centre)

'Staff are exceptionally good. They do anything you ask', 'If you can't be at home, this is the next best thing' (Dalweem Care Home)

Home Assessment and Recovery Team (HART) and Adults with Learning Disabilities Supported Living

The Home Assessment and Recovery Team were inspected during January 2020 and Adults with Learning Disabilities (Supported Living Team) in September 2019, inspections were based on the older inspection frameworks.

Grading awarded at the time of inspection	Home Assessment Recovery Team (HART)	Adults with LD Supported Living
Care and Support	Very Good (Level 5)	Very Good (Level 5)
Environment	Not Assessed	Not Assessed
Staffing	Very Good (Level 5)	Not Assessed
Management and Leadership	Not Assessed	Very Good (Level 5)

Of the quality themes assessed both services received Very Good for the Quality of Care and Support, with HART receiving Very Good for Staffing and Adults with Learning Disabilities Very Good for Management and Leadership.

No requirements or recommendations were made at the time of inspections. Feedback from people using the services and their relatives' or carers was overall positive, comments included:

"My needs are being met and I am being encouraged to be as independent as I can and if my needs change, I have support from staff who have all been excellent with me in my short time with the service." (HART)

"I do lots activities", "Really happy with the Service", "Staff are all very professional" and "Very Good Communication" (Supported Living Team)

Commissioned Services

The following section provides details on grading awarded by the Care Inspectorate for inspections carried out during 2019/20. It includes services for Care Homes for Older People (inspected under the new frameworks), Care at Home for Older People and Supported Living Services for people with Learning Disabilities and Mental Health.

Care Home Providers

A total of 96 quality themes were inspected across Care Home Providers and the majority of gradings were good and above with very small numbers awarded adequate/weak evaluation, no services received unsatisfactory. Grading is detailed in the chart below:



Taking a closer look at 'How well do we support people's wellbeing?' 14.7% of services received Excellent, 64.7% Very Good/Good and 20.6% at Adequate/Weak, no services received unsatisfactory grading.

Care at Home Providers and Supported Living Services

A total of 56 quality themes were inspected across Care at Home Providers and Supported Living services for Mental Health and Learning Disabilities (inspected under the older frameworks).

Grading detailed in the chart below highlights the majority of gradings were good and above, no services were awarded weak/adequate or unsatisfactory evaluation.



Feedback is gathered during the inspection process for Care Homes, Care at Home Providers and Supported Living services, comments included:

*"My family can come and visit whenever they want".
"They are good at passing on information, the communication is excellent." (Care Homes)*

'People have different needs, and this was reflected in how they received their support. Happy with the service and carers.' (Care at Home)

'Scottish Autism has made a remarkable difference to my relative's life. All carers that attend to my relative are all caring and competent in their job. This service is a god send'. (Scottish Autism)

Health Improvement Scotland

HMIPS Inspection

The Prison Healthcare service was inspected in October 2018. Following this, the service developed an improvement plan which identified 62 actions to support the issues identified as well as to continue to progress with the ongoing work around wider service improvement. All but one of these actions are now complete; the remaining action relates to reducing the time taken for medicines administration, and the service continues to identify ways of achieving this.

A return visit to HMP Perth took place in November 2018, where a further 9 actions were identified. All but one of these actions is now complete; the remaining action is regarding securing a Clinical Psychologist, and this is being progressed.

A further meeting was subsequently held in March 2020 at HMP Perth. The inspectors were assured that there was significant improvement made since the initial full inspection in May 2018 and the subsequent follow-up visit in November 2018, and they commended the commitment to improvements demonstrated.

Mental Welfare Commission

During 2019/20, Amulree Ward, Moredun Ward, Garry Ward and Tummel Ward at Murray Royal Hospital in Perth and the Learning Disability Assessment Unit, Carseview Centre, Dundee were visited by the Mental Welfare Commission.

TAYSIDE HOSTED SERVICES

Amulree and Moredun Wards, Murray Royal Hospital, Perth (Inpatient Mental Health)

Very positive feedback was received from the inspectors in relation to staff engagement with and support to patients. Patients were involved in meaningful activities and patients themselves spoke very positively about the support from and commitment of staff.

