



Council Building
2 High Street
Perth
PH1 5PH

18 June 2019

A meeting of the **Audit and Performance Committee of the Perth and Kinross Integration Joint Board** will be held in the **Council Chamber, 2 High Street, Perth, PH1 5PH** on **Tuesday, 18 June 2019** at **14:00**.

If you have any queries please contact Adam Taylor on (01738) 475163 or email Committee@pkc.gov.uk.

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

Those attending the meeting are requested to ensure that all electronic equipment is in silent mode.

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

Members

Councillor Callum Purves, Perth and Kinross Council (Chair)
Councillor Eric Drysdale, Perth and Kinross Council
Lorna Birse-Stewart, Tayside NHS Board
Pat Kilpatrick, Tayside NHS Board
Bernie Campbell, Carer Public Partner

**Audit and Performance Committee of the Perth and Kinross Integration Joint
Board**
Tuesday, 18 June 2019

AGENDA

1 WELCOME AND APOLOGIES

2 DECLARATIONS OF INTEREST

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

3 MINUTE OF PREVIOUS MEETING

3.1 MINUTE OF MEETING OF THE AUDIT AND PERFORMANCE COMMITTEE OF 19 FEBRUARY 2019 **5 - 10**
(copy herewith)

3.2 ACTIONS UPDATE **11 - 12**
Report by Chief Financial Officer (copy herewith G/19/97)

3.3 MATTERS ARISING

4 GOVERNANCE & ASSURANCE

4.1 INTERNAL AUDIT REPORT ON STRATEGIC PLANNING **13 - 26**
Report by Chief Internal Auditor (copy herewith G/19/95)

4.2 STRATEGIC RISK MANAGEMENT **27 - 32**
Report by Chief Financial Officer (copy herewith G/19/98)

4.3 TRANSFORMATION GOVERNANCE ACTION PLAN - 2018-19 **33 - 38**
Report by Financial Officer (copy herewith G/19/99)

4.4 UPDATE: AUDIT RECOMMENDATIONS **39 - 50**
Report by Chief Financial Officer (copy herewith G/19/100)

4.5 MINISTERIAL STATEGIC GROUP FOR HEALTH AND COMMUNITY CARE 'REVIEW OF PROGRESS WITH INTEGRATION OF HEALTH & SOCIAL CARE - P&K IJB SELF ASSESSMENT' **51 - 98**
Report by Chief Officer (copy herewith G/19/101)

4.6	18-22 - INTERNAL AUDIT REPORT Report by Perth & Kinross Council Chief Internal Auditor (copy herewith 19/159)	99 - 104
4.7	APPOINTMENT OF INTERNAL AUDITORS 2019/20 - 2021/22 Report by Chief Financial Officer (copy herewith G/19/102)	105 - 106
4.8	CHIEF INTERNAL AUDITORS ANNUAL REPORT AND ASSURANCE STATEMENT 2018/19 Report by Chief Internal Auditor (copy herewith G/19/96)	107 - 122
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6	PERFORMANCE	
6.1	2018/19 FINANCIAL STATEMENT Report by Chief Financial Officer (copy herewith G/19/105)	177 - 190
6.2	CORPORATE PERFORMANCE FRAMEWORK Verbal Update by Chief Financial Officer	
7	PRIVATE DISCUSSION	
8	DATE OF NEXT MEETING Monday 16 September 2019	

AUDIT AND PERFORMANCE COMMITTEE OF THE PERTH AND KINROSS INTEGRATION JOINT BOARD

Minute of Meeting of the Audit and Performance Committee of the Perth and Kinross Integration Joint Board (IJB) held in the Council Chambers, Ground Floor, Council Building, 2 High Street, Perth on Tuesday 19 February 2019 at 1.00pm.

Present: Councillors C Purves (Chair) and E Drysdale (both Perth and Kinross Council); Councillor C Stewart (substituting for Professor N Beech) and Ms L Birse-Stewart, Tayside NHS Board (from Item 4.1 onwards).

In Attendance: R Peat, Tayside NHS Board, NHS Tayside; R Packham, Chief Officer; J Smith, Chief Financial Officer; D Mitchell (from Item 4.1 onwards), E Devine, F Easton, P Henderson and P Jerrard (all Perth and Kinross Health and Social Care Partnership); A Taylor, Democratic Services, Perth and Kinross Council; J Trieb and B Hudson, both representing the Chief Internal Auditor, Perth and Kinross IJB; and M Wilkie, KPMG.

Apologies: Professor N Beech, Tayside NHS Board; J Foulis, Associate Nurse Director, NHS Tayside; B Campbell, Carer Public Partner; and D Fraser, Perth and Kinross Health and Social Care Partnership.

1. WELCOME AND APOLOGIES

Councillor Purves welcomed all those present to the meeting and apologies were submitted and noted as above.

2. DECLARATIONS OF INTEREST

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

3. MINUTES OF PREVIOUS MEETING

3.1 MINUTE OF MEETING OF THE AUDIT AND PERFORMANCE COMMITTEE OF 30 NOVEMBER 2018

The minute of meeting of the Audit and Performance Committee of the Perth and Kinross Integration Joint Board of 30 November 2018 was submitted and approved as a correct record, subject to additional resolution (ix) being included under Item 5.2.

3.2 ACTION POINTS UPDATE

The Action Point Update (Report G/19/17) from the meeting of 30 November 2018 was submitted and noted.

3.3 MATTERS ARISING

There were no matters arising from the minutes of previous meetings.

4. PERFORMANCE

4.1 CORPORATE PERFORMANCE

There was submitted a report by the Chief Officer (G/19/18) providing the Committee with an update on the Health and Social Care Partnership (HSCP) Corporate Performance.

Resolved:

- (i) The corporate performance detailed in Appendix 1 to Report G/19/18 be noted.
- (ii) It be agreed that the Health and Social Care Partnership provide quarterly updates to the Audit and Performance Committee.
- (iii) It be noted that there are no particular exceptions being reported at this time.

D MITCHELL AND L BIRSE-STEWART BOTH ARRIVED DURING THE ABOVE ITEM.

4.2 PERFORMANCE UPDATE: OLDER PEOPLE AND UNSCHEDULED CARE

There was submitted a report by the Head of Health and Head of Adult Care and Social Care (G/19/19) providing the Committee with an update on the Older People and Unscheduled Care (OPUSC) performance for the purpose of scrutiny and assurance.

Resolved:

- (i) The OPUSC Board performance outcomes as detailed in Appendix 1 to Report G/19/19 be noted.
- (ii) It be agreed that the OPUSC Board provide quarterly updates to the Audit and Performance Committee on progress and performance of the Board's activities.

COUNCILLOR X McDADE ARRIVED DURING THE ABOVE ITEM.

5. GOVERNANCE

5.1 STRATEGIC RISK MANAGEMENT

There was submitted a report by the Chief Financial Officer (G/19/20) providing the Committee with an update on the progress made in managing the high level IJB Strategic Risk Management Profile.

Resolved:

The progress in managing the high level IJB Strategic Risk Management Profile as detailed in Appendix 1 to Report G/19/20, be noted.

F EASTON LEFT THE MEETING AT THIS POINT.

5.2 TRANSFORMING GOVERNANCE ACTION PLAN 2018/19

There was submitted a report by the Chief Financial Officer (G/19/21) providing the Committee with an update on the progress of the Transforming Governance Action Plan 2018/19.

Resolved:

- (i) The progress made on the Transforming Governance Action Plan 2018/19 as detailed in Appendix 1 to Report G/19/21, be noted.
- (ii) The Chief Financial Officer be remitted to present a further update to the next meeting of the Audit and Performance Committee in June on the further progress of the Transforming Governance Action Plan.

5.3 CHIEF SOCIAL WORK OFFICER ANNUAL REPORT 2017/18

There was submitted a report by the Chief Social Work Officer (G/19/22) (1) providing the Chief Social Work Officer's overview of social work and social care in Perth and Kinross during financial year 2017/18; (2) setting out how social care and social work services are being delivered and the key challenges in planning and delivering statutory social work functions; and (3) highlighting how social care and social work services are responding to new responsibilities associated with major changes in legislation and shifts in policy direction as well as increasing demand and associated budget pressures.

Resolved:

- (i) It be noted that Report G/19/22 was approved by Perth and Kinross Council at its meeting on 19 December 2018 and also submitted to and noted by the Integration Joint Board at its meeting on 15 February 2019.
- (ii) The Chief Social Work Officer Annual Report as set out in Appendix 1 to Report G/19/22 be noted.

6. FINANCE & AUDIT

6.1 AUDIT STRATEGY

There was submitted a copy of the Perth and Kinross Integration Joint Board Audit Strategy (G/19/23) for the year ending 31 March 2019 produced by the External Auditors, KPMG.

M Wilkie from KPMG provided the Committee with a brief summary of the main headlines of the report and answered questions from members.

Resolved:

The contents of Report G/19/23 be noted.

R PEAT LEFT THE MEETING AT THIS POINT.

6.2 INTERNAL AUDIT PROGRESS REPORT

There was submitted a report by the Chief Internal Auditor (G/19/24) providing the Committee with an update on the progress made to date with the current Internal Audit Plan.

Resolved:

The substantial completion of the 2017/18 Internal Audit Plan, as well as commencement of delivery of the 2018/19 plan as outlined in Report G/19/24, be noted.

6.3 AUDIT RECOMMENDATIONS UPDATE

There was submitted a report by the Chief Financial Officer (G/19/25) providing the Committee with progress on the implementation of all internal and external audit recommendations arising since the formal inception of the Integration Joint Board.

Resolved:

The progress made to date on implementing agreed recommendations, as set out in Report G/19/25, be noted.

6.4 2018/19 FINANCIAL POSITION

There was submitted a report by the Chief Financial Officer (G/19/26) providing the Committee with an update on the year-end financial forecast for 2018/19 based on the 9 months to 31 December 2018.

Resolved:

- (i) The overall projected overspend of £1.954m for Perth and Kinross IJB for 2018/19; an improvement of £2.081m from the last report, be noted.
- (ii) It be noted that a separate paper on the 2018/19 Financial Recovery Plan agreed by NHST and PKC including £1.238m of recovery plan actions assumed to be delivered within this revised year end forecast was homologated by the IJB at its meeting on 15 February 2019.
- (iii) The progress with 2018/19 savings delivery as outlined in Report G/19/26, be noted.
- (iv) The update regarding IJB reserves as outlined in Report G/19/26, be noted.

6.5 AUDIT SCOTLAND REPORT – ‘HEALTH AND SOCIAL CARE UPDATE ON PROGRESS’

There was submitted a report by the Chief Officer (G/19/27) sharing Audit Scotland’s recently published report ‘Health and Social Care Integration with the Audit and Performance Committee.

Resolved:

- (i) The recommendations contained in Report G/19/27, be noted.
- (ii) Consider which areas highlighted should be reviewed with partner agencies;
- (iii) It be noted that the IJB management team will review this document via its Executive Management Team by means of a self-assessment exercise on progress set against the Audit Scotland report recommendations.
- (iv) It be agreed that the results of the self-assessment exercise carried out by the Executive Management Team on progress set against the Audit Scotland recommendations, be submitted to a future meeting of this Committee for review.

7. FOR INFORMATION / NOTING

7.1 AUDIT & PERFORMANCE COMMITTEE – REVISED TERMS OF REFERENCE

There was submitted and noted the revised Terms of Reference for the Audit and Performance Committee of the Integration Joint Board (IJB) (G/19/28).

7.2 AUDIT SCOTLAND – PERTH & KINROSS IJB ANNUAL AUDIT REPORT 2017/19

There was submitted and noted a letter (G/19/29) received by the Chief Officer from Audit Scotland regarding the Annual Audit Report 2017/18.

7.3 MINISTERIAL STRATEGIC GROUP FOR HEALTH AND COMMUNITY CARE – REVIEW OF PROGRESS WITH INTEGRATION OF HEALTH AND SOCIAL CARE – FINAL REPORT

There was submitted a report by the Chief Officer (G/19/30) sharing the Ministerial Strategic Group for Health and Community Care 'Review of Progress with Integration of Health and Social Care – Final Report' with the Audit and Performance Committee.

Resolved:

- (i) The proposals contained in Report G/19/30, be noted.
- (ii) Consider which areas highlighted should be reviewed with parent bodies and partner agencies.
- (iii) It be noted that the IJB Executive Management Team will develop key actions set against the proposals contained within Report G/19/30.

8. PROPOSED DATES OF NEXT MEETINGS / DEVELOPMENT SESSIONS

Thursday 20 June 2019 at 9.30am
Monday 16 September 2019 at 9.30am
Monday 2 December 2019 at 9.30am (Development Session)
Monday 17 February 2020 at 9.30am

Resolved:

Due to a clash with a meeting of the NHS Tayside Board on Thursday 20 June 2019, an alternative date be arranged.

9. PRIVATE DISCUSSION

A private discussion took place as necessary between the members of the Committee.

Action Points Update 18 June 2019 (Report No. G/19/97)
Perth & Kinross IJB – Audit and Performance Committee



Ref.	Min. Ref.	Meeting	Action	Responsibility	Timescale	Revised Timescale	Update/Comments
27	4.1	06/03/18	Governance & Accountability Arrangements – Chief Officer to bring a paper to IJB setting out in detail the governance arrangements. The Audit & Performance Committee agreed for the report to come back in September 2018.	GP	November 2018	March 2019	COMPLETE Governance and accountability arrangements paper agreed in March 2018. Subsequent workshops held in November have further enhanced learning and understanding.
37	4.1	06/03/18	Governance & Accountability Arrangements – Reporting structure, including high level summary of role & remit and reporting arrangements as agreed/endorsed formally by the IJB to be prepared.	GP	16 September 2019	-	
29	4.1	19/06/18	The Chief Officer to provide a further update at the next meeting on progress with a training and development plan and performance for IJB members.	GP	16 September 2019	February 2019	The annual governance self assessment has identified the need to full refresh the induction programme for members and the IJB Training & Development Plan. In parallel annual development meetings between the Chair and Members is proposed.
32.	4.1	20/09/18	Chief Financial Officer to provide a further update at the next meeting of the Committee on further progress on the Transforming Governance Action Plan.	JMS	November 2018	-	COMPLETE
35.	7.1	20/09/18	2018/19 Financial Position – The Chief Officer be instructed to seek formal agreement from Perth and Kinross Council and NHS Tayside on the risk sharing arrangements for 2018/19.	GP	November 2018	February 2019	COMPLETE

Action Points Update 18 June 2019 (Report No. G/19/97)
Perth & Kinross IJB – Audit and Performance Committee



Ref.	Min. Ref.	Meeting	Action	Responsibility	Timescale	Revised Timescale	Update/Comments
36.	6.5	19/2/19	Audit Scotland Report – ‘Health and Social Care Update on Progress’ – The self Assessment carried out by the PKHSCP Executive Management Team on progress set against the recommendations be submitted to a future Committee meeting for review.	GP	30 September 2019	-	The 2018/19 Governance Self Assessment took account of the recommendations set out in this report. A comprehensive Improvement Plan is being developed that will bring together the findings of this self assessment, the findings of the joint inspection and the self assessment against the Ministerial Strategic Group Review of Integration will be brought forward to the Audit & Performance Committee in September 2019.
38.	6.4	19/2/19	The Chief Officer to seek formal agreement from Perth and Kinross Council and NHS Tayside on the risk sharing arrangements for 2019/20.	JMS	16 September 2019	-	

FINAL REPORT

PERTH AND KINROSS INTEGRATION JOINT BOARD
INTERNAL AUDIT SERVICE**STRATEGIC PLANNING**

REPORT NO. PK05/18 (INCORPORATING PK06/18)

Issued To: G Paterson, Chief Officer/Director – Integrated Health and Social Care
 J Smith, Chief Financial Officer
 D Fraser, Head of Adult Social Work and Social Care
 E Devine, Head of Health, Health & Social Care Partnership
 H Dougall, Clinical Director, Perth & Kinross IJB
 M Rapley, Service Manager, Business Planning & Performance

J. Pepper, Depute Director, Education & Children's Services and Chief
 Social Work Officer

P. Henderson, Service Manager (Early Intervention and Prevention/
 Mental Health)

P Jerrard, Business Support for distribution to:

Audit & Performance Committee
 External Audit

Date: 11 June 2019

INTRODUCTION & SCOPE

1. Perth and Kinross Integration Joint Board (PK IJB) is responsible for the strategic planning and commissioning of integrated health and social care services across its partnership area. In January 2016 the PK IJB approved a Participation and Engagement Strategy setting out the Perth and Kinross Health and Social Care Partnership's (PK HSCP) approach to involving a range of community stakeholders including service users, carers, staff and communities in achieving health and social care integration. On 23 March 2016 the strategic Commissioning Plan was reported to the IJB. The purpose of this report was to note the results of the formal consultation on the draft strategic plan and to approve the first health and social care partnership Strategic Commissioning Plan 2016-2019. The report was approved for submission to the Scottish Government. This Plan described how integrated services would meet the needs of individuals and local communities, as well as the local and national outcomes.
2. It was proposed at the PK IJB on 26 January 2018 to revise arrangements for strategic planning across PK HSCP. It was resolved that the process of refreshing structures for strategic planning across the partnership be approved, to refresh the membership of the Strategic Planning Group for approval at the Board in March 2018 and a refreshed role and remit and terms of reference for each of the groups by March 2018.
3. The Strategic Commissioning Plans Guidance published by the Scottish Government in 2015 states that Strategic Plans must be revised at least every three years. It sets out an expectation that developing and updating Strategic Plans should be part of an iterative, cyclical process, supported by analysis of available data.
4. The scope of this assignment plan is to ensure that the PK IJB Strategic Plan including the development of local delivery plans, stakeholder engagement and partnership working have been reviewed and updated.

OBJECTIVE

5. Our audit work was designed to evaluate whether appropriate systems were in place and operating effectively to mitigate risks to the achievement of the services objectives as detailed in the Strategic Plan.