A total of 8 recommendations were made in relation to improved care planning, prescribing monitoring, patient involvement in planning activities, documentation of MDT meetings and in relation to improving the environment to support independent living. During the year, an improved approach to care planning has been introduced with care plan audits undertaken routinely to review for person centeredness and involvement of patients and carers. Weekly prescribing audit and monitoring is now in place. Activity champions have been appointed to plan structured patient activity. In relation to the environment and independent living, the whole estate is being reviewed to optimise the therapeutic environment.

Learning Disability Assessment Unit, Carseview Centre, Dundee (Inpatient Learning Disabilities)

Very positive feedback was received from inspectors in relation to patients who spoke very highly of the care and support from staff. The range of different professionals involved in the provision of care was positively noted including the Independent Sector.

A total of 3 recommendations were made. These were in relation to ensuring staffing for the ward is adequate, audit and review of care plans and the review of the environment to enhance space and condition.

In relation to staffing levels, recruitment remains a significant issue with supplementary staffing required on a daily basis. In relation to the environment, the whole estate is being reviewed to optimise the therapeutic environment.

Quality improvement work is ongoing in relation to Care Plan Review.

PERTH AND KINROSS HEALTH AND SOCIAL CARE PARTNERSHIP SERVICES

Garry and Tummel Wards, Murray Royal Hospital, Perth (Psychiatry of Old Age)

Very positive feedback was received from inspectors in relation to all family members who spoke highly of the staff and care their relatives received and that staff were always available and were supportive during difficult periods. Care plans were considered to be detailed, person centred and reviewed regularly.

A total of 3 recommendations were made in relation to consistency of audit of care plans, review of re-admissions to consider adequacy of discharge planning and community follow up care and record keeping in relation to prescribing.

Improvements have now been implemented in relation to person centred care planning and record keeping. Robust discharge planning is in place across both Garry and Tummel Wards. Both areas now have a designated Social worker to support discharge planning. Early referral to the Older Peoples Community Mental Health Team ensures there is support for individuals and their carers/relatives.

SECTION 5

FINANCIAL PERFORMANCE & BEST VALUE

Financial Performance 2019/20

The 2019/20 Financial Plan set out that based on the budget offers from Perth & Kinross Council and NHS Tayside, financial balance was not anticipated with an overall gap of £4.168m forecast due to legacy funding issues and scale of demand and pay/price pressures.

Across Core Health and Social Care services, the Financial Plan set out anticipated recurring savings of £2.6m. The level of savings required reflects the underlying level of unavoidable cost and demand pressures facing social care services in particular.

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

		Financial Plan 2019/20	FRP Mid-Year 2019/20	2019/20 Year End Out-turn	Movement from Plan
	Finance Plan/Forecast	Over / (under) £m	Over / (under) £m	Over / (under) £m	Over / (under) £m
Core	PKHSCP	0.475	0.246	0.550	0.075
Other Hosted	ALL HSCP	0	(0.097)	(0.364)	(0.364)
Prescribing	NHST	0.752	0.322	(0.442)	(1.194)
GMS	NHST	0	0.123	(0.020)	(0.020)
IPMH	PKHSCP	0.574	0.672	0.623	0.049
Health		1.801	1.266	0.0347	(1.453)
Social Care	PKHSCP	2.367	2.053	1.451	(0.916)
Total		4.168	3.319	1.798	(2.370)

The out-turn in 2019/20 was an overspend of £1.798m. This compared to the financial plan deficit of £4.168m and a subsequent Financial Recovery Plan Target of £3.319m agreed with both Partner Bodies and the IJB during 2019/20. The significant improvement in out-turn against plan has largely been driven by GP Prescribing which has benefited from higher than anticipated national rebates and profit sharing claw backs. The key areas of overspend are:

- The Core Health Services year end overspend is driven by the underlying financial deficit of £0.475m arising from funding issues in relation to complex care pressures. Overspends in

inpatient beds during 2019/20 due to numbers and complexity of patients has been largely been managed through recovery plan actions and high levels of vacancies in some services.

- PKIJB's £0.623m share of an overall £1.8m overspend in Tayside Inpatient Mental Health Services was largely predicted as part of the Financial Plan and is driven by medical locum costs required to cover significant vacancies.
- Social Care year end overspend is largely driven by the underlying financial deficit of £2.367m arising from funding issues in relation to complex care packages and loss of charging income. Financial recovery plan actions and lower than anticipated spend on Care at Home have offset this at the year end.