RISKS

6. The following risks could prevent the achievement of the above objective and were identified to be within scope for this audit.
 - ◇ The IJB, Council and NHS not working together to ensure operational plans are clearly aligned to the strategic priorities
 - ◇ The IJB, Council and NHS not working together to view their finances as a collective resource for health and social care to provide best possible outcomes for people who need support
 - ◇ Lack of willingness and ability to share information to promote new ways of working
 - ◇ Lack of meaningful and sustained engagement to ensure continued improvement in the way that local communities are involved in planning and

implementing any changes to how health and care services are accessed and delivered

AUDIT OPINION AND FINDINGS

7. The audit opinion is **Category C** -. A description of all audit opinion categories is given in the final section of this report.
8. Our overall opinion is based on the arrangements at management level and reporting at governance level. We reviewed Board and Group documentation on the shared documentation site, work of the programme Boards and minutes of meetings of stakeholders and groups. Key findings are as follows:
9. At the IJB meeting on 22 March 2019 it was recommended that the IJB note there will be a delay in preparation of the 2019-2022 Strategic Commissioning Plan for Perth & Kinross IJB, approve continuation of Strategic Planning and Operational management under principles set out in the 2016-19 Strategic Commissioning Plan and request that the Chief Officer present the refreshed Strategic Commissioning Plan for approval at the IJB meeting on 27 September 2019. It is noted that a range of factors have combined to justify a short delay before publication. The IJB agreed to this delay, with a commitment to provide an interim update to the Board in June 2019; provide a workshop for the Board to express their views and allow for full engagement of those who are directly impacted by Services across Perth and Kinross.
10. The IJB and its partners are facing major financial challenges and it is recognised that achieving financial balance is reliant on the delivery of a very significant transformation and efficiency programme. Sustained improvement and financial sustainability will not be achieved without setting clear strategic direction. The key financial objectives and priorities require to be identified in the Strategic Plan.
11. A Joint Partnership Workforce Plan has yet to be developed. This will be an overarching, high level and strategic document, designed to facilitate transformation, service challenges and change. The plan will be developed at a suitable stage in 2019, as determined by the Executive Management Team, in line with the operation of the Programme Boards, national guidance and timescales, plus finalised strategic and financial delivery plans. A Workforce Development Group has been created to support profiling the workforce and skills gap analysis, integrating workforce policies and procedures, proactive approaches to recruitment challenges, and investing in staff development to support new ways of working and retention of staff. The group will regularly report back to both the Integrated Management Team and Executive Management Team with updates.
12. Progress of the four Programme Boards has been reported to the Strategic Planning Group, the Strategic Planning and Commissioning Board and the PK IJB and confirms these Operational Boards are actively working towards focused implementation of service delivery for each of their Service areas. Since the original Strategy was finalised in March 2016, the Chief Officer has provided a Strategic update report to the PK IJB at every standard meeting. There have been 4 meetings in 2016, 5 meetings in 2017, 5 meetings in 2018 and 2 meetings in 2019. These have been minuted and are available to read on the IJB webpage on the PKC website.
13. PK IJB were informed of the development of a risk management strategy with proposed initial risks related to delivery of services in March 2016, particularly

those which are likely to affect the delivery of the Strategic Plan¹. A risk management progress update was reported to IJB Audit and Performance Committee in November 2018 following a risk management workshop in the same month. From this, a revised Risk Management Framework and Strategic Risk Register for Perth and Kinross Health and Social Care Partnership (PKHSCP) was provided to the PK IJB. The risk register includes the risk that there is insufficient financial resources to deliver the objectives of the Strategic Plan

14. Other external reports are noted including Audit Scotland reports –

- Health and Social Care Integration, an update on progress, Nov 2018 ²
- Local government in Scotland - Financial overview 2017/18, Part 3 Integration Joint Boards' overview 2017/18 published Nov 2018 ³
- Review of Local Scrutiny Plan – April 2018 to March 2019 for Perth and Kinross⁴. This reported that *'steady progress is also being made towards health and social care integration...'*

15. PK-HSCP has recently been subject to a joint inspection by the Care Inspectorate and Health Improvement Scotland. The results of this inspection will inform the Strategic Plan however publication of the final report is not expected until mid 2019. A self evaluation process prepared in anticipation of the inspection will inform the plan.

16. Assurances from these reviews are cross-referenced where relevant and appropriate.

17. Findings in the review are detailed below in order of the four risks as identified at section 6 above.

Joint Working to ensure operational plans are clearly aligned to the strategic priorities

18. The review confirmed that operational planning is being undertaken by the 4 programmes of care.

19. The Executive Management Team (EMT) acts as the Strategic Planning & Commissioning Board (SPCB) and is accountable to the IJB and parent organisations for the strategies and delivery plans. The SPCB reports directly to the IJB and there is also a line from it to the Strategic Planning Group (SPG).

20. The Public Bodies (Joint Working) (Scotland) Regulations 2014 require a SPG to be set up. The role of this Group is in developing and finalising the strategic commissioning plan and in continuing to review progress, measured against the statutory outcomes for health and wellbeing, and associated indicators. Guidance states that membership of the SPG should include representatives from 12 different stakeholders. The guidance also states how Integration Authorities must consider the views of the SPG. The PK IJB SPG was set up in 2015 with meetings taking place throughout 2015. Meetings also took place during 2017 and a revised draft of the role and remit of the group was considered at the meeting in May 2017.

21. The first P&K IJB Strategic Commissioning Plan for 2016-2019 set out how priorities and vision for the next three years would be achieved based on

² <http://www.audit-scotland.gov.uk/report/health-and-social-care-integration-update-on-progress>

³ <http://www.audit-scotland.gov.uk/report/local-government-in-scotland-financial-overview-201718>

⁴ http://www.audit-scotland.gov.uk/uploads/docs/report/2018/lsp_180404_perth_kinross.pdf

analyses, reviews and feedback from individuals, communities and key stakeholders. In January 2018 the PK IJB agreed to a Strategic Plan review to be overseen by a high level Strategic Planning Board. This was intended to ensure effective strategic planning for improvement with Integration Authorities working together with operational plans aligned to strategic priorities. Plans took into account workforce, IT and organisational change plans across the system. A refreshed structure for Strategic Planning was presented to and agreed by the PK IJB in January 2018. Documented evidence was found of the SPCB meeting regularly in 2018 with a draft plan for 2019-22 being circulated for consideration in March 2019. This plan sets out the vision and direction of integrated health and social care services in Perth & Kinross over the next three years. The HSCP wants to make sure that the strategic plans and commissioning delivers better outcomes for people within available resources.

22. Evidence was found of partnership working with the Third Sector Health & Social Care Strategic Forum which has representatives from 45 third sector groups. In 2018, the PK IJB Chief Officer and Head of Adult Social Care were invited to the Forum at which IJB agenda items and minutes were discussed. The four Health & Social Care Partnership Programme Boards are an opportunity for third sector representations. The Forum facilitated its own Third Sector Strategic Networks for Health and Social Care; Children, Young People and Families; Criminal Justice and the Perth & Kinross Social Enterprise Network. A local Integration Lead funded by the partnership was appointed in September 2018. The post represents the Independent sector within Perth & Kinross. An Independent Care Providers meeting took place in November 2018 where partnership working was explored including the Independent Providers with Senior officers from PK-HSCP.
23. Minutes of the SPG in August 2018 verified the SPG were aware that the Strategic Plan was to be written for 2019 the SPG's role and remit/membership was discussed. In November 2018 the SPG meeting was advised that the structure and timeline of the Strategic Plan was still to be agreed. It was reported that the Strategic Planning Board [SPB] would compile the Plan with links to all the Programme Boards. The SPG meeting in February 2019 took the form of a workshop.
24. A copy of the draft Strategic Commissioning Plan was circulated to IJB members in March 2019 with a request from the Chief Officer to have any feedback by the end of March 2019. This refreshed plan focuses upon the ambitions set out by the four Care Programme Boards that will contribute more detail to support modernisation and further integration of services, addressing matters of service distribution across Perth & Kinross where historical location of services is no longer sensitive to the population need.

Finances to be viewed as a collective Resource for health and social care to provide best possible outcomes for people who need support

25. The national review by Audit Scotland (update on progress in Health and Social Care Integration) published in Nov 2018 reported that many Integration Authorities struggled to achieve financial balance in 2017/18. Several IJBs needed additional, unplanned allocations from their partners and adding to, or drawing on, reserves. The report recommended that Integration Authorities, councils and NHS boards should work together and view their finances as a

collective resource for health and social care to provide the best possible outcomes for people who need support⁵.

26. There is evidence that finances have been viewed as a collective resource for health and social care as detailed below. These reports detail the financial position and highlight the financial risks which are both substantial and increasing. Regular financial planning and progress reports have been provided to the PK IJB. For example:

- June 2018, the Chief Finance Officer provided an update on the development of the 2018/19 Financial Plan and set out the key financial risks to delivery of financial balance for the year ahead. A shortfall of £920k was reported, driven predominantly by a £438 shortfall on GP prescribing and a £427k gap on in patient Health Services.
- September 2018, the Chief Financial Officer provided a summary of the issues impacting on the financial position in 2018/19 based on the 4 months to 31 July 2018. An overspend of £3.2m was forecasted for the period which was lower than the forward look. Key areas of overspend were provided including Social Care, Family Health Services and Hosted Services across Tayside. The risk sharing arrangement within the Integration Scheme, agreed with Perth & Kinross Council and NHS Tayside, stated that partners may increase payment in year to the IJB, for supplementary allocations in relation to Integrated Functions that could not have reasonably been foreseen at the time that the IJB budget for that year was agreed. 2018/19 is the third year of the IJB.
- November 2018, the Chief Finance Officer reported an overall projected overspend of £4.035m for 2018/19. Adult social care and GP prescribing were highlighted as overspend areas, along with Tayside hosted services. To fulfil the requirements of the IJB's Integration Scheme, a Financial Recovery Plan has been prepared and submitted to the Chief Executives of Perth & Kinross Council and NHS Tayside for initial consideration. Thereafter, after which it will be issued to the IJB for consideration and agreement before being presented formally to Perth & Kinross and NHS Tayside for consideration. Any balance of overspend not addressed by the recovery plan would require to be offset in line with the Perth & Kinross IJB Integration Scheme risk sharing arrangements.
- February 2019, the Chief Finance Officer reported the projected financial forecast for 2018/19 as indicative of a reduced overspend of £1.954m, with the 2018/19 Financial Recovery Plan document including £1.238m of recovery plan actions.
- March 2019, the PK IJB noted the Chief Finance Officer's report recommending setting the recurring budget for Core Health & Social Care Services for 2019/20 and the provisional budgets for 2020/21 and 2021/22. This included a gap of £2.84m for Core Health & Social Care Services in 2019/20. Of the £2.84m shortfall, it was noted that £0.475m can be expected to be resolved through the formal budget offer from NHST. This leaves a gap of £2.367m and while every effort will be made by PKHSCP to identify further efficiency savings, it is not possible to deliver proposed services within the resources being made available. The Chief Officer is to

⁵<http://www.audit-scotland.gov.uk/news/better-collaboration-needed-to-deliver-health-and-social-care-integration>

bring forward further proposals to the IJB that will support delivery of break even in 2019/20.

- Arrangements for PK-HSCP Large Hospital Set-aside in conjunction with NHS Tayside are still in development as with most other IJBs, and will need to be considered within the new Strategic Plan once the arrangements for implementing this are clearer.

Willingness and ability to share information to promote new ways of working

27. New ways of working were within the strategic commissioning approach in the 2016- 2019 Plan, for example - to develop a virtual health and social care market place to improve information about services and how to access them for self-directed support *(SDS). Evidence of self-directed support was found including a project providing access to SDS for people from ethnic minority populations and this 'person centred' approach may expand to SDS options for other client groups in the future. The 'Your Community PK' website has been designed as a Community PK one-stop shop for information and things to do to support personal health and well-being in Perth and Kinross.
28. The PK IJB Board meeting in January 2018 recognised the need for change in the current configuration of services, to design a service model that will meet the emerging needs of a changing population in Perth and Kinross at the same time as reflecting the need for significant change in the models of service delivery. In February 2018 a visioning event was held with group participation to review and input into the Strategic Commissioning Plan. The P&K IJB Board meeting in June 2018 was informed that a series of meetings have resulted in proposals for the future model of care in Perth and Kinross which is linked to wider work being undertaken across NHS Tayside. The Health and Social Care Partnership is ensuring appropriate links between community and hospital services and encouraging formal review to be inclusive of the future requirements of the Perth and Kinross Community Services.
29. The new draft plan states that major programmes of modernisation and redesign are underway for a range of services which involve shifting the balance of care from hospital to community settings and the development of local services to allow people to access care, support and treatment within the PKHSCP where possible.
30. Section 33 of the Strategic Commissioning Plans Guidance highlights the importance of Integration Authorities to have a Market Facilitation Plan or summary of key requirements to meet demand, incorporated within the Strategic Commissioning Plan. A draft Market Position Statement was provided in February 2019 which was reported as having been discussed by the Strategic Planning Board. The Market Position Statement is intended to provide information of what needs to change, how services will be delivered, setting out priorities and how services will be commissioned. From this a Market Facilitation Plan is to be developed in consultation with providers, once the strategic plan and programme delivery plans have been approved. Therefore the Market Position Plan will be delayed until IJB Strategic Commissioning Plan is approved. The Market Facilitation plan will be used to inform and shape the internal and external commissioning process and help providers in the voluntary and independent sectors to respond to future opportunities to deliver services.
31. Integration delivery principles have included the PK IJB controlled shared space for sharing working documents between stakeholders in addition to the published minutes and related documents of meetings on the IJB website area. During the

review, minutes of SPG meetings were uploaded onto the shared document space.

32. The PK IJB Strategic Commissioning Plan in 2016 reported that work was underway to increase opportunities for people to use technology which support the use of technology enabled care. This commitment to use digital solutions to improve outcomes for people and deliver more efficient care and support is included in the new draft plan. Evidence of the success of Telecare, or community alarms, to assist individuals live independently in their own home and receive help quickly when necessary was reported with Perth & Kinross Council's Community Alarm Team being awarded an accolade from the Technology Enabled Care (TEC) Services Association in January 2019⁶.

Meaningful and sustained engagement

33. Strategic Commissioning Plans Guidance highlights the importance of Integration Authorities to make best efforts to engage with their target audience and allow groups of people with an interest to participate in consultation processes to express an opinion on the draft strategic commissioning plan.
34. The Participation and Engagement Strategy agreed by the PK IJB in 2016 set out principles and approach by the HSCP for engaging with community stakeholders.
35. Health and Social Care Partnership is one of the Outcome Delivery Groups to lead with responsibility for actions which support the delivery of the Community Plan across Perth and Kinross⁷.
36. As part of the refresh of the Strategic Commissioning Plan, P&K IJB redesigned their Strategic Planning Framework in August 2018 into 4 Programmes of Care. An update was provided to IJB in February 2019 on progress from the four Strategic Programme of Care Boards which have been recently established by the P&K Health and Social Care Partnership.
37. The roles and remits of all four Boards are captured within each Strategic Board's Terms of Reference which were presented to the IJB in February 2019 for endorsement. The four Boards are:
- Older People and Unscheduled Care
 - Mental Health and Wellbeing
 - Carers Services
 - Primary Care

These take into account the needs of different communities in Perth and Kinross with three localities identified – Perth City; North Perthshire Locality and South Perthshire Locality in addition to Inpatient and Intermediate Care. These programme Boards all have community stakeholder members and agreed a Terms of Reference. Minutes of their meetings record progress and have been reported to the PK IJB:

⁶ <https://yourcommunitypk.org/listing/telecare-service/>

⁷ <http://www.pkc.gov.uk/communityplanning>

- The Primary Care Board (PCB) is collaborating with colleagues across HSCP to produce a robust Strategic Plan. It is however recognised that notwithstanding the need and desire for such an overarching plan, there are large pieces of work which are already being undertaken including the Primary Care Improvement Plan. This Board has met on three occasions including a Strategic Development Session. However further progress is necessary to fully establish its longer term strategic plan.
 - The Mental Health and Wellbeing Programme Board has four existing strategy groups that report to it namely Mental Health & Wellbeing Strategy, Learning Disability Strategy, Substance Use Strategy and Autism Strategy. The vision for the Mental Health and Wellbeing Programme is to support individuals to maximise their independence and health with the right support at the right time Embed multi-disciplinary team working at the heart of 'seamless' care pathways and support for people and implement a high quality model of care that is financially sustainable.
 - The Older People & Unscheduled Care Programme (OPUSC) Board reported that two Board meetings had been held. The vision for the OPUSC Board is to develop a Perth and Kinross model of care for older people The membership of the Board has strong clinical support from 3 Associate Medical Directors and a local General Practitioner, as well as representation from the Health & Social Care Partnership and an Independent Sector representative from Scottish Care. A Third Sector representative has also been identified.
 - The Carers Programme Board oversees the work by the Partnership to develop a Carers Strategy for the next three years, improvements to working practices, systems and commissioned services and the monitoring of the activity to ensure improvements are experienced by carers across Perth and Kinross. A draft Carer Strategic Plan identifying the aims and priorities of the programme has been developed. This plan will underpin the Carers Strategy which will ensure that carers in the area have access to good information in relation to the resources and support that is available to them. It will enable carers to inform developments in the services which are commissioned and the work we do, to improve the support that is available to them. This will enable carers to continue caring and to have a life alongside caring which has been developed and informed by their own interests and outcomes.
38. It was reported to the IJB board in February 2019 that all four Boards are now functioning as Strategic Boards however further progress is necessary to fully establish their longer term strategic delivery plans. The Boards will raise or escalate matters of relevance to the Strategic Planning and Commissioning Board as required. Further progress reports will be provided at each Integration Joint Board. The Strategic Programme of Care Boards intend to provide quarterly updates on progress and performance for the purposes of scrutiny to the P&K Audit & Performance Committee via performance frameworks.
39. In addition to the above it is noted the HSCP invested in community engagement to support a range of groups and forums to deliver consensus on plans and the vision for the future. Involvement and engagement approaches include Local Wellbeing Forums, Service User forum, Carers Forums and strategy group, GP clusters, GP clinical partnership forum, Providers forums, Join the Conversation events held in localities and questionnaires and surveys.

ACTION

40. An action plan has been agreed with management to address the identified findings. A follow-up of implementation of the agreed actions will be undertaken in accordance with the audit reporting protocol.

ACKNOWLEDGEMENT

41. We would like to thank all members of staff for the help and co-operation received during the course of the audit.

A Gaskin, BSc. ACA
Chief Internal Auditor

Ref.	Finding	Audit Recommendation	Priority	Management Response / Action	Action by/Date
1.	The PK IJB agreed in Jan 2018 that a Strategic Plan review would be overseen by the Strategic Planning Board. Whilst the Strategic Planning & Commissioning Board (SPCB) has met regularly, the timetable for delivery of a Strategic Plan, incorporating the work of the other groups involved and including all necessary elements has been delayed. The IJB agreed in March 2019 to continue joint services operations following the original Strategic Plan 2016 – 2019 and delay the Strategic Plan update beyond the target date of March 2019 to September 2019.	<p>a) The Strategic Plan should be completed identifying key objectives and priorities consistent with the workforce development plans, financial sustainability planning operation plans and ehealth capacity.</p> <p>b) As the national Strategic Commissioning Plan Guidance section 37 requires that the views of the Strategic Planning Group are taken into account in the review of the strategic commissioning plan, sufficient time should be provided to stakeholders including the SPG for engagement. provided for stakeholders engagement including the SPG and the PK IJB.</p> <p>c) SPG minutes of meetings should be available on the HSCP shared information site to evidence the group's input.</p>	1	<p>Dedicated resource has been allocated to ensure that the Strategic Plan is complete and timetable has been shared with the SPG and IJB. A workshop with the IJB was held on the 5 June 2019.</p> <p>The Strategic Planning Group have had sight of the first draft through a workshop in February 2019. They have also contributed to the development of the four programmes of care. In May 2019, a further SPG meeting where we discussed and set direction around the engagement programme for the Strategic Plan</p>	Chief Officer 30/09/2019

Ref.	Finding	Audit Recommendation	Priority	Management Response / Action	Action by/Date
2.	<p>The 2019-20 budget at March 2019 identified a gap of £2.842m with NHS Tayside anticipated funding still to be confirmed for Complex Care Funding and formal confirmation of NRAC funding.</p> <p>Large Hospital Set-aside arrangements are still under development.</p>	<p>The new Strategic Plan should clearly set-out the decisions and processes required to achieve long-term financial sustainability, setting out the implications for output and quality. These should include overt consideration how the savings identified nationally from Large-hospital set-aside can be delivered and how those savings should be utilised.</p>	1	<p>The Integration Joint Board approved the 3 Year Financial Plan 2019-2022 for Core Health & Social Care Services in March 2019. A robust IJB Budget Review Group supported the development of the financial plan. This provided an opportunity for board members to consider and agree a number of investment and disinvestment plans which will now underpin the refreshed three-year strategic plan. The 3 Year Financial Plan sets out the dis-investment anticipated over the period from large hospital set aside budget. The investment and disinvestment implications of further priorities identified in the refreshed Strategic Plan will require to be considered in detail by each of the Programmes of Care and fed into the ongoing 3 Year Financial Planning process.</p>	<p>Chief Officer 30/09/2019</p>

DEFINITION OF ASSURANCE CATEGORIES AND RECOMMENDATION PRIORITIES

Categories of Assurance:

A	Good	There is an adequate and effective system of risk management, control and governance to address risks to the achievement of objectives.
B	Broadly Satisfactory	There is an adequate and effective system of risk management, control and governance to address risks to the achievement of objectives, although minor weaknesses are present.
C	Adequate	Business objectives are likely to be achieved. However, improvements are required to enhance the adequacy/ effectiveness of risk management, control and governance.
D	Inadequate	There is increased risk that objectives may not be achieved. Improvements are required to enhance the adequacy and/or effectiveness of risk management, control and governance.
E	Unsatisfactory	There is considerable risk that the system will fail to meet its objectives. Significant improvements are required to improve the adequacy and effectiveness of risk management, control and governance and to place reliance on the system for corporate governance assurance.
F	Unacceptable	The system has failed or there is a real and substantial risk that the system will fail to meet its objectives. Immediate action is required to improve the adequacy and effectiveness of risk management, control and governance.

The priorities relating to Internal Audit recommendations are defined as follows:

Priority 1 recommendations relate to critical issues, which will feature in our evaluation of the Governance Statement. These are significant matters relating to factors critical to the success of the organisation. The weakness may also give rise to material loss or error or seriously impact on the reputation of the organisation and require urgent attention by a Director.

Priority 2 recommendations relate to important issues that require the attention of senior management and may also give rise to material financial loss or error.

Priority 1 and 2 recommendations are highlighted to the Audit Committee and included in the main body of the report within the Audit Opinion and Findings

Priority 3 recommendations are usually matters that can be corrected through line management action or improvements to the efficiency and effectiveness of controls.

Priority 4 recommendations are recommendations that improve the efficiency and effectiveness of controls operated mainly at supervisory level. The weaknesses highlighted do not affect the ability of the controls to meet their objectives in any significant way.



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

18 JUNE 2019

STRATEGIC RISK MANAGEMENT

Report by Chief Financial Officer (Report No. G/19/98)

PURPOSE OF REPORT

The purpose of this report is to update the Integration Joint Board (IJB) Audit & Performance Committee on progress in managing the high level IJB Strategic Risk Management Profile.

1. RECOMMENDATION(S)

It is recommended that the IJB Audit & Performance Committee:

- Note the reduction in the Finance Risk score and the further actions identified.
- Note that a full update of the Strategic Risk Profile for all other areas will be undertaken. This will ensure a 'golden thread' between the plan to improve the arrangements in place to deliver the objectives of the IJB and the reduction in overall risk exposure.

2. SITUATION / BACKGROUND

At the Audit and Performance Committee meeting in November 2018 a high level strategic risk profile for the IJB was reviewed and endorsed. A full update was provided in February 2019 setting out progress in implementing the mitigating actions that were expected to reduce the residual risk score across the key risk areas. There was no overall reduction in risk score in February 2019 although a number of actions were due to be implemented by 31st March 2019 which were expected to have a material impact.

3. UPDATE

The red risks within the strategic risk profile has been fully updated and overall scores can be summarised as follows:-

Red Risks	Residual Score	Residual Score
	February 2019	May 2019
Finance	25	20
Workforce	16	16
Leadership	20	20

The above table sets out progress in implementing agreed Financial Management actions to ensure that there is sufficient funds to deliver objectives of the Strategic Plan. Further mitigating actions are proposed that are expected to further reduce the risk score to medium by September 2019. This particularly includes agreement of the 3 Year Financial Plan for Inpatient Mental Health and the development of a 2019/20 Financial Recovery Plan. Appendix 1 sets out the IJB Strategic Risk Management Profile for Finance.

The Chief Officer has commenced the work with the Executive Management Team to develop a detailed improvement plan which will integrate the following :-

- Actions identified from the PKHSCP 2018/19 Governance Self Assessment
- Actions arising from the Joint Inspection
- Actions identified from the Ministerial Strategic Group Self Assessment

There is significant overlap between the findings of all of the above and it is proposed that a single improvement plan be developed. It is further proposed that the Improvement Plan be used to support a robust update of the mitigating actions within the Risk Register. This will ensure a 'golden thread' between the plan to improve the arrangements in place to deliver the objectives of the IJB and the reduction in overall risk exposure.

It is proposed that both the Improvement Plan and the fully Updated Risk Profile be considered by the Audit & Performance Committee in September 2019.

The Financial Management of the IJB did not come under the direct scope of the Joint Inspection and therefore will not be included in the comprehensive new update proposed.

4. CONCLUSION

Risk Management arrangements are in line with the agreed PKHSCP Risk Management Framework. Whilst progress has been made in implementing plans to reduce the risk profile of the IJB, a number of key areas of high risk remain. The Risk Profile for Financial Management sets out some progress however further actions have been agreed. The wider Risk Management Framework for all other areas will be fully updated to take account of the Improvement Plan being developed.

Author(s)

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

APPENDICES

1. IJB Strategic Risk Management Profile : Finance

				Inherent Risk				Residual Risk							
Risk Numbe	Category	Risk Description	Risk Owner	Impact Value	Probability Value	Inherent Score	Current Controls	Control Value	Impact Value	Probability Value	Residual Score	Treatment Actions	Risk Manager	Status	Due date
SR01	Strategic	FINANCE There is insufficient financial resources to deliver the objectives of the Strategic Plan.	Chief Finance Officer	5	5	25	1. Financial Planning Process	B	5	4	20	1. Development of a 3 year financial plan for IPMH and Prescribing.	Chief Financial Officer	Open	30 September 2019
							2. Enhanced Budget Negotiation Process (PKC & NHS)	B				2. To ensure that the budget negotiation process is agreed and understood and aligned to IJB	Chief Officer	CLOSED	31 January 2019
							3. Programmes of Care linking financial and service planning	B					Chief Officer	Open	30 June 2019
							4. IJB BRG Process	B							
							5. Monthly Financial Monitoring & Reporting	B				3. Effective leadership and ownership in respect of Programmes of Care.	Associate Director - Mental Health Services / Chief Officer	Open	30 September 2019
							6. Eligibility Criteria	B							
							7. 3 yr Finanacial Plan (except IPMH and Prescribing)	B				5. Taking forward audits through a short life working group around risk framework in support of eligibilty criteria.	Head of Adult Social Work / Social Care	Open	30 June 2019
							8. 2018/19 Financial Recovery Plan	B				6. Ensure NHST budget setting timescales aligned with IJB and PKC from 2020/21.	NHST Director of Finance / Chief Finance Officers	Open	28 Feb 2019
							9. Accountable budget holder for each part of the Partnership	B				7. Ensure plans to deliver break even are developed and agreed for 19/20:21/22.	Chief Officer / Chief Financial Officer	Open	31 March 2020
							10. Aligned budget setting process with both Parent Bodies	B							



AUDIT & PERFORMANCE COMMITTEE

18 JUNE 2019

TRANSFORMING GOVERNANCE ACTION PLAN - 2018/19

Report by Chief Financial Officer (Report No. G/19/99)

PURPOSE OF REPORT

The purpose of the report is to update the Audit & Performance Committee on the progress of the Transforming Governance Action Plan 2018/19.

1. INTRODUCTION

- 1.1 The purpose of the Annual Governance Statement (AGS), which was presented to the Audit & Performance Committee on 19 June 2018, was to give assurance to our stakeholders that we have effective arrangements in place to ensure that, as an IJB we are doing the right things for the right people at the right time in an open, honest and accountable way. The AGS was approved by the Audit & Performance Committee on 19th June 2018 with a request that an update on the Transforming Governance Action Plan be presented to the Audit & Performance Committee at all forthcoming IJB Audit & Performance Committees. The Action Plan sets out all the agreed priorities for the further development of effective governance arrangements.

2. GOVERNANCE ASSURANCE PROCESS

- 2.1 The process for reviewing the integrity and effectiveness of our governance arrangements to inform the AGS continues to be led by the IJB Chief Financial Officer. The assurance process seeks to demonstrate that the IJB has in place adequate internal controls that are considered fit for purpose in accordance with best practice.
- 2.2 The governance & assurance process continues to identify areas and controls that would benefit from further development to ensure that they can manage and mitigate current and emerging risks more effectively. The key priorities are set out in the Transforming Governance Action Plan.
- 2.3 Progress since first reporting at the last Audit & Performance Committee is set out in Appendix 1.
- 2.4 The progress made during 2018/19 and any outstanding actions have been fully considered as part of the 2018/19 governance self assessment process.

3. RECOMMENDATIONS

3.1 It is recommended that the Audit & Performance Committee:

- (i) Note the progress of the Transforming Governance Action Plan 2018/19.
- (ii) Note that outstanding actions will be incorporated in the wider Partnership Improvement Plan moving forward.

Author(s)

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

APPENDICES

1. Transforming Governance Action Plan 2018/19

Perth & Kinross IJB Transforming Governance Action Plan 2018/19 (June 2019 Update - Draft)



Ref	Action	SRO	Date	Update
1	Development of a statement of our vision and values to be developed to become front and centre of all IJB activities moving forward.	Chair/ CO	31 st March 2019	Carried forward to 2019/20 Improvement Plan.
2	A refreshed annual programme of training and development for IJB Board Members to be agreed.	Chair/ CO	19 th February 2019	Carried forward to 2019/20 Improvement Plan.
3	An effective strategy for engaging with Perth & Kinross Council Elected members around IJB aims and objectives and the financial outlook to be developed.	Chair/ CO	31 st March 2019 a. Complete	<p>a. As part of the development of the 3 year Financial Plan the Chief Officer and Chief Financial Officer have met with elected members across all parties to describe the financial challenge and strategic direction.</p> <p>b. The Service Manager for Business Planning & Performance will meet with PKC training and development officers to agree how PKHSCP can contribute regularly to PKC elected member training programme.</p> <p>Carried forward to 2019/20 Improvement Plan.</p>
4	Establishment a collaborative approach to budget negotiation for 2019/20 onwards with NHS Tayside and Perth & Kinross Council.	CO/ CFO	31 st March 2019	Tayside wide meetings including the Chief Executive and Strategic Director of Finance of NHS Tayside and the Chief Executives / Heads of Finance of each Local Authority are being held to ensure a consistent understanding of the financial challenge facing the IJB's in Tayside. Informal discussions between the Chief Officer and Chief Executives of both NHST and PKC have been held in January and February 2019.



Perth & Kinross IJB

Transforming Governance Action Plan 2018/19 (June 2019 Update - Draft)

Ref	Action	SRO	Date	Update
				Risk sharing arrangements for 2019/20 onwards to be agreed. Carried forward to 2019/20 Improvement Plan.
5	Further development of Strategic Delivery Plans for each Care Group including leadership arrangements, performance framework, strategy for engagement with users and carers, agreed programme budget with accountability for delivery of financially sustainable services. Role of Strategic Planning Group to be reaffirmed.	EMT	31 st March 2019	Each Programme Board is at a different stage in the development of its Strategic Delivery Plan. Some updates have been provided to the IJB. The role and Remit of the Strategic Planning Group in parallel is to be reviewed. Carried forward to 2019/20 Improvement Plan.
6	Finalise the review of risk management and development clear escalation and reporting mechanisms.	CFO	Complete	The Risk Management Framework has been agreed by the Audit and Performance Committee inclusive of a risk escalation process and high level strategic risk profile. This was endorsed at the last Audit and Performance Committee meeting in November 2018. Risk Management workshops were held for IJB members from August 2018 to November 2018. As per the framework, EMT have been focussing on mitigating risk action plans. These action plans will now be subject to a fundamental review to ensure synergy with the wider improvement plans. Carried forward to 2019/20 Improvement Plan.
7	Review of the use of Directions	CFO	10 June 2019	A development session for Officers was held in May 2019 and Directions will now be prepared to support all decisions being made by the IJB. Carried forward to 2019/20 Improvement Plan.



Perth & Kinross IJB

Transforming Governance Action Plan 2018/19 (June 2019 Update - Draft)

Ref	Action	SRO	Date	Update
8	Development of Large Hospitals Set Aside arrangements in conjunction with NHS Tayside.	CD/ HOH	31 st March 2019	The Chief Officers / Chief Finance Officers across Tayside have met with NHS Tayside Deputy Director of Finance to consider the setting up of an appropriate forum for discussions around the development of plans for the Large Hospital Set Aside Budget. The Older People and Unscheduled Care (OPUSC) Board has progressed early discussions within the Clinical Strategy Forum for P&K and priorities will be aligned in the Strategic Delivery Plan for OPUSC. This has not yet been set up.
9	Strengthen leadership and corporate support capacity through key appointments including Service Manager for Business Planning and Performance.	CO		The Chief Officer will take forward a review of the organisational structure including supporting capacity. Carried forward to 2019/20 Improvement Plan.
10	Agree appointment of Data Protection Officer for Perth & Kinross IJB and ensure compliance with General Data Protection Regulations.	CFO	Complete	An action plan has been developed and reported to the IJB. This will be a yearly report with the next report due in November 2019.
11	Work with the Director of Finance of NHS Tayside to develop an appropriate and effective level of finance support to budget holders tasked with taking forward significant redesign of services.	CFO	1 st April 2019	Finance support to Inpatient Mental Health and Prescribing is not aligned to the Partnership and discussions are progressing with NHS Tayside Deputy Director of Finance to resolve this. The supporting structure to the CFO is under review. Carried forward to 2019/20 Improvement Plan.
12	Work with PKC and NHST colleagues to develop the detailed corporate governance framework that supports the relationship with PKC and NHST and provide training and development for members and officers to	CFO	1 st April 2019	The governance framework has been approved by the IJB Audit and Performance Committee. The effective training and development of members will be a key focus moving forward and is included in the 2019/20 improvement plan.



Perth & Kinross IJB

Transforming Governance Action Plan 2018/19 (June 2019 Update - Draft)

Ref	Action	SRO	Date	Update
	ensure that roles, responsibilities within the framework are understood. Ensure that Standing Orders are reviewed and updated annually.			
13	Review HSCP Clinical, Care and Professional Governance Approach and set out clear framework for scrutiny and assurance at operation and strategic level. Ensure that the Terms of Reference for the Audit & Performance Committee reflects its key scrutiny role.	CD/Chief Social Worker	Complete	Clinical, Care & Professional Governance (CCPG) will be scrutinised via a new CCPG Sub Committee of the IJB. A date for this first meeting has not been agreed. Any further Internal Audit reports as they relate to CCPG will now be presented to the CCPG Committee. Carried forward to 2019/20 Improvement Plan.
14	Ensure that annual objectives are set for each member of the partnership team that align with agreed strategic transformation and other priorities.	CO	15 th February 2019	This action has not been completed.
15	Working with other IJB's, ensure mechanisms are in place to ensure that each IJB is effectively and appropriately involved in developing major transformational change plans and ensure regular sharing of information in relation to all hosted services.	EMT	30 th November 2019	For transformation of Inpatient Mental Health, all IJB's are represented on the programme board. A wider Mental Health Alliance is also being established to promote connectivity across all Mental Health Services across Tayside and agree redesign plans. All Hosted Services have been aligned to relevant Strategic Programme of Care Boards and activity as it relates to Hosted Services were intended to be scrutinised through this role. Progress has been slow and performance review of all services is a key improvement action for 2019/20.