At the year-end both Perth & Kinross Council and NHS Tayside increased the devolved budget to the IJB by £1.451m and £0.347m respectively, in order to support delivery of breakeven for 2019/20 in line with the Integration Scheme.

Of £2.6m approved savings within Core Health and Social Care, £2.5m were delivered (96%). During 2019/20, 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 under spend of £1.159m against improvement funds in 2019/20 has been transferred to an earmarked IJB reserve to meet future year commitments.

Additional costs incurred in relation to Covid 19 in 2019/20 were met in full by the Scottish Government and had no impact on financial out-turn.

Covid-19, Financial Outlook and Plans for the Future

At the end of March 2020, the IJB approved 3 Year Financial Recovery aimed at delivering financial balance over the period with early investment in early intervention and prevention expected to deliver longer term benefits. However, whilst Perth & Kinross Council were able to meet the budget requisition in full, a gap remains in respect of Health services of £1.2m (excluding Inpatient mental Health Services).

The Covid 19 Pandemic impacted on service delivery from early March 2020. It is now recognised that it will be an ongoing challenge to varying levels for the foreseeable future with levels of social distancing and lockdown measures likely to be in place for 12 months or more. For health and social care services across Perth & Kinross the ongoing constraints of PPE use, isolation and shielding of both staff and service users has a significant impact on the ability to deliver services in the same way. The challenge is how PKHSCP rebuilds health and social care services whilst maintaining service capacity to respond to a potential further surge in Covid-19 activity.

The Covid-19 Pandemic response by PKHSCP has resulted in a dramatic and unprecedented level of change in how day to day services are delivered with new access channels, new ways of working implemented including significant use of digital and telephone services, as well as significant efforts to free up hospital bed capacity. Going forward into the recovery phase we are identifying how these changes were delivered and which changes should now be embedded in service models and practice moving forward, seizing the good practice and innovation that has emerged.

Predicting the immediate and future financial implications of the pandemic is extremely challenging. At this stage it is assumed that there will be sufficient Scottish Government to fund the

additional net costs. PKHSCP is working closely with the Scottish Government to provide necessary assurance for funding to be allocated for all of the additional activities and costs set out in the PKHSCP Mobilisation Plan. However, our estimates at this stage are subject to significant change. The further development of the PKHSCP Remobilisation Plan will set out a range of further service changes as the focus shifts from response to recovery and then to renewal in line with the Scottish Governments Re-Mobilise, Recover, Redesign Framework. A fundamental review of Strategic Objectives and the 3 Year Financial Recovery Plan will be required.

Workforce planning and development will be of upmost importance and ensuring the necessary capacity and expertise to support service leaders as they seek to embrace change creatively will be critical. In parallel, the historic gaps in leadership capacity must be addressed to ensure all opportunities can be seized with the momentum required.

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.

Vision and Values

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 HSCP Team. A refreshed Strategic Plan has been developed in close consultation with a wide range of stakeholders and this informs priorities 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. Partnership working with the Third Sector continues to develop and deepen. A key priority emerging as part of Covid 19 Remobilisation is the further development engagement with the Third Sector and with wider Communities.

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. A Partnership Improvement Plan has been developed which consolidates the improvements planned to strengthen the effectiveness of our delivery arrangements. This consolidates actions identified as part of our own self-assessment and from external review. Our ability to progress a number of the developments has been impacted by Covid 19. In parallel, responsive changes have been required to support PKHSCP's response to Covid 19.

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. Whilst the impact of Covid 19 on future financial sustainability is currently unknown it is clear that robust prioritisation of resources will be key. PKHSCPs robust financial planning mechanisms will support this well moving forward.

Performance Management

Developing a consistent approach to performance review across all areas of the IJB has been a key objective in 2019/20 and a new framework for reporting was agreed by the Audit & Performance Committee in December 2019 that has been used as the basis for reporting in this Annual Performance Report.

Next Steps

The IJBs 3 Year Financial Recovery Plan reflects the economic outlook beyond 2020/21, adopting a strategic and sustainable approach linked to the delivery of priorities as detailed in our Strategic Plan. These priorities will provide a strong focus for future budget decisions. As we move into the remobilisation phase, we hope to embrace many of the positive changes over a difficult pandemic response period and accelerate delivery of strategic plan objectives to support future financial sustainability.