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

18 JUNE 2019

UPDATE: AUDIT RECOMMENDATIONS

Report by Chief Financial Officer (Report No. G/19/100)

PURPOSE OF REPORT

This report provides the Audit & Performance Committee with progress on the implementation of all internal and external audit recommendations arising since the formal inception of the Integration Joint Board (IJB) on 1st April 2016.

1. BACKGROUND

It is best practice for Audit Committees to receive regular updates on progress in implementation of audit recommendations. A full review has therefore been undertaken on all internal and external audit recommendations since inception of the IJB on 1st April 2016. Resources have now been put in place to ensure this is updated on a regular basis.

As discussed at the last Committee all actions in relation to Clinical Care and Professional Governance will now be tracked and monitored through the Clinical Care and Professional Governance Committee of the IJB.

2. UPDATE / SUMMARY OF FINDINGS

In terms of progress against recommendations, the follow up work undertaken indicates the following:

Status	
Complete	18
Not Yet Due	0
Overdue	5

There have been no other audits completed since the last report to this Committee.

Appendix 1 lists all recommendations either overdue, not yet due or completed since the last report to this Committee.

Appendix 2 lists all recommendations which are complete and have been previously reported as complete to this Committee.

3. RECOMMENDATION

The Audit & Performance Committee are asked to note the progress made to date on implementing agreed recommendations.

Author(s)

Name	Designation	Contact Details
Jane M Smith	Chief Financial Officer	janemsmith@nhs.net 01738 459556 07966 875713

Overall Action Ref	Internal or External	Report Type	Financial Year	Report Action Ref	Finding	Context / Recommendation	Action	All Leads	To be completed by	Status	Days overdue	Latest Update
8	External	Annual Report	15-16	4	The board has approved a performance management framework to comply with guidance set out in the Public Bodies (Joint Working) (Scotland) Act 2014. However, performance measures have yet to be developed.	The board should develop and agree key performance measures to be used in monitoring performance against its strategic objectives.	Work is on-going to agree key performance measures.	HSCP Executive Management Team	31 st March 2019	Overdue	79 days	The Executive Management Team is currently overseeing the development and implementation of a strategic programme of care board structure to take forward the implementation of agreed Strategic Delivery Plans (SDP) for: Older People and Unscheduled Care, Primary Care, Mental Health & Wellbeing, Carers. Each Programme Board is developing a Performance Framework inclusive of targets. Financial planning will be aligned to each Programme of Care Board. Draft Programme budgets for each programme have been developed. The proposed performance framework for Older People and Unscheduled Care was considered by the Audit & Performance Committee in February 2019 with a further report due in June 2019. Development of other reports is work in progress and this will be carried forward as a key improvement plan for 2019/20.
23	Internal	Annual Report	2017-18	1	We would also note that the format of the IJB's risk register does not currently set out how assurance against the controls will be received nor does it provide current performance information as laid out in Appendix 2 to the Risk Management Strategy	In addition to the next steps set out in the March 2018 Governance paper, we would recommend that the A&PC consider the governance principles adopted by the Health & Social Care Integration (HSCI) Governance working group and ensure that they are taken forward within the IJB, in partnership with both parent bodies.	Identify the governance principles adopted by the HSCI Governance Working Group, and ensure these are taken forward within the IJB. These principles should also clearly link to the strategic boards.	Chief Officer	1 st April 2019	Complete		The HSCI Governance Principles have been included as part of the Self Assessment Process undertaken to support the IJB Annual Governance Statement for 2018/19 in order that we can provide assurance or otherwise that these are embedded in our governance arrangements. .

Overall Action Ref	Internal or External	Report Type	Financial Year	Report Action Ref	Finding	Context / Recommendation	Action	All Leads	To be completed by	Status	Days overdue	Latest Update
24	Internal	Annual Report	2017-18	2	We would also note that the format of the IJB's risk register does not currently set out how assurance against the controls will be received nor does it provide current performance information as laid out in Appendix 2 to the Risk Management Strategy	The Executive Management Team has replaced the Transformation Board as the key forum to oversee development and implementation of the service redesign required to deliver Strategic Plan objectives. We have been informed that the 3 year Financial plan which is planned for September 2018 will clearly set out by Care Programme the Transformation Proposals and financial implications. This will sit alongside Strategic Delivery Plans for each Care Group which will link transformation plans to strategic objectives and thus provide an overall picture.	Each of the Strategic Boards will have the responsibility for the development of a three year plan that ensures delivery of objectives	EMT	31 st March 2019	Overdue	79 days	<p>The Executive Management Team is currently overseeing the development and implementation of a strategic programme of care board structure to take forward the implementation of agreed Strategic Delivery Plans (SDP) for Older People and Unscheduled Care, Primary Care, Mental Health & Wellbeing, Carers.</p> <p>The Older People and Unscheduled Care Board is now strongly established and the development of an outline strategic delivery plan has ensured a direct link between the strategic plan and the 3 Year Financial Plan. Implementation of a significant programme of transformation will now be overseen by the OPUSC Board working closely with locality managers to ensure effective implementation across localities.</p> <p>The further development of Strategic Delivery Plan for all Care Programmes linked to the refreshed will be a key improvement action for 2019/20.</p>
26	Internal	Annual Report	2017-18	4		Whilst the A&PC has regularly considered both performance and risk management updates, and the minutes of the committee are reported to the IJB, we would recommend that, in future, the A&PC provides a year-end report to the IJB with a conclusion on whether it has fulfilled its remit and its view on the adequacy and effectiveness of the matters under its purview. It may also be helpful at this time of year for the Committee to reflect on any matters of concern for future consideration.	To review the role and remit for the A&PC and take forward a self evaluation which will inform an annual report for 2018-19	Chief Financial Officer	31 st March 2019	Overdue	79 days	An Annual Report from the Audit & Performance Committee is being prepared and will be formally considered by the IJB at its meeting in June 2019.
27	Internal	Annual Report	2017-18	5		No formal directions were issued for 2017/18.	To identify and issue directions for 2017-18, and take proactive steps to ensure any future directions are issued as appropriate.	Chief Officer	28 th February 2019	Overdue	120 days	Training for officers has been provided in May 2019 to ensure that Directions are issued appropriately for decisions made by the IJB. This embedding of this as standard business process will be a key improvement action for 2019/20.

Overall Action Ref	Internal or External	Report Type	Financial Year	Report Action Ref	Finding	Context / Recommendation	Action	All Leads	To be completed by	Status	Days overdue	Latest Update
31	External	Annual Report	2017-18	2	<p>The integration scheme states that any overspend incurred from 2018-19 onwards may be allocated on a proportionate basis of each partners contribution to the IJB. For 2018-19, there has been an informal agreement between the partners that any overspend will be met by the partner with operational responsibility. There is no formal documentation for this arrangement.</p> <p>From our discussion with management, and our understanding of the integration scheme, we consider best practice to be a formal documentation of the agreement, which will assist in the partners approach to budgeting.</p>	<p>We recommend that the partners formally agree the approach for overspend on an annual basis in advance of the financial year on which agreement is sought.</p>		Chief Officer	31/03/19	Complete		Complete for 2018/19. Further discussion required in relation to 2019/20.
32	External	Annual Report	2017-18	3	<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>Development of workforce plans will be a key priority for each Care Programme Board.</p>	Chief Officer	31/03/19	Overdue	79 days	The Chief Officer is undertaking a review of the management structure and corporate support. This will be critical in ensuring PKHSCP can take forward development of a workforce plan during 2019/20. This is a key improvement action carried forward to 2019/20.

PERTH & KINROSS IJB

Overall Action Ref	Internal or External	Report Type	Financial Year	Report Action Ref	Finding	Context / Recommendation	Action	All Leads	To be completed by	Status	Days overdue	Latest Update
1	Internal	Annual Report	16-17	1	Our evaluation of the IJB's governance framework is set out in the body of this report and includes our review of improvements identified by management for 2017/18 as well as further issues for consideration. Whilst the important broad areas we would expect to see based on identified gaps are all already included in the 'Transforming Governance Action Plan' developed we made further recommendations for specific additional details to be included in this work.	We would recommend that the governance action plan is updated for any further issues identified in this report and presented to the Performance and Audit Committee for approval and monitoring.	The governance action plan will be updated.	Jane Smith	30/06/17	Complete		The Transforming Governance Action Plan has been updated to include the appropriate recommendations
2	External	Annual Report	16-17	1	During the 2017-18 budget setting the board was informed that the Chief Finance Officer could not recommend approval of the budget proposition from NHS Tayside for GP prescribing. As at August 2017 there is still no approved 2017-18 GP prescribing budget or an agreed action plan to form a sustainable budget.	A budget for GP prescribing in 2017-18 should be finalised. In forming it the IJB should meet with NHS Tayside and agree a strategic action plan to address the prescribing spend. A sustainable prescribing position needs to be formed and the 2018-19 GP prescribing budget should be agreed before the start of the financial year.	The Chief Officer and Chief Finance Officer have written to both Parent Bodies asking for a formal discussion to take place around the sufficiency of the GP Prescribing budget and the implications for risk sharing arrangements moving forward.	Rob Packham, Jane Smith	31/10/17	Complete		An 18/19 financial plan for GP prescribing was presented to the IJB in March 2018. Significant progress has been made in identifying a range of plans to deliver financial balance. Whilst the plan is not in full balance (600k gap), further actions are being taken with the Clinical Director.
3	External	Annual Report	16-17	2	The IJB produces a finance update for each IJB meeting. The update presents information on IJB and Partnership year end over/under spend forecast, a summary of savings planned and savings booked and narrative to support to figures. The base budget position is not reported, only the over/under spend forecast against the budget.	The financial update should present the base budget position and variance year to date against this base budget position. This would allow appropriate levels of scrutiny over balances depending on the level of variance reported against budget.	The base budget position will now be incorporated as part of routine monthly reporting.	Jane Smith	31/10/17	Complete		The finance update presented at each IJB meeting has included the base budget position from month 5 onwards.
4	External	Annual Report	16-17	3	The partnership accountant provides significant support to the day to day financial management and control within the IJB. The position is on a fixed term basis which ends in July 2018.	It is recommended that a longer term solution is approved, either through a permanent post or extension of the temporary one with enough notice to enable the Chief Finance Officer to plan activities.	The Chief Finance Officer has now received the full support from NHST and PKC colleagues to appoint to the Partnership Accountant Post on a permanent basis.	Jane Smith	30/09/17	Complete		This post was made permanent on the 9th March 2018

PERTH & KINROSS IJB

Overall Action Ref	Internal or External	Report Type	Financial Year	Report Action Ref	Finding	Context / Recommendation	Action	All Leads	To be completed by	Status	Days overdue	Latest Update
5	External	Annual Report	15-16	1	The Local Authority Accounts (Scotland) Regulations 2014 require the board to publish on its website; a copy of the annual accounts submitted to the auditor, clearly identified as an unaudited version, a public notice of the right of interested persons to inspect and object to its accounts. The public notice was not completed within statutory deadlines and was only published through Perth & Kinross Council's website on 28 July 2016.	The board should ensure compliance with the publication requirements of the 2014 regulations and ensure its website is updated timeously with the required information.	Agreed the public notice deadline would be met for year 2016-17.			Complete		The 2016-17 unaudited accounts were published online in line with the Public Notice by 28 June 2017.
6	External	Annual Report	15-16	2	The board did not agree a budget for 2015-16 and did not monitor the actual cost incurred.	The budget should be established and agreed prior to the commencement of the year and monitored regularly throughout the year.	The Chief Finance Officer will work with NHS Tayside and Perth and Kinross Council to align a budget setting timetable to support the delivery of a budget by 31 March each year.			Complete		A budget for 2017-18 was set on 24 March 2017. The budget was presented to the IJB through a formal procedure and agreed upon during the meeting. This report includes unidentified savings.
7	External	Annual Report	15-16	3	The budget agreed in March 2016 highlighted the need to develop a financial recovery plan. The financial recovery plan was agreed in July 2016 however this highlighted that the funding was still considered by officers to be insufficient to meet the board's requirements. There is a risk the board is unable to fund the services.	The board should develop and agree key performance measures to be used in monitoring performance against its strategic objectives.	All possible efforts continue to be made to identify further saving opportunities and reduced supplementary staffing expenditure. Progress will be reported to the IJB at each meeting.			Complete		A "Savings plan V Savings booked/ anticipated" is included in financial update; the information included comes from budget holders who are actively involved in providing services and from the Chief Finance Officer and Partnership Accountant. This is monitored on a monthly basis and included within each financial update presented to the board.
18	Internal	Delayed Discharge	17-18	1	The Delayed Discharges Plan 2016/17 does not clearly set out SMART action points linked to resources and allocated to responsible officers and timescales. An updated Delayed Discharges Action Plan 2017 was created which sets out responsibility, timescales and progress/ deliverables; however, this has yet to be presented to the IJB for their consideration.	We recommend that a 2017/18 Delayed Discharges Plan is presented to the IJB in the format of a SMART action plan, identifying specific actions to be undertaken, those officers who will be responsible for putting the actions in place, the time frames by which actions will be implemented and the review to be undertaken to ensure that action described has been implemented. Financial consequences of actions to be taken should also be clearly indicated in this plan.	A Capacity & Flow Programme Board is to be set up lead by PKHSCP Clinical Director which will oversee delivery of the 6 Key Measures of Performance under Integration which includes reducing delayed discharges. A key output of the Board will be a SMART Action Plan and clear identification of all financial consequences linked to the wider Financial Plan. The Board will be supported by a dedicated Programme Manager. To support the Board, a performance reporting framework will be established to ensure robust, routine performance data. Regular performance reports against the 6 Key Measures of performance	Hamish Dougall	30/09/17	Complete	480	The Older People and Unscheduled Care Board Performance Framework sets out delayed discharge performance. It also encompasses all 6 Measures of Performance under Integration. Performance reports will now come forward to the OPUSC Bard at each meeting for review and for agreement of action plans as required to ensure necessary actions are identified to deliver against agreed targets in line with Strategic priorities

PERTH & KINROSS IJB

Overall Action Ref	Internal or External	Report Type	Financial Year	Report Action Ref	Finding	Context / Recommendation	Action	All Leads	To be completed by	Status	Days overdue	Latest Update
							under integration will be presented to the IJB and this will include investment proposals as required to ensure delivery of performance objectives to support Strategic Plan delivery.					
19	Internal	Delayed Discharge	17-18	2	Delayed discharges arising due to 'Care home' reasons are not currently clearly addressed in the documentation reviewed by internal audit as part of our fieldwork.	A needs analysis against current provision should be carried out and any future delayed discharge action plan should seek to address the findings of such an analysis and the impact this has on achieving a reduction in delayed discharges, including any strategic resource realignment necessary to achieve the required outcomes.	As part of budget setting for 17/18 a detailed forecast has been undertaken of anticipated increase in demand and additional budget for Care Home Placements made. The budget setting process ensures the strategic alignment of resources to support this increased investment in Care Home capacity.	Jane Smith	23/06/17	Complete		
20	Internal	Delayed Discharge	17-18	3	No update report against the original Delayed Discharge Action Plan 2016/17 was presented to the IJB. Overall, reporting to IJB level has not yet enabled members to scrutinise what effect actions taken have had on delayed discharge performance.	We would recommend that management review delayed discharges reporting at governance level to ensure reporting addresses: - Progress reports against the updated Delayed Discharges Action Plan 2017/18 including analysis of whether the IJB is on track to achieve these targets, of the success of actions taken and of lessons learned. - Performance against the targets set out in the Business Management and Improvement Plan for Perth and Kinross Council's Housing and Community Safety service. - Reporting should also include consideration of whether resources are sufficient at present to achieve targets and any recommended strategic realignments which may be required.	A Capacity & Flow Programme Board is to be set up lead by PKHSCP Clinical Director which will oversee delivery of the 6 Key Measures of Performance under Integration which includes reducing delayed discharges. A key output of the Board will be a SMART Action Plan and clear identification of all financial consequences linked to the wider Financial Plan. The Board will be supported by a dedicated Programme Manager. To support the Board, a performance reporting framework will be established to ensure robust, routine performance data. Regular performance reports against the 6 Key Measures of performance under integration will be presented to the IJB and this will include investment proposals as required to ensure delivery of performance objectives	Hamish Dougall	30/09/17	Complete	480	The Older People and Unscheduled Care Board Performance Framework sets out delayed discharge performance. It also encompasses all 6 Measures of Performance under Integration. Performance reports will now come forward to the OPUSC Bard at each meeting for review and for agreement of action plans as required to ensure necessary actions are identified to deliver against agreed targets in line with Strategic priorities.

PERTH & KINROSS IJB

Overall Action Ref	Internal or External	Report Type	Financial Year	Report Action Ref	Finding	Context / Recommendation	Action	All Leads	To be completed by	Status	Days overdue	Latest Update
21	Internal	Delayed Discharge	17-18	4a	The Strategic Risk Framework includes a strategic risk on Capacity & Flow and some of the current controls listed relate to ongoing activities to address delayed discharges at management level. Whilst the delayed Discharge Plan is mentioned as a relevant document in the IJB's summary risk profile, it is not listed as a control against the Capacity & Flow risk.	The updated Delayed Discharges Plan 2017, once approved by the IJB, should be referenced as a control against this risk.Consideration should be given to the format of risk reporting.	The establishment of the Capacity and Flow Programme Board, the investment in a dedicated programme manager and the development of a SMART Action Plan and supporting Performance Reporting Framework will be added to the Risk Register as a proposed control at this stage.	Jane Smith	30/11/17	Complete		Proposed controls added to the existing register under the Capacity and Flow risk
22	Internal	Delayed Discharge	17-18	4b	We would also note that the format of the IJB's risk register does not currently set out how assurance against the controls will be received nor does it provide current performance information as laid out in Appendix 2 to the Risk Management Strategy	The updated Delayed Discharges Plan 2017, once approved by the IJB, should be referenced as a control against this risk.Consideration should be given to the format of risk reporting.	The format of the risk register will be considered as part of the planned Risk Management Workshop outlined in the 17/18 Transforming Governance Action Plan.	Jane Smith	30/11/17	Complete	419	Audit & performance Committee agreed that a workshop based approach to review of the Risk management arrangements would be undertaken including a workshop with officers and IJB members in June 2018. All risk workshops complete and the Risk Management Framework and escalation process has been agreed by A&PC, and the Strategic high level risk profile to be reported quarterly to the A&PC. Lower level red risk action plans in place and reported to EMT every 2 weeks. Lower level amber risk action plan in development. EMT risk session on 24th January 2019 to update high level profile. High level profile also reported to relevant risk management committee of parent bodies. Lower level operational risks are discussed at the Clinical Governance (Health) group and the Quality Assurance Group.
25	Internal	Annual Report	2017-18	3		Minutes of P&K IJB and Audit & Performance Committee (A&PC) meetings are minimalist and do not provide a record of discussions, questions asked and assurances provided which would allow interested parties, including Board members not in attendance, a fuller understanding of the issues.	Refresh of the secretariat arrangements for the A&PC and IJB to ensure the expectations for the content and details of minutes are clear, and that future minutes contain a more comprehensive summary of discussions and questions.	Maggie Rapley	30/09/18	Complete	115	Completed by Head of Democratic Services

PERTH & KINROSS IJB

Overall Action Ref	Internal or External	Report Type	Financial Year	Report Action Ref	Finding	Context / Recommendation	Action	All Leads	To be completed by	Status	Days overdue	Latest Update
28	Internal	Annual Report	2017-18	6	0	Standing orders and other fundamental governance documents should be subject to regular review to ensure they remain fit for purpose and should be updated following agreement of the HSCI governance principles.	Identify all the standing orders and fundamental governance documents and put in place a rolling programme / annual review process	Maggie Rapley	30/09/18	Complete	0	The CFO is leading on the development of the IJB's Code of Corporate Governance a key part of which will be to set out the IJB's policies and procedures essential to demonstrate compliance with the principles of good governance. This will include the process and timescales for regular review of all fundamental governance documents. (June 2019).
29	Internal	Annual Report	2017-18	7		High level arrangements were made to refer to Best Value in the IJB's Annual performance report, based on the work undertaken by the Partnership Transformation Board set up in 16/17 to drive progress. Audit Scotland "Auditing Best Value - Integration Joint Boards" was published in March 2018. We have been informed that the Draft Annual Performance Report for 2017/18 includes a robust update on mechanisms in place for delivery of best value.	Source the document "Auditing Best Value - Integration Joint Boards", and ensure that an update on the mechanisms for best value is included in the 2017-18 Draft Annual Performance Report	Jane Smith	30/09/18	Complete	115	Best Value section contained within the Annual Performance Report
30	External	Annual Report	2017-18	1	During our audit, we review financial reporting as part of our assessment of financial management. We identified on that financial reporting was in excess of two months behind, most notably on 23 March 2018, where the financial position being reported was 31 December 2017. There is a risk that members and management are unable to respond to financial pressures in a timely manner. We recognise that the IJB is reliant on the financial reporting of PKC and NHS Tayside.	We recommend that management discuss with partners the financial reporting process. Any reduction in the timescales would allow members to make decisions based on more up to date information	Accelerate financial reporting which will ensure an improvement in timescales for reporting.	Jane Smith		Complete		Actions have been taken to accelerate financial reporting which will ensure an improvement in timescales for reporting.



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

18 June 2019

MINISTERIAL STRATEGIC GROUP FOR HEALTH AND COMMUNITY CARE “REVIEW OF PROGRESS WITH INTEGRATION OF HEALTH & SOCIAL CARE – P&K IJB SELF ASSESSMENT”

Report by Chief Officer (Report No. G/19/101)

PURPOSE OF REPORT

This paper presents the Ministerial Strategic Group for Health and Community Care “Review of Progress with Integration of Health & Social Care – P&K IJB Self Evaluation” – to the Integration Joint Board (IJB) Audit & Performance Committee.

1. RECOMMENDATIONS

It is recommended that the Audit & Performance Committee:

- notes the results of the self evaluation exercise within the attached template (appendix 1).
- notes that the IJB Executive Management Team include the key actions set out in the self assessment as part of its wider Partnership Improvement Plan.

2. BACKGROUND AND UPDATE

On 4th February, the Ministerial Strategic Group for Health and Community Care’s (MSG) published a report on its review of progress with integration. This was presented to the Audit & Performance Committee on 19 February 2019. It can be accessed via the following link:

[MSG Strategic Group Review of Progress](#)

In April, the MSG issued a self-evaluation template for each IJB, Council and NHS Board to complete, to evaluate their current position in relation to the review report’s findings and the Audit Scotland report on integration published in November 2018, and take action to make progress.

This has been completed in conjunction with NHS Tayside and Perth & Kinross Council. It identifies a number of areas of positive progress as well as a number of areas for further improvement.

There is significant synergy between the MSG self assessment and the areas identified for improvement and the Partnerships own annual governance self assessment process. Collectively, all areas for improvement have been included in the Annual Governance Statement and will form part of a wider improvement plan that will also take account of the findings of the Joint Inspection.

3. CONCLUSION

The Audit & Performance Committee are asked to note the self–assessment undertaken, the improvement actions identified and the inclusion of these actions within the comprehensive improvement actions set out in the Annual Governance Statement.

Author(s)

Name	Designation	Contact Details
Gordon Paterson	Chief Officer/Director - Integrated Health & Social Care	tay-uhb.chiefofficerpkhscp@nhs.net

Appendices

1. Review of Progress with Integration of Health and Social Care – P&K IJB Self Evaluation

Ministerial Strategic Group for Health and Community Care

Integration Review Leadership Group

Self-evaluation

For the Review of Progress with Integration of Health and Social Care

March 2019

MINISTERIAL STRATEGIC GROUP FOR HEALTH AND COMMUNITY CARE (MSG) REVIEW OF PROGRESS WITH INTEGRATION OF HEALTH AND SOCIAL CARE - SELF EVALUATION

There is an expectation that Health Boards, Local Authorities and Integration Joint Boards should take this important opportunity to collectively evaluate their current position in relation to the findings of the MSG review, which took full account of the Audit Scotland report on integration published in November 2018, and take action to make progress. This evaluation should involve partners in the third and independent sectors and others as appropriate to local circumstances. This template has been designed to assist with this self-evaluation.

To ensure compatibility with other self-evaluations that you may be undertaking such as the Public Services Improvement Framework (PSIF) or those underpinned by the European Foundation for Quality Management (EFQM), we have reviewed examples of local self-evaluation formats and national tools in the development of this template. The template is wholly focused on the 25 proposals made in the MSG report on progress with integration published on 4th February, although it is anticipated that evidence gathered and the self-evaluation itself may provide supporting material for other scrutiny or improvement self-evaluations you are, or will be, involved in.

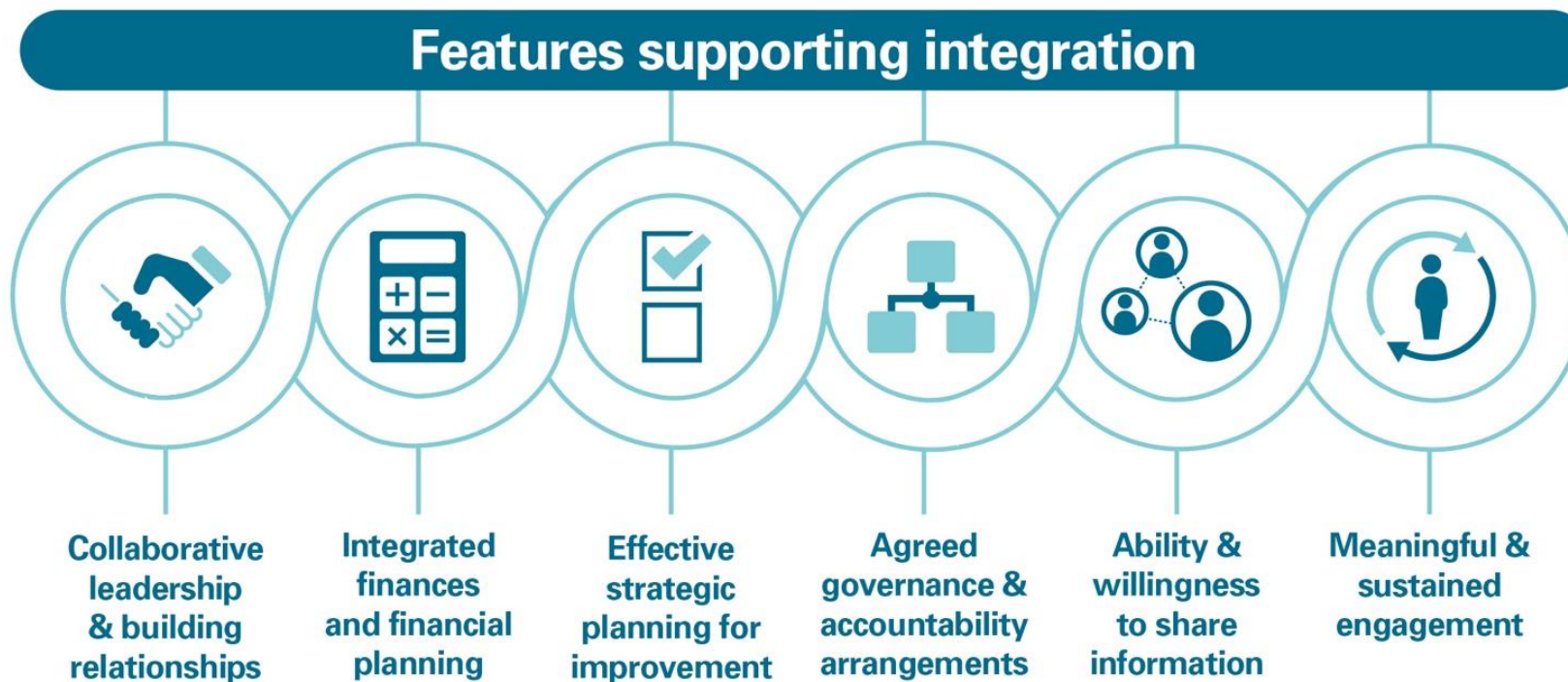
Information from local self-evaluations can support useful discussions in local systems, sharing of good practice between local systems, and enable the Integration Leadership Group, chaired by the Scottish Government and COSLA, to gain an insight into progress locally.

In completing this template please identify your rating against each of the rating descriptors for each of the 25 proposals except where it is clearly marked that that local systems should not enter a rating. Reliable self-evaluation uses a range of evidence to support conclusions, therefore please also identify the evidence or information you have considered in reaching your rating. Finally, to assist with local improvement planning please identify proposed improvement actions in respect of each proposal in the box provided. Once complete, you may consider benchmarking with comparator local systems or by undertaking some form of peer review to confirm your findings.

We greatly appreciate your assistance in ensuring completion of this self-evaluation tool on a collective basis and would emphasise the importance of partnership and joint ownership of the actions taken at a local level. **Please share your completed template with the Integration Review Leadership Group by 15th May 2019 – by sending to Kelly.Martin@gov.scot**

It is our intention to request that we repeat this process towards the end of the 12 month period set for delivery of the all of the proposals in order that we can collectively demonstrate progress across the country.

**Thank you.
Integration Review Leadership Group
MARCH 2019**



Name of Partnership	Perth and Kinross
Contact name and email address	Gordon Paterson g.paterson2@nhs.net
Date of completion	5 th May 2019

Key Feature 1 Collaborative leadership and building relationships				
Proposal 1.1 All leadership development will be focused on shared and collaborative practice.				
Rating Descriptor	Not yet established	Partly established	Established	Exemplary
Indicator	Lack of clear leadership and support for integration.	Leadership is developing to support integration.	Leadership in place has had the ability to drive change with collaboration evident in a number of key areas. Some shared learning and collaborative practice in place.	Clear collaborative leadership is in place, supported by a range of services including HR, finance, legal advice, improvement and strategic commissioning. All opportunities for shared learning across partners in and across local systems are fully taken up resulting in a clear culture of collaborative practice.
Our Rating		Partly Established		
Evidence / Notes	<p>Our focus in the early years involved disaggregating and decentralising NHS services, to identify which services should come into the new HSCP. This included a number of significant, large hosted services (Prisoner Healthcare, Inpatient Mental Health, Dentistry and Podiatry) on behalf of NHS Tayside and the other HSCPs. Since then we have developed an 'aligned' rather than an 'integrated' structure. However, locally and at the frontline we have some examples of integrated, multi-disciplinary working.</p> <p>We currently collaborate effectively through senior managers' involvement in a number of strategic groups, including; Community Planning; Public Protection; Clinical, Care and Professional Governance; Transforming Tayside, etc.</p> <p>While we have shared and collaborative leadership we recognise there is much more that can be achieved in this regard and from improvement here. We will be restructuring in the course of this year to achieve greater integration, which will lend itself to more collaborative leadership, supported by greater opportunities for leadership development. An integrated structure will result in greater opportunities for co-location and for shared services that will reduce duplication, improve efficiency, provide better access to local services and contribute to improved outcomes.</p>			

Proposed improvement actions	<p>The development of our next three-year Strategic Commissioning Plan will set a shared vision and clear priorities which will align our collective and collaborative activity. In turn, leadership development activities and the creation of a workforce and organisational development plan will enable us to deliver the strategic priorities in a more integrated, innovative and sustainable way.</p> <p>Restructuring to achieve a more integrated organisational structure will enable us to improve opportunities for collaboration and support us in our ambition to develop a values-based, learning organisation with a positive, supportive culture. This will provide the direction and context for us to develop and deliver joint learning and development opportunities for our senior leaders.</p> <p>In response to the expected feedback from the Joint Inspection of the HSCP, we will develop further input for IJB members to ensure that they have an improved understanding of their roles and responsibilities.</p>
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Proposal 1.2 Relationships and collaborative working between partners must improve				
Rating	Not yet established	Partly established	Established	Exemplary
Indicator	Lack of trust and understanding of each other's working practices and business pressures between partners.	Statutory partners are developing trust and understanding of each other's working practices and business pressures.	Statutory partners and other partners have a clear understanding of each other's working practices and business pressures – and are working more collaboratively together.	Partners have a clear understanding of each other's working practices and business pressures and can identify and manage differences and tensions. Partners work collaboratively towards achieving shared outcomes. There is a positive and trusting relationship between statutory partners clearly manifested in all that they do.
Our Rating			Established	
Evidence / Notes	<p>Successful Health and Social Care integration has required realignment of established cultures and working practices. Early work has sought to share best practice and to encourage mutual understanding of cultural and operational differences across the two statutory partner organisations.</p> <p>The HSCP now has a degree of maturity and with two new Chief Executives committed to integration we are optimistic that from a position of greater stability we will achieve better relationships and collaboration with and between our statutory partners. Statutory bodies are developing a clearer understanding of the pressures, cultures and challenges facing the HSCP, as well as the opportunities for progress. Trust and understanding between statutory partners is strong and developing further.</p> <p>The Chief Officer is a member of both statutory partners' Executive Teams and reports to the statutory partners' Chief Executives. The Chief Officer also benefits from the support of the statutory partners' executive team members, as well as the Chief Social Work Officer, an Associate Medical Director, a Lead Nurse and Lead AHP.</p>			
Proposed improvement actions	<p>Organisational restructuring will lend itself to improved working relationships, a shared ambition and collaborative endeavour. We will seek to achieve a positive, supportive culture that promotes a 'can do' approach and collective leadership.</p> <p>The introduction of a new, more integrated structure will support improvements in planning and performance and in clinical and</p>			

	<p>care governance. Continued collaboration across HR Departments will advance joint policies, align terms and conditions and enable more integrated working. A more integrated structure will support pooled budgets and better financial planning.</p> <p>The HSCP Strategic Plan will align with the 'Perth and Kinross Offer' and the ambitions of 'Transforming Tayside' as well as the Public Health Strategy, which will further support collaborative working and forge stronger relationships with and between the statutory partners, including with their wider functions through our collective commitment to Community Planning.</p>
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Proposal 1.3 Relationships and partnership working with the third and independent sectors must improve				
Rating	Not yet established	Partly established	Established	Exemplary
Indicator	Lack of engagement with third and independent sectors.	Some engagement with the third and independent sectors.	Third and independent sectors routinely engaged in a range of activity and recognised as key partners.	Third and independent sectors fully involved as partners in all strategic planning and commissioning activity focused on achieving best outcomes for people. Their contribution is actively sought and is highly valued by the IJB. They are well represented on a range of groups and involved in all activities of the IJB.
Our Rating			Established	
Evidence / Notes	<p>Relationships with third and independent sector partners are strong. We have a Health and Social Care Strategic Forum, facilitated by PKAVS, our third sector interface. This connects third sector organisations into the HSCP and contributes to joint strategic planning and commissioning, organisational development, locality working, volunteering and quality assurance. Feedback from members confirms that the forum provides an effective means for raising issues and influencing the HSCP's direction and activity.</p> <p>Further, we are members of the Community Planning Partnership and are developing positive, collaborative relationships with the broad range of partner organisations working on the Community Plan.</p> <p>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. This has a degree of complexity and requires effective communication and collaboration as well as trusting working relationships.</p>			