APPENDIX

NATIONAL INDICATOR TABLES

Performance Key – we have used the following definitions to set the colour and arrows:			We are within 3%, or are meeting or exceeding the number we compare against		We are between 3% and 6% away from meeting the number we compare against		We are more than 6% away from meeting the number we compare against		An arrow indicates the direction the numbers are going in
ID	Indicator	Latest Data available	2015/16 Perth and Kinross	2017/18 Perth and Kinross	Latest Perth and Kinross	What is our trend over last three years		Latest Scotland	How we compared to Scotland
NI 01	% of adults able to look after their health very well or quite well	2017/18	95.4%	94.6%	94.6%	↓	0.7%	93.0%	↑ 1.6%
NI 02	% of adults supported at home who agree that they are supported to live as independently as possible	2017/18	81.4%	83.0%	83.0%	↑	1.5%	81.0%	↑ 2.0%
NI 03	% of adults supported at home who agree that they had a say in how their help, care or support was provided	2017/18	81.8%	77.7%	77.7%	↓	4.1%	76.0%	↑ 1.7%
NI 04	% of adults supported at home who agree that their health and care services seemed to be well co-ordinated	2017/18	75.5%	74.5%	74.5%	↓	1.0%	74.0%	↑ 0.5%
NI 05	Percentage of adults receiving any care or support who rate it as excellent or good	2017/18	83.4%	81.3%	81.3%	↓	2.1%	81.0%	↑ 0.3%
NI 06	% of people with positive experience of care at their GP practice.	2017/18	91.3%	88.4%	88.4%	↓	2.9%	83.0%	↑ 5.4%
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.	2017/18	83.6%	80.6%	80.6%	↓	3.0%	80.0%	↑ 0.6%
NI 08	% of carers who feel supported to continue in their caring role	2017/18	40.3%	40.9%	40.9%	↑	0.6%	37.0%	↑ 3.9%
NI 09	% of adults supported at home who agreed they felt safe.	2017/18	79.7%	84.9%	84.9%	↑	5.2%	80.0%	↑ 4.9%

Note: The above indicators are from the Health and Care Experience Survey (HACE) which is undertaken every two years. Due to Covid-19, results for 2019/20 are not available.

ID	Indicator	Latest Data available	2016/17 Perth and Kinross	2017/18 Perth and Kinross	2018/19 Perth and Kinross	Latest Perth and Kinross	What is our trend over last three years		Latest Scotland	How we compared to Scotland	
NI 11	Premature Mortality rate per 100,000	2018 Calendar Year	348	364	350	350	↑	2	432	↓	82
NI 12	Rate of emergency admissions per 100,000 population for adults	2019 Calendar Year	11,159	10,777	10,947	11,513	↑	354	12,602	↓	1,089
NI 13	Rate of emergency bed day per 100,000 population for adults	2019 Calendar Year	118,411	109,670	107,609	106,791	↓	11,620	117,478	↓	10,687
NI 14	Readmissions to hospital within 28 days of discharge per 1,000 admissions	2019 Calendar Year	118	112	115	115	↓	3	104	↑	11
NI 15	Proportion of last 6 months of life spent at home or in a community setting	2019 Calendar Year	88.24%	89.52%	89.56%	89.76%	↑	1.52%	88.63%	↑	1.13%
NI 16	Falls rate per 1,000 population aged 65+	2019 Calendar Year	21.70	21.44	22.13	22.70	↑	1.00	22.69	↑	0.014
NI 17	Proportion of care and care services rated good or better in Care Inspectorate inspections	2019/20	83%	88%	87%	86%	↑	2.9%	82%	↑	4%
NI 18	Percentage 18+ with intensive social care needs receiving care at home	2018 Calendar Year	56.93%	58.08%	60.73%	60.73%	↑	3.80%	62.08%	↑	1.35%
NI 19	Number of days people aged 75+ spend in hospital when they are ready to be discharged per 1,000 population	2019 Calendar Year	866	658	548	644	↓	222	783	↓	139
NI 20	Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency	2019 Calendar Year	25.68%	26.51%	25.61%	24.93%	↓	0.75%	23.18%	↑	1.76%

Note: Due to data completeness issues in the rest of Scotland for 2019/20, it has been advised by Public Health Scotland that the Scotland baseline should be based on 2019 calendar year for most national indicators. Updated data for NI11 and NI18 is expected later this year.