Proposed improvement actions	<p>From a good starting point we will build on the effectiveness of our relationships with the third and independent sector, including through their participation and involvement in Strategic Planning and in the wider work of the HSCP as we develop a more preventative approach and greater reach into local communities. We recognise the need to work further with the third and independent sector to achieve a shared understanding and realistic expectations (given demand and resources) of our priorities for improvement.</p> <p>Through our commissioning and contracting activity we will work with independent and third sector partners to deliver better outcomes for service users and their carers. We will monitor how effectively and proactively our commissioned services deliver the ambition of the Health and Social Care Standards.</p>
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Key Feature 2 Integrated finances and financial planning				
Proposal 2.1 Health Boards, Local Authorities and IJBs should have a joint understanding of their respective financial positions as they relate to integration				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	Lack of consolidated advice on the financial position of statutory partners' shared interests under integration.	Working towards providing consolidated advice on the financial position of statutory partners' shared interests under integration.	Consolidated advice on the financial position on shared interests under integration is provided to the NHS/LA Chief Executive and IJB Chief Officer from corresponding financial officers when considering the service impact of decisions.	Fully consolidated advice on the financial position on shared interests under integration is provided to the NHS/LA Chief Executive and IJB Chief Officer from corresponding financial officers when considering the service impact of decisions. Improved longer term financial planning on a whole system basis is in place.
Our Rating			Established	
Evidence / Notes	<p>The Chief Officer is a member of both parent body Executive Leadership Team where the financial position is discussed. At Committee Level the Chief Officer and Chief Financial Officer attend the PKC Strategic Policy and Resources Committee. The Chief Officer attends the NHST Board.</p> <p>Regular supportive discussions take place with the Chief Officer and the Head of Finance PKC and the Deputy Director of Finance of NHST. In 2018-19, a number of joint discussions have taken place around budget-setting and financial recovery planning, involving Chief Executives and Senior Finance colleagues, evidencing a commitment to close and collaborative working.</p> <p>A monthly financial report is prepared by the Chief Financial Officer based on timely and robust forecasts provided by the integrated finance team. This is shared for input with Senior Finance Colleagues in both parent bodies. Similarly the CFO regularly is asked to input into the finance reports of both NHST and PKC.</p>			

	<p>A three-year Financial Plan for core and social care services has developed in partnership with Perth and Kinross Council. The budget setting process within PKC has supported this and in this financial year this provides uplift in excess of 11%.</p> <p>The CFO and the Deputy Director of Finance for NHS Tayside are working together to finalise the NHS contribution to the three-year plan.</p> <p>We have very positive working relationships between finance officers and teams and there is strong support for our move towards a more integrated HSCP budget.</p>
Proposed improvement actions	<p>Our revised strategic plan will require to have a financial plan sitting behind it and this will benefit from a shift towards greater pooling of our budgets, which will become seen as 'partnership' rather than 'health' or 'social care' budgets. The development of a more integrated structure will create further opportunities here.</p> <p>We will review our current risk-sharing agreement with both parent bodies.</p> <p>We will initiate Financial Recovery Plans and appropriate measures should early budget monitoring project significant overspends.</p>

Proposal 2.2 Delegated budgets for IJBs must be agreed timeously				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	Lack of clear financial planning and ability to agree budgets by end of March each year.	Medium term financial planning is in place and working towards delegated budgets being agreed by the Health Board, Local Authority and IJB by end of March each year.	Medium term financial and scenario planning in place and all delegated budgets are agreed by the Health Board, Local Authority and IJB by end of March each year.	<p>Medium to long term financial and scenario planning is fully in place and all delegated budgets are agreed by the Health Board, Local Authority and IJB as part of aligned budget setting processes.</p> <p>Relevant information is shared across partners throughout the year to inform key budget discussions and budget setting processes. There is transparency in budget setting and reporting across the IJB, Health Board and Local Authority.</p>
Our Rating		Partly Established		
Evidence / Notes	<p>Perth and Kinross Council's budget setting process supports timely agreement of their budget allocation to the IJB, in February for 2019/20 and indicatively for Year 2 and Year 3. The process supports wide opportunity for discussions with officers and Board Members around pressures, proposed transformation and efficiency proposals, ensuring wide understanding of the challenges, opportunities and strategic direction.</p> <p>For NHS Tayside, regular discussions between the Deputy Director of Finance and CFO have ensured clear budget offers by end of April 2019.</p> <p>There has been sufficient clarity in relation to budget assumptions from both parent bodies to allow 3 Year Financial Plans to be developed and approved.</p>			

Proposed improvement actions	We aim to align the budget setting timescales in future years across both parent bodies, enabling budgets to be set by 31 st March 2020.
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Proposal 2.3 Delegated hospital budgets and set aside budget requirements must be fully implemented				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	Currently have no plan to allow partners to fully implement the delegated hospital budget and set aside budget requirements.	Working towards developing plans to allow all partners to fully implement the delegated hospital budget and set aside budget requirements, in line with legislation and statutory guidance, to enable budget planning for 2019/20.	<p>Set aside arrangements are in place with all partners implementing the delegated hospital budget and set aside budget requirements.</p> <p>The six steps for establishing hospital budgets, as set out in statutory guidance, are fully implemented.</p>	<p>Fully implemented and effective arrangements for the delegated hospital budget and set aside budget requirements, in line with legislation and statutory guidance.</p> <p>The set aside budget is being fully taken into account in whole system planning and best use of resources.</p>
Our Rating		Partly Established		
Evidence / Notes	<p>The Older People and Unscheduled Care Board has set out developing plans to allow all partners to fully implement the delegated hospital budget and set aside budget. A methodology for calculating the hospital budget and set aside has been agreed and financial figures and workings are available from the recent work carried out by Audit Scotland.</p> <p>The Older People and Unscheduled Care Board and the PRI Clinical Forum have been critical in helping us to understand the impact of changes in service provision and performance on the hospital budget and set aside. There is also joint working around service design in relation to some clinical pathways.</p> <p>The 3 Year Financial Plan for Core Health and Social Care Services sets out an anticipated shift in resources from bed-based to community services over the three year period.</p>			

Proposed improvement actions	We will ensure that the Older People and Unscheduled Care Board will be supported and resourced to take a strong leadership role in delivering the shift in the balance of care anticipated over the next three years.
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Proposal 2.4 Each IJB must develop a transparent and prudent reserves policy				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	There is no reserves policy in place for the IJB and partners are unable to identify reserves easily. Reserves are allowed to build up unnecessarily.	A reserves policy is under development to identify reserves and hold them against planned spend. Timescales for the use of reserves to be agreed.	A reserves policy is in place to identify reserves and hold them against planned spend. Clear timescales for the use of reserves are agreed, and adhered too.	A clear reserves policy for the IJB is in place to identify reserves and hold them against planned spend and contingencies. Timescales for the use of reserves are agreed. Reserves are not allowed to build up unnecessarily. Reserves are used prudently and to best effect to support full implementation the IJB's strategic commissioning plan.
Our Rating		Partly Established		
Evidence / Notes	<p>In 2016/17 and 2017/18 under spends in social care were either carried forward by PKC or by the IJB to be utilised against social care priorities, or to support the overall financial position. All IJB reserves carried by Perth and Kinross Council have been fully utilised to manage projected overspends within 2019/20.</p> <p>In 19/20 the IJB will only hold earmarked reserves in relation to Action 15/ ADP/PCIF which both NHST and PKC fully support.</p>			
Proposed improvement actions	There is no likelihood of reserves being accrued in the short to medium term, given increased demand, recruitment challenges and the financial pressures on delegated and hosted budgets.			

Proposal 2.5 Statutory partners must ensure appropriate support is provided to IJB S95 Officers.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	IJB S95 Officer currently unable to provide high quality advice to the IJB due to a lack of support from staff and resources from the Health Board and Local Authority.	Developments underway to better enable IJB S95 Officer to provide good quality advice to the IJB, with support from staff and resources from the Health Board and Local Authority ensuring conflicts of interest are avoided.	IJB S95 Officer provides high quality advice to the IJB, fully supported by staff and resources from the Health Board and Local Authority and conflicts of interest are avoided. Strategic and operational finance functions are undertaken by the IJB S95 Officer. A regular year-in-year reporting and forecasting process is in place.	IJB S95 Officer provides excellent advice to the IJB and Chief Officer. This is fully supported by staff and resources from the Health Board and Local Authority who report directly to the IJB S95 Officer on financial matters. All strategic and operational finance functions are integrated under the IJB S95 Officer. All conflicts of interest are avoided.
Our Rating			Established	
Evidence / Notes	<p>The Chief Finance Officer works closely with colleagues in PKC and NHS Tayside to develop an integrated finance function to support the IJB. A core team is now in place based in the HSCP offices. Finance staff employed by both parent bodies, work as one team and provide strong and timely support to budget holders, to the CFO/CO and to the parent bodies.</p> <p>The breadth of the CFO role and the need for supporting capacity was recognised by the CFO in the early days after establishment and a proposal for a Partnership Accountant was put forward and strongly supported by both NHST and PKC.</p> <p>The good relationships developed with PKC and NHST colleagues ensure that conflicts of interest are avoided.</p> <p>At present, finance support to the hosted Inpatient Mental Health Service is not part of the HSCP integrated finance team and is not aligned to the CFO. The Deputy Director of Finance and the CFO are in discussion around the re-alignment of support from the NHST Finance Team to the HSCP.</p>			

Proposed Improvement actions	<p>Agreement with NHST to be reached on the effective alignment of finance support for Inpatient Mental Health which will improve the financial information available to the IJB.</p> <p>We are looking to develop a new structure below the Chief Finance Officer to ensure sufficient capacity.</p>
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Proposal 2.6 IJBs must be empowered to use the totality of resources at their disposal to better meet the needs of their local populations.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	Total delegated resources are not defined for use by the IJB. Decisions about resources may be taken elsewhere and ratified by the IJB.	Total delegated resources have been brought together in an aligned budget but are routinely treated and used as separate health and social care budgets. The totality of the budget is not recognised nor effectively deployed.	Total delegated resources are effectively deployed as a single budget and their use is reflected in directions from the IJB to the Health Board and Local Authority.	Total delegated resources are effectively deployed as a single budget and their use is reflected in directions from the IJB to the Health Board and Local Authority. The IJB's strategic commissioning plan and directions reflect its commitment to ensuring that the original identity of funds loses its identity to best meet the needs of its population. Whole system planning takes account of opportunities to invest in sustainable community services.
Our Rating		Partly established		
Evidence / Notes	The risk sharing arrangements for the first three years of the partnership combined with the very public financial difficulties being faced by NHST have resulted in our resources being considered in an 'aligned' way than as a total delegated and integrated resource.			
Proposed improvement actions	Review our financial risk sharing arrangements to support the consideration of the budget as a total delegated resource. Convene a workshop for IJB Members and Senior Officers to better understand the use of Directions Review our budgets allocation and budget-holding responsibilities in the context of our Strategic Plan, better reflecting our strategic priorities and responding to locality needs assessment and inequalities. Ensure integrated performance locality data in place to support financial monitoring.			

Key Feature 3 Effective strategic planning for improvement				
Proposal 3.1 Statutory partners must ensure that Chief Officers are effectively supported and empowered to act on behalf of the IJB.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	Lack of recognition of and support for the Chief Officer's role in providing leadership.	<p>The Chief Officer is not fully recognised as pivotal in providing leadership.</p> <p>Health Board and Local Authority partners could do more to provide necessary staff and resources to support Chief Officers and their senior team.</p>	<p>The Chief Officer is recognised as pivotal in providing leadership and is recruited, valued and accorded due status by statutory partners.</p> <p>Health Board and Local Authority partners provide necessary resources to support the Chief Officer and their senior team fulfil the range of responsibilities</p>	<p>The Chief Officer is entirely empowered to act and is recognised as pivotal in providing leadership at a senior level. The Chief Officer is a highly valued leader and accorded due status by statutory partners, the IJB, and all other key partners.</p> <p>There is a clear and shared understanding of the capacity and capability of the Chief Officer and their senior team, which is well resourced and high functioning.</p>
Our Rating			Established	
Evidence / Notes	<p>Perth and Kinross Council and NHS Tayside have provided a high level of support to the IJB and to the Chief Officer. The Chief Officer is a Director in the parent 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.</p> <p>The recently-appointed Chief Officer is considering the future organisational structure and will respond to the anticipated inspection findings by ensuring that there is sufficient infrastructure and capacity to support him in a range of key functions, such as; performance review; strategic and financial planning; clinical and care governance; audit and risk; communications; organisational and workforce development.</p>			

	As well as the support from both parent bodies Executive Group, the Chief Officer benefits from the support of the Council's Chief Social Work Officer, who is a member of the IJB and the Clinical and Professional Governance Forum.
Proposed improvement actions	<p>Continue to engage with Chief Executives of both parent bodies to;</p> <ul style="list-style-type: none"> - advance the HSCP's Strategic Plan - seek appropriate levels of support and continued commitment from both statutory parties - ensure adequate capacity in the Senior team to support the HSCP's range of responsibilities - ensure alignment between the parent bodies' programmes, plans and strategies with those of the IJB/HSCP - progress organisational restructure to deliver an integrated structure and to ensure that behaviours, values and culture are aligned to a shared vision and purpose.

Proposal 3.2				
Improved strategic inspection of health and social care is developed to better reflect integration.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator				
Our Rating				
Evidence / Notes	NOT FOR LOCAL COMPLETION - NATIONAL INSPECTORATE BODIES RESPONSIBLE			

Proposal 3.3 National improvement bodies must work more collaboratively and deliver the improvement support partnerships require to make integration work.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator				
Our Rating				
Evidence / Notes	NOT FOR LOCAL COMPLETION - NATIONAL BODIES RESPONSIBLE			

Proposal 3.4 Improved strategic planning and commissioning arrangements must be put in place.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	Integration Authority does not analyse and evaluate the effectiveness of strategic planning and commissioning arrangements. There is a lack of support from statutory partners.	<p>Integration Authority developing plans to analyse and evaluate the effectiveness of strategic planning and commissioning arrangements.</p> <p>The Local Authority and Health Board provide some support for strategic planning and commissioning.</p>	<p>Integration Authority has undertaken an analysis and evaluated the effectiveness of strategic planning and commissioning arrangements.</p> <p>The Local Authority and Health Board provide good support for strategic planning and commissioning, including staffing and resources which are managed by the Chief Officer.</p>	<p>Integration Authority regularly critically analyses and evaluates the effectiveness of strategic planning and commissioning arrangements. There are high quality, fully costed strategic plans in place for the full range of delegated services, which are being implemented. As a consequence, sustainable and high quality services and supports are in place that better meet local needs.</p> <p>The Local Authority and Health Board provide full support for strategic planning and commissioning, including staffing and resources for the partnership, and recognise this as a key responsibility of the IJB.</p>
Our Rating		Partly Established		
Evidence / Notes	<p>Since May 2018, the HSCP has been developing a new strategic delivery model made up of four strategic programmes of care, involving a range of stakeholders in strategic planning and operational developments.</p> <p>Recognising that there are challenges around our current approach to Strategic Planning, as well as the imminent publication of an inspection report, the IJB and both parent bodies have agreed that we can defer the production and publication of our next Strategic Plan until later in the year. This will inform a review of the current structures and systems for planning and commissioning.</p> <p>At locality level the Partnership offers representation and support to Local Action Groups as part of the Community Planning Partnership arrangements. This has been particularly evident through participatory budgeting.</p>			

Proposed improvement actions	<p>We anticipate that the findings from the recent inspection of Perth and Kinross HSCP will highlight areas for improvement in our current approach to strategic planning and to performance management. We are aware of the improvement necessary and plans are being developed to address these. This coincides with the development of our next Strategic Commissioning Plan over the next few months.</p> <p>This will provide an opportunity to reflect on how we might develop more effective arrangements for strategic planning that better analyses, anticipates and meets future need, through more effective engagement with citizens, communities and stakeholders, by advancing new models of care and new service offers, that help to address inequalities and to improve outcomes.</p> <p>In addition, further action will be required by the IJB and both parent bodies to take forward actions that achieve the ambition of the MSG's Review of Integration, as well as the recommendations from the Audit Scotland report.</p>
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Proposal 3.5 Improved capacity for strategic commissioning of delegated hospital services must be in place.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	No plans are in place or practical action taken to ensure delegated hospital budget and set aside arrangements form part of strategic commissioning.	Work is ongoing to ensure delegated hospital budgets and set aside arrangements are in place according to the requirements of the statutory guidance.	<p>Delegated hospital budget and set aside arrangements are fully in place and form part of routine strategic commissioning and financial planning arrangements.</p> <p>Plans are developed from existing capacity and service plans, with a focus on planning delegated hospital capacity requirements with close working with acute sector and other partnership areas using the same hospitals.</p>	<p>Delegated hospital budget and set aside arrangements are fully integrated into routine strategic commissioning and financial planning arrangements. There is full alignment of budgets.</p> <p>There is effective whole system planning in place with a high awareness across of pressure, challenges and opportunities.</p>
Our Rating		Partly Established		
Evidence / Notes	<p>Through 'Transforming Tayside', the establishment of a Clinical Forum and our Unscheduled Care Pathway we are working with NHS Tayside and other stakeholders to review, consolidate and improve the range of services provided from the Perth Royal Infirmary site.</p> <p>The Older People and Unscheduled Care Board and the PRI Clinical Forum are considering changes in service provision and the impact this can have on the hospital budget and set aside. Dedicated programme and project management resources have been committed to support this work.</p>			

Proposed improvement actions	<p>We will review the progress of the work of the Older People and Unscheduled Care Programme Board and ensure that plans are fully developed and implemented.</p> <p>We will link this work to the activity being advanced under 'Transforming Tayside' and will further develop our approach to avoidable hospital admissions, reducing length of stay and support early discharge.</p>
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Key Feature 4 Governance and accountability arrangements				
Proposal 4.1 The understanding of accountabilities and responsibilities between statutory partners must improve.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	No clear governance structure in place, lack of clarity around who is responsible for service performance, and quality of care.	Partners are working together to better understand the governance arrangements under integration to better understand the accountability and responsibilities of all partners.	Clear understanding of accountability and responsibility arrangements across statutory partners. Decisions about the planning and strategic commissioning of delegated health and social care functions sit with the IJB.	<p>Clear understanding of accountability and responsibility arrangements and arrangements are in place to ensure these are reflected in local structures. Decisions about the planning and strategic commissioning of delegated functions sit wholly with the IJB and it is making positive and sustainable decisions about changing the shape of care in its localities.</p> <p>The IJB takes full responsibility for all delegated functions and statutory partners are clear about their own accountabilities.</p>
Our Rating		Partly Established		
Evidence / Notes	<p>We have in place systems and structures to support effective governance and define clear accountabilities. These include; the Perth and Kinross Integration Scheme; reporting arrangements to the IJB, Council, NHS Board and to the Audit and Performance Committee; Clinical and Care Governance arrangements; Strategic Risk Management Group; Staff Partnership fora; Complaints Procedure.</p> <p>We benefit from effective financial monitoring and reporting, across the aligned budgets allocated by both parent bodies.</p>			

Proposed improvement actions	<p>The IJB has agreed that a Care Governance Sub-Committee be convened and this will commence in the next month. We will develop a regular Performance Report and Review to aid managers, teams and Committee in their scrutiny of our performance against priorities.</p> <p>Further work is necessary to develop regular, robust and meaningful performance reporting and review for managers, teams and Committee.</p> <p>We have a local Joint Working Agreement which we will implement and which will support greater integration. This will enable us to better align HR processes, policy and procedure.</p> <p>With increased locality working we will explore local governance arrangements and the potential for further devolved budget. The introduction of a more integrated organisational structure will require us to enhance our clinical and care governance support to professional groups.</p> <p>With the governance and accountability structures of both parent bodies, as well as those of the IJB there is considerable duplication in reporting to potentially 5-6 different committees/fora/groups and thus great potential to explore a more integrated and efficient approach. We will review current arrangements and work with partners to explore the potential to reduce duplication.</p> <p>Health and safety and risk will be given greater focus, as a standing item on all team agendas.</p>
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Indicator 4.2 Accountability processes across statutory partners will be streamlined.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	Accountability processes unclear, with different rules being applied across the system.	Accountability processes being scoped and opportunities identified for better alignment.	Accountability processes are scoped for better alignment, with a focus on fully supporting integration and transparent public reporting.	Fully transparent and aligned public reporting is in place across the IJB, Health Board and Local Authority.
Our Rating		Partly Established		
Evidence / Notes	<p>The Chief Officer is a Director in NHS Tayside and Perth and Kinross Council, with direct accountability to both CEOs for performance. The Chief Officer has direct accountability to the Chair of the IJB and the Integration Scheme clarifies powers and accountabilities of each partner organisation. There is a clear understanding that decisions about the planning and strategic commissioning of delegated health and social care functions and hosted health functions sit with the IJB. However, there remains a degree of 'triple-tracking' across the three bodies, where decision made by the IJB are then considered by the Council and NHS Board.</p> <p>All minutes and IJB papers are published. All IJB meetings and Audit and Performance Committees are recorded and placed on You Tube for public record. IJB meetings are open to the public.</p> <p>Public Partners are active IJB members and take part in scrutiny and governance activities, as well as our Strategic Planning process.</p>			

Proposed improvement actions	<p>We aim to develop a more effective Communication Strategy to create a stronger identity for the HSCP, promote the work that is being progressed and the engagement being undertaken, while highlighting the new models of care being designed and delivered and the different ways that citizens can expect to interact with these.</p> <p>We will develop more effective Performance Reporting that aligns with strategic priorities and, if possible, with the requirements of both statutory partners, to reduce duplication and provide greater transparency.</p> <p>With partners we will consider whether it is appropriate to review the Integration Scheme.</p>
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Proposal 4.3 IJB chairs must be better supported to facilitate well run Boards capable of making effective decisions on a collective basis.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	IJB lacks support and unable to make effective decisions.	IJB is supported to make effective decisions but more support is needed for the Chair.	The IJB Chair is well supported, and has an open and inclusive approach to decision making, in line with statutory requirements and is seeking to maximise input of key partners.	The IJB Chair and all members are fully supported in their roles, and have an open and inclusive approach to decision making, going beyond statutory requirements. There are regular development sessions for the IJB on variety of topics and a good quality induction programme is in place for new members. The IJB has a clear understanding of its authority, decision making powers and responsibilities.
Our Rating			Established	
Evidence / Notes	<p>The Chief Officer meets with the IJB Chair and Vice Chair regularly to discuss operational issues of significance and any matters that might have a wider public or political interest. The Chief Officer and Chief Financial Officer also meet the IJB Chair regularly to discuss progress on the strategic priorities for assurance, governance and accountability. The IJB Chair works with officers to set the IJB agenda and chairs a pre-Agenda meeting. The IJB Chair, and wider membership, has access to advice and support from the Council's Chief Social Work Officer.</p> <p>There are regular development sessions and visits for IJB members and the Chair, which induct new members, clarify their roles and responsibilities in respect of strategic planning, governance and scrutiny and orientate members to HSCP services.</p> <p>Public partners, representing service users and carers, participate fully as IJB members and benefit from additional support in their role, where this is necessary.</p>			

Proposed improvement actions	<p>The early reporting from the Joint Inspection has highlighted that some IJB Members do not feel fully included in decision making and have a degree of confusion around their roles and responsibilities. This may reflect a significant turnover in IJB Members over the three years since inception. However, the current induction and training/development programme is being refreshed and will include a IJB Member training needs assessment. This will inform a revised development programme for IJB members.</p> <p>To explore the development of objectives for IJB Members and appraisal by the Chair.</p> <p>We are looking at how to include independent sector representation on the IJB.</p>
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Proposal 4.4 Clear directions must be provided by IJB to Health Boards and Local Authorities.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	No directions have been issued by the IJB.	Work is ongoing to improve the direction issuing process and some are issued at the time of budget making but these are high level, do not direct change and lack detail.	Directions are issued at the end of a decision making process involving statutory partners. Clear directions are issued for all decisions made by the IJB, are focused on change, and take full account of financial implications.	Directions are issued regularly and at the end of a decision making process, involving all partners. There is clarity about what is expected from Health Boards and Local Authorities in their delivery capacity, and they provide information to the IJB on performance, including any issues. Accountability and responsibilities are fully transparent and respected. Directions made to the Health Board in a multi-partnership area are planned on an integrated basis to ensure coherence and take account of the whole system.
Our Rating		Partly Established		
Evidence / Notes	IJB Members are engaged in the work of the Budget Review group and have a good understanding of the IJB's financial position and actions being taken to achieve strategic shifts and to balance the budget. While directions are provided to partners around budgetary decisions, these are high level and do not direct change. The HSCP is aware that greater focus is required on implementing the use of Directions from the IJB to partner and parent organisations.			
Proposed improvement actions	<p>Two workshops have been arranged with Senior Management and IJB Members in May and June 2019 to ensure a full understanding of the legislation in respect of Directions and the process required to initiate such.</p> <p>We will benchmark with other IJBs and learning from their experience of using Directions. This, combined with the forthcoming statutory guidance, will inform and enhance our use of Directions.</p>			

Proposal 4.5 Effective, coherent and joined up clinical and care governance arrangements must be in place.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	<p>There is a lack of understanding of the key role clinical and professional leadership plays in supporting safe and appropriate decision making is not well understood.</p> <p>Necessary clinical and care governance arrangements are not well established.</p>	<p>There is partial understanding of the key role clinical and professional leadership plays in supporting safe and appropriate decision making.</p> <p>Arrangements for clinical and care governance are not clear</p>	<p>The key role clinical and professional leadership plays in supporting safe and appropriate decision making is fully understood. There are fully integrated arrangements in place for clinical and care governance.</p>	<p>The key role clinical and professional leadership plays in supporting safe and appropriate decision making is fully understood. Arrangements for clinical and care governance are well established and providing excellent support to the IJB.</p> <p>Strategic commissioning is well connected to clinical and care governance and there is a robust process for sharing information about, for example, inspection reports findings and adverse events information, and continuous learning is built into the system.</p>
Our Rating		Partly Established		
Evidence / Our Notes	<p>The HSCP has a structure for overseeing clinical, care and professional governance, which provides scrutiny, assurance and advice. This is supported by the Chief Social Work Officer from the Council, as well as the Associate Medical Director, Lead Nurse and Lead AHP. Our response to the findings of an internal audit report will provide us with opportunities to refine and enhance our arrangements in this regard.</p> <p>The HSCP also reports into NHS Tayside arrangements for Clinical and Care Governance and Strategic Risk, as well as to Perth and Kinross Council's Committees.</p>			
Proposed improvement actions	<p>The IJB has agreed that a Clinical, Care and Professional Governance Committee be convened to apply scrutiny, assurance and improvements to our governance arrangements.</p> <p>There is a need to look to streamline the arrangements between the HSCP and both parent bodies to ensure efficiency and</p>			

	effectiveness, align reporting arrangements, and reduce duplication.
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Key Feature 5 Ability and willingness to share information				
Proposal 5.1 IJB annual performance reports will be benchmarked by Chief Officers to allow them to better understand their local performance data.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	Work is required to further develop Integration Authority annual reports to improve consistency in reporting, better reflect progress and challenges in local systems, and ensure all statutory required information is reported on by July 2019.	Work is ongoing to further develop Integration Authority annual reports to improve consistency in reporting, better reflect progress and challenges in local systems, and ensure all statutory required information is reported on, by July 2019.	Integration Authority annual reports are well developed to reflect progress and challenges in local systems, and ensure all statutory required information is reported on, by July 2019. Some benchmarking is underway and assisting consistency and presentation of annual reports.	Integration Authority annual reports are well developed to reflect progress and challenges in local systems, to ensure public accessibility, and to support public understanding of integration and demonstrate its impact. The annual report well exceeds statutory required information is reported on. Reports are consistently well presented and provide information in an informative, accessible and readable format for the public.
Our Rating		Partly Established		
Evidence / Notes	<p>The HSCP has published Annual Performance Reports, the contents and focus of which have evolved to seek to provide more relevant and meaningful data on the Partnership's performance. It is recognised that further work needs to be done to move away from quantitative measures, to report more effectively and regularly on outcomes, impact, experience.</p> <p>The imminent publication of a report into the inspection of our HSCP highlights the need for us to review and develop our approach to performance reporting and to develop more routine, regular reports on performance in relation to functions and localities, with a focus on impact and outcomes.</p>			
Proposed improvement	In delivering a revised Strategic Commissioning Plan we will consider the arrangements, systems and structures in place to support this and enhance these to deliver better data and intelligence, pertaining to local and national outcome measures.			

actions	<p>We welcome the MSG proposal to benchmark Chief Officer's Annual Performance Reports nationally to report on impact and progress across local systems and to provide greater transparency and accountability. We will also work with HSCPs across Tayside to agree common measures and data and to achieve greater consistency in reporting.</p>
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Proposal 5.2 Identifying and implementing good practice will be systematically undertaken by all partnerships.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	<p>Work is required to improve the Integration Authority annual report to identify, share and use examples of good practice and lessons learned from things that have not worked.</p>	<p>Work is about to commence on development of the annual report to enable other partnerships to identify and use examples of good practice.</p> <p>Better use could be made of inspection findings to identify and share good practice.</p>	<p>The Integration Authority annual report is presented in a way that readily enables other partnerships to identify, share and use examples of good practice and lessons learned from things that have not worked.</p> <p>Inspection findings are routinely used to identify and share good practice.</p>	<p>Annual reports are used by the Integration Authority to identify and implement good practice and lessons are learned from things that have not worked. The IJB's annual report is well developed to ensure other partnerships can easily identify and good practice.</p> <p>Inspection findings and reports from strategic inspections and service inspections are always used to identify and share good practice.</p> <p>All opportunities are taken to collaborate and learn from others on a systematic basis and good practice is routinely adapted and implemented.</p>
Our Rating		Partly Established		
Evidence / Notes	<p>We are about to receive the report of a recent Joint Inspection from HIS and the Care Inspectorate. This will necessitate a comprehensive Improvement Plan, with many of the required actions linked to the MSG Review of Integration and therefore the aspects covered elsewhere in this self-evaluation (for example, governance, performance, workforce planning, strategic commissioning and leadership).</p> <p>The inspection report will also identify areas where we have made good progress and where there is evidence of good practice, which we will recognise, promote and consolidate.</p> <p>In developing our Improvement Plan we will look to the progress and success achieved elsewhere in Scotland through benchmarking activity, a review of others' inspection reports, the Chief Officer's involvement in the National Chief Officers' Group</p>			

	and the improvement support available from both inspectorates.
Proposed improvement actions	<p>In response to the inspection findings we will introduce a robust, regular Performance Review and Report and will achieve ownership of this across the HSCP, in functional areas, teams and localities to ensure the 'golden thread' between individual objectives and performance, operational delivery and strategic priorities, monitoring. We will develop a model that provides monthly and quarterly reports, thus informing the Annual Performance Review.</p> <p>We will look to market the work of the HSCP internally and externally by; developing a Communication Strategy; achieving a stronger brand identify; improving communication; promoting our achievements; developing a positive, supportive, learning culture; strengthening employees' connection to our purpose and priorities; optimising the proactive use of media and social media.</p>

Proposal 5.3 A framework for community based health and social care integrated services will be developed.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator				
Our Rating				
Evidence / Notes	NOT FOR LOCAL COMPLETION - NATIONAL BODIES RESPONSIBLE			

Key Feature 6 Meaningful and sustained engagement				
Proposal 6.1 Effective approaches for community engagement and participation must be put in place for integration.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	There is a lack of engagement with local communities around integration.	Engagement is usually carried out when a service change is proposed.	Engagement is always carried out when a service change, redesign or development is proposed.	Meaningful engagement is an ongoing process, not just undertaken when service change is proposed. Local communities have the opportunity to contribute meaningfully to locality plans and are engaged in the process of determining local priorities.
Our Rating		Partly Established		
Evidence / Notes	<p>We engage effectively with a range of key stakeholders in the course of our work, be this local communities, communities of interest, professional groups, the third and independent sector, advocacy organisations or minority ethnic groups.</p> <p>The HSCP is committed to developing both strategic and operational links between the HSCP and Stronger Communities to engage with communities effectively. This will support a range of activity that will enable the HSCP to contribute to key strategic objectives such as early intervention and prevention, working with communities and making the best use of resources.</p>			
Proposed improvement actions	<p>We will revise our communication and engagement strategy and enhance our approach to ensure that meaningful engagement runs throughout our strategic and operational planning and developments.</p> <p>We will look to include an independent sector representative on our IJB and will ensure that we support all Public Partners more effectively to enable them to contribute more fully in influencing our work activity.</p>			

Proposal 6.2 Improved understanding of effective working relationships with carers, people using services and local communities is required.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	<p>Work is required to improve effective working relationships with service users, carers and communities.</p>	<p>Work is ongoing to improve effective working relationships with service users, carers and communities.</p> <p>There is some focus on improving and learning from best practice to improve engagement.</p>	<p>Meaningful and sustained engagement with service users, carers and communities is in place.</p> <p>There is a good focus on improving and learning from best practice to maximise engagement and build effective working relationships.</p>	<p>Meaningful and sustained engagement with service users, carers and communities is in place. This is given high priority by the IJB.</p> <p>There is a relentless focus on improving and implementing best practice to maximise engagement. There are well established and recognised effective working relationships that ensure excellent working relationships.</p>
Our Rating		Partly Established		
Evidence / Notes	<p>(As 6.1 above) We are working well with carers, people using services and communities through;</p> <ul style="list-style-type: none"> - the development of our locality approach - our work in Community Planning and through Local Action Partnerships - the recruitment of Public Partners onto the IJB through third sector-led elections - our further plans to consult locally on our revised Strategic Commissioning Plan - the inspection reports on our regulated services 			
Proposed improvement actions	<p>Our Strategic Plan will challenge us to further develop our work in and engagement with local communities and the transformation work that follows will require us to redesign services together with citizens and communities.</p> <p>We will explore further community development opportunities, promoting social enterprises, building community capacity and developing greater use of volunteering. We will design further methods of garnering feedback on service quality.</p>			

Proposal 6.3 We will support carers and representatives of people using services better to enable their full involvement in integration.				
Rating	Not yet established	Partly Established	Established	Exemplary
Indicator	Work is required to improve involvement of carers and representatives using services.	Work is ongoing to improve involvement of carers and representatives using services.	<p>Carers and representatives on the IJB are supported by the partnership, enabling engagement.</p> <p>Information is shared to allow engagement with other carers and service users in responding to issues raised.</p>	<p>Carers and representatives of people using services on the IJB, strategic planning group and locality groups are fully supported by the partnership, enabling full participation in IJB and other meetings and activities.</p> <p>Information and papers are shared well in advance to allow engagement with other carers and service users in responding to issues raised. Carers and representatives of people using services input and involvement is fully optimised.</p>
Our Rating		Partly Established		
Evidence / Notes	<p>One of our four Programmes of Care features on Carers, with a focus on the ambition of the previous National Carers Strategy and now on the provisions of the new Carers Act. In progressing this work we are engaging effectively with carers and the groups that represent and support them.</p> <p>The Carers Programme Board approved a HSCP Short Break Services Statement on 6 December 2018, in line with the requirements of the Carers Scotland Act 2016. A summary version of the Statement and an information leaflet is being produced to raise awareness of the short breaks that are available to carers in the area, to minimise carer breakdown and support carers in their role. We plan to consult further as we develop a local Carers Strategy.</p>			

Proposed improvement actions	<p>Further support the Public Partners to understand their roles as Board Members and to contribute effectively to the work of the IJB and HSCP. Develop a Reference Group to work behind the Public Partners to increase representation on IJB business and decisions.</p> <p>Further develop our communication and feedback to ensure that Partnership planning and service delivery remains in step with public aspirations.</p> <p>We will review the impact of our Carer's strategy to measure and report on the difference it is making to identifying unpaid carer's and supporting them to carry on with their caring role, while enjoying a life out with caring.</p>
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Internal Audit Report



Internal Audit Report
Adult Social Work & Care
Carers' Act Implementation
Assignment No. 18-22
March 2019

Final Report (Report No. 19/159)

Legal and Governance
Corporate and Democratic Services
Perth & Kinross Council
Council Offices
2 High Street
Perth
PH1 5PH

Internal Audit

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes” Public Sector Internal Auditing Standards (PSIAS).

The Council’s Audit Committee approved the PSIAS as the relevant standard for its Internal Audit activity.

Background and Introduction

This audit was carried out as part of the audit plan for 2018/19, which was approved by the Audit Committee on 27 June 2018.

The Carers (Scotland) Act 2016 came into force on 1 April 2018 and sets out responsibilities for local authorities and health boards to deliver carer support, work closely with carers, and where relevant the Integrated Joint Boards (IJB). The Act defines an unpaid carer as an “individual who provides or intends to provide care for another individual (the “cared for person”)”. Identification of carers (including “hidden carers”), carer involvement, a preventative approach and offering information and advice to carers are key to implementing the Act.

As part of the joint working arrangements and delegation to the Perth Kinross Joint Integration Board (P&K IJB) a Transformation Project ‘Shifting the Balance of Care’ invested in additional Carers Support with the aim to reduce carer breakdown and long term placements in residential care. In September 2018, a Carers Programme Board was created specifically to manage delivery of this service. Shared working with external bodies also includes the third sector for Carers.

Perth & Kinross Council (PKC) and Health and Social Care Partnership (P&K HSCP), work in partnership with Perth & Kinross Association of Voluntary Service (PKAVS) and are commissioned to offer support and inclusion for Carers.

P&K HSCP Annual Performance Report 2017-2018 included National Health & Wellbeing Outcome 6 – ‘People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their health and wellbeing’.

41% of carers who responded to the Health and Clinical Excellence survey in 2017/18 in Perth & Kinross feel supported to continue in their caring role which sits above the Scotland average of 37%.

Scope and Limitations

The audit reviewed support processes for adult carers as defined in the Act. P&K HSCP provide support for Adult Carers which are defined by the Act as being at least 18 years old and not a Young Carer. Education & Children’s Services support Young Carers who are defined as being either under 18 years or 18 years but still at school. Young Carers have been excluded from the scope of this audit and will be included for consideration in a future internal audit plan.

Internal Audit Report

The audit has reviewed the arrangements that have been put in place by the Partnership to support the implementation of the Carers (Scotland) Act 2016. The effectiveness of these arrangements will be assessed over time and therefore no assessment of this has been undertaken as part of this audit.

The audit included interviews with officers and a review of documentation to ensure that the Council has adequate arrangements in place for the implementation of the Carers (Scotland) Act 2016. Audit testing was carried out during March 2019.

Control Objectives and Opinions

This section describes the purpose of the audit and summarises the results. A 'control objective' is a management objective that requires the maintenance of adequate and effective internal controls to ensure that it is achieved. Each control objective has been given a rating describing, on the basis of the audit work done, the actual strength of the internal controls found to be in place. Areas of good or poor practice are described where appropriate.

Control Objective: To ensure that the Council has adequate arrangements in place for implementation of the Carers [Scotland] Act 2016.

Internal Audit Comments:

Audit testing and review of documentation confirmed that the Council has adequate arrangements in place to support the implementation of the Carers (Scotland) Act 2016. This is evidenced by the following:

Guidance to support implementation of the Carers Act defines responsibilities and duties of local authorities including –

- Adult Carer Support Plan
- Local Eligibility Criteria
- Provision of support, waiving of charges and replacement care
- Carer involvement in service planning
- Local Carer Strategy
- Information and advice for carers
- Short Breaks Services Statement

These responsibilities were reviewed and findings are reported below:

- The Council website describes PKC's duty to provide the carer with an opportunity to speak to someone about what help would be useful in their caring role. It states that an Adult Carer Support Plan will be written outlining the support which may help the carer remain in a caring role and provides contact details. This is a change from previous legislative duties to carry out a 'carer's assessment'. Evidence of a standard support plan confirmed that it identifies the carer's personal outcomes, needs and the support to be provided by the Partnership to meet these needs. PKAVS publicises support and offers a similar service for both Adult and Young Adult Carers by offering online forms on its website Hub.
- The Council's obligation to set local eligibility criteria has been met with the publication on the Council's website in January 2018 of a local eligibility criteria framework for adult carers. This framework was developed and designed in

consultation with local carers between October to December 2017 and determines the level of support a carer can expect to receive as well as whether the support will be provided to the carer under a mandatory duty or a discretionary power.

- Provision of support, waiving of charges and replacement care duties include consideration of whether support should take the form of, or include a break from caring. Charging depends on the impact of caring on the carer in accordance with Waiving of Charges Regulations and Eligibility Criteria. A decision matrix is being developed to assist Team Leaders to decide on support, waiving of charges and replacement care for short term breaks. Both PKAVS and the Perth and Kinross Council websites detail various short breaks for carers and the support available including Respitality which aims to connect local organisations that support unpaid carers with hospitality and leisure providers who provide free access to their facilities.
- Sections 29 and 30 of the Act require local authorities to involve individual carers in decision making. A survey called 'Getting it Right for Carers across Perth and Kinross' on behalf of P&K HSCP ran in October 2018 and informed the Carers strategic direction. A list of outputs from this consultation was published on the PKAVS hub website. Carer involvement in Perth and Kinross service planning was evident in events such as the annual Carers' Conference. The latest conference held in November 2018 was a joint effort between PKAVS Carers Hub Team and P&K HSCP with unpaid carers and professional delegates contributing views and sharing experiences. Smaller conference type events are planned for localities during Carers Week in June 2019.
- A draft Local Carers' Strategy for 2019 – 2022 was evidenced and reported to be in line with the draft overarching Perth & Kinross Health & Social Care Strategic Commissioning plan. An updated Strategic Commissioning Plan is due to be presented for approval to the Integrated Joint Board in September 2019. The revised Carers' Strategy incorporates input from the Carers' Conference and a Carers Workshop held in December 2018. There has also been an online Carer Services evaluation survey. The Carers' Strategy is due to be presented at the Carers Programme Board in March 2019.
- P&K HSCP commissioned PKAVS to provide an Information and Advice Service as required by Section 34 of the Act. The PKAVS online resource Carers Hub has specific site areas offering information, support and advice to different Carers by age group as well as parents and professionals. PKAVS set up a Carers Telephone and Support Service in February 2018 providing not only a simple route to contacting someone to talk to about caring issues, but also providing a valuable and valued support to Carers on a regular basis. There is also information on the Council website with resources by areas including Carers and money matters; news and events; health and wellbeing; support and short breaks, plus an email address, phone number and address of the Early Intervention and Prevention Team. PKAVS also provide training for Carers such as first aid and moving and handling.
- A Short Breaks Services Statement for local carers and cared-for persons was approved and published in December 2018 to comply with section 35 of the Act. This is available online on the Council website with different options of short breaks, information and contact details to assist carers' choices and

Internal Audit Report

applications for support. PKAVS website also provides links to the full statement. This provides definitions of terms and can be obtained in other formats and languages if required. A one page summary of the statement is also available online.	
Strength of Internal Controls:	Strong

Management Action and Follow-Up

There are no actions arising from this audit. As such, no management action plan is required.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation of K Sharp, Service Manager and A Gallacher, Business Improvement Officer during this audit.

Feedback

Internal Audit welcomes feedback, in connection with this audit or with the Internal Audit service in general.

Distribution

This report has been distributed to:

K Reid, Chief Executive

J Valentine, Depute Chief Executive

G Patterson, Chief Officer, Health & Social Care Partnership

D Fraser, Head of Adult Social Work and Social Care

K Sharp, Service Manager and Carers Strategic Lead

P Henderson, Service Manager (Strategic Lead Older People)

A Gallacher, Business Improvement Officer

L Simpson, Head of Legal and Governance Services

S Mackenzie, Head of Finance

Committee Services

External Audit

Authorisation

The auditor for this assignment was N Duncan. The supervising auditor was M Morrison.

This report is authorised for issue:

J Clark
Chief Internal Auditor
Date:



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

18 JUNE 2019

APPOINTMENT OF INTERNAL AUDITORS 2019/20 – 2021/22

Report by Chief Financial Officer (Report No. G/19/102)

PURPOSE OF REPORT

This report seeks approval to proposed Internal Audit Arrangements for the Integration Joint Board for 2019/20 for a period of 3 years.

1. BACKGROUND

The Scottish Government issued Finance Guidance for Integration Joint Boards (IJB) via the “Integrated Resources Advisory Group” (IRAG). That guidance states:-

“It is the responsibility of the Integration Joint Board to establish adequate and proportionate internal audit arrangements for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources. This will include determining who will provide the internal audit service for the Integration Joint Board and nominating a Chief Internal Auditor.”

The IJB is also required to comply with the article 7 of the Local Authority Accounts (Scotland) regulations 2014 which state:-

“A local authority must operate a professional and objective auditing service in accordance with recognised standards and practices in relation to internal auditing.”

Accordingly, at its meeting on the 6th November 2015, the IJB approved the appointment of Tony Gaskin, as the IJB’s Chief Internal Auditor for 2016/17, with internal audit resources provided by both Fife, Tayside and Forth Valley Internal Audit Services (FTF) and Perth and Kinross Council Internal Audit service. This approval was extended in September 2017 to 2017/18 and in June 2018 to 2018/19.

Whilst the Chief Internal Auditor role has been undertaken by FTF, there has been close liaison with the P&K Council Chief Internal Auditor and the processes and procedures followed have been agreed by a working group of the Chief Internal Auditors of all Local Authority in the Tayside region as well as the NHS Tayside.

2. KEY ISSUES

Given that this appointment has been in place for three years, it was considered an appropriate time to review the arrangement, particularly as there is now a new Accountable Officer who may well bring new thoughts on governance and different priorities for audit. Following discussions with FTF, NHS Tayside and Perth & Kinross Council it is therefore proposed that Jackie Clark now be appointed as Chief Internal Auditor for Perth and Kinross IJB with both Perth and Kinross Council Internal Audit services and FTF continuing to provide resources under the terms of the joint working arrangements already in place...

The approval of the Audit & Performance Committee is now sought to appoint Jackie Clark as Chief Internal Auditor with Perth & Kinross Council Internal Audit Service and FTF being appointed as the IJB's Internal Auditors for 2019/20 for a period of 1 year in the first instance.

3. RECOMMENDATION

The Audit and Performance Committee is asked to:-

- Approve the appointment of Jackie Clark as Chief Internal Auditor; and
- Approve Perth and Kinross Council Internal Audit Services and FTF as the IJB's Internal Auditors for 2019/20 for a period of 1 year.

Author(s)

Name	Designation	Contact Details
Jane M Smith	Chief Financial Officer	janemsmith@nhs.net janemsmith@pkc.gov.uk 01738 459556 07966 875713

FINAL REPORT

**PERTH AND KINROSS IJB
INTERNAL AUDIT SERVICE****ANNUAL INTERNAL AUDIT REPORT****2018/2019**

Issued To: G Paterson, Chief Officer/Director – Integrated Health and Social Care
J Smith, Chief Finance Officer
M Rapley, Service Manager, Business Planning & Performance

P Jerrard, Business Support – for distribution to:

Perth and Kinross Integration Joint Board Members
External Audit - KPMG

Date Issued: 11 June 2019

ANNUAL INTERNAL AUDIT REPORT 2018/19

INTRODUCTION

1. The Integrated Resources Advisory Group (IRAG) guidance outlines the responsibility of the Integration Joint Board (the IJB) to establish adequate and proportionate internal audit arrangements for review of the adequacy of arrangements for risk management, governance and control of the delegated resources.
2. This guidance states that the IJB has responsibility for reviewing the effectiveness of the governance arrangements including the system of internal control. To inform this review and the preparation of the governance statement, as stated in the CIPFA framework on Delivering Good Governance in Local Government, Internal Audit is required to provide an annual assurance statement on the overall adequacy and effectiveness of the framework of governance, risk management and control.
3. Guidance issued in April 2017 requires IJBs to prepare their annual accounts and governance statements in accordance with Local Authority Accounts (Scotland) Regulations 2014. These regulations require an authority to:
 - i) be responsible for ensuring that the financial management of the authority is adequate and effective and that the authority has a sound system of internal control which:
 - (a) facilitates the effective exercise of the authority's functions; and
 - (b) includes arrangements for the management of risk.
 - ii) Conduct a review at least once in each financial year of the effectiveness of its system of internal control.
4. The CIPFA 'Delivering Good Governance' in Local Government Framework 2016 places a responsibility on the authority to ensure *additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control* is provided by the internal auditor.
5. To inform this review and the preparation of the governance statement, as stated in the CIPFA framework on Delivering Good Governance in Local Government, Internal Audit is required to provide an annual assurance statement on the overall adequacy and effectiveness of the framework of governance, risk management and control. As Chief Internal Auditor, this annual report to the IJB provides my opinion on the IJB's internal control framework for the financial year 2018/19.
6. This review examined the framework in place during the financial year 2018/2019 to provide assurance to the Chief Officer, as Accountable Officer, that there is a sound system of internal control that supports the achievement of the IJB's objectives. It considered:
 - ✧ Corporate Governance
 - Clinical Governance
 - Staff Governance
 - Financial Governance
 - Information Governance

EXECUTIVE SUMMARY

7. The 2015/16 IJB Annual Internal Audit Report first recommended that accountability and responsibilities of the IJB in respect of all governance arrangements should be clarified and agreed by the IJB, and thereafter flow through to risk management and assurance arrangements. Whilst progress has been made, a number of matters remain outstanding; this is largely due to the complexity, sensitivity and difficulty of the issues as well as the capacity of the IJB to deliver governance changes whilst implementing substantial transformative change. We welcome the regular updates that have been provided on this to the Perth & Kinross (P&K) IJB Audit & Performance Committee (A&PC), including regular updates against the Transforming Governance Action Plan.
8. A range of governance developments identified within the IJB's own self assessment and through previous internal and external audit reports have not progressed as anticipated. We previously noted that the IJB was a developing organisation with necessarily emergent governance structures. However, after three years of operation, we would expect greater evidence of increasing maturity, recognising that historically, the lack of engagement and in some cases support by partners has been a significant impediment to progress.
9. We do however acknowledge that the IJB has been dealing with a number of complex issues including a significant financial shortfall as well as issues associated with Inpatient Mental Health Services and it has been a challenge for the organisation to drive the necessary transformational change within the available capacity as well as manage the business as usual. This is reflected in the lack of progress made in addressing the more challenging issues raised in previous internal audit reports. In these circumstances, an organisation needs to focus core activity on the areas of highest importance which can be most realistically delivered within available resources and management capacity.
10. From 1 April 2019, the new Chief Officer has taken up post. Developments during 2019/20 will be critical to provide the foundation for a sustainable future, including the new Strategic Plan and enabling strategies, including a Workforce plan and structures supporting delivery through service redesign. In addition, robust clinical & care governance arrangements will need to underpin this. We welcome the development of the 3 year Financial plan as well as the progress made for risk management arrangements.
11. The need for immediate governance improvements has crystallised through the publication of the Ministerial Strategic Group (MSG) for Health and Community Care *'Review of Progress with Integration of Health and Social Care, Final Report, February 2019'*, which shows that most of the problems we have identified locally are replicated across Scotland. The IJB submitted its response to this report to the SGHSCD in May 2019 with the majority of assessments being *'Partly established'*. It is hoped that the impetus created by the MSG report will create an environment in which significant and rapid progress may be achieved.
12. The IJB has produced a draft Governance Statement for 2018/19 which sets out a number of actions to further strengthen governance arrangements. A SMART action plan assigning realistic timescales and ownership should become central to activity. Crucially, the organisation will need to ensure leadership and management capacity is in place to support this wide range of work.

13. It is vital that the A&PC regularly monitors progress in implementing the actions arising for the MSG report combined with previously agreed governance actions, and is cognisant of the consequences of any non achievement to the overall control environment.
14. P&K IJB's relationship with both partner bodies has meant that the controls in place in one body inevitably affect those in the other. The draft NHS Tayside Governance Statement 2018/19 concludes that corporate governance was operating effectively throughout the financial year. P&K Council's draft Governance Statement concludes that governance arrangements and the system of internal control continue to be regarded as fit for purpose. This is accompanied by an Annual Internal Audit Report which concludes that reasonable reliance can be placed on the Council's risk management and governance arrangements, and systems of internal control for 2018/19, subject to management implementation of the agreed actions detailed in Internal Audit reports.
15. 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.

LIMITATION IN SCOPE

16. P&K IJB has recently been subject to a joint inspection by the Care Inspectorate and Health Improvement Scotland. The results of this inspection will generate further improvement actions although publication of the final report is not expected until mid 2019. Whilst we have therefore been unable to take account of its findings within our report, we would expect any additional findings to be reflected in the final governance statement for the IJB.

CONCLUSION

17. As Chief Internal Auditor, this annual report to the IJB provides my opinion on the IJB's internal control framework for the financial year 2018/19.
18. Subject to the areas highlighted as requiring improvement, I have concluded that:

- **Reliance can be placed on the IJBs governance arrangements and systems of internal controls for 2018/19.**

19. In addition, I have not advised management of any concerns around the following:

- **Consistency of the Draft Governance Statement with information that we are aware of from our work;**
- **The format and content of the Governance Statement in relation to the relevant guidance;**
- **The disclosure of all relevant issues.**

ACTION

20. The IJB is asked to **note** this report in evaluating the internal control environment for 2018/19 and **consider** any actions to be taken on the issues reported for consideration.

INTERNAL CONTROL

21. FTF was appointed as the IJB's Internal Audit Service for 2018/19 in June 2018, with input and support from the P&K Council Internal Audit service and its Chief Internal Auditor. The Audit Committee has approved the Internal Audit Charter as well as a protocol for the sharing of audit outputs between the partner organisations.
22. We can confirm that FTF complies with the Public Sector Internal Audit Standards (PSIAS). During 2018/19 the NHS Tayside Internal Audit Service was externally quality assessed (EQA) by the Institute of Internal Auditors who concluded that FTF generally conforms to the International Professional Practice Framework (IPPF). An action plan to address the IIA recommendations is being monitored through the NHS Tayside Audit & Risk Committee. The P&K Council Internal Audit service undertakes an annual review of compliance with the Public Sector Internal Audit Standards, which was examined independently. The overall conclusion is that the Internal Audit Service fully conforms to the PSIAS.
23. The 2018/19 internal audit plan was approved by the September 2018 meeting of the IJB's A&PC. Whilst progress in reporting finalised products has been behind schedule, audit fieldwork work has been undertaken, in partnership with the Perth & Kinross Council Internal Audit Service, sufficient to allow the Chief Internal Auditor to provide his opinion on the adequacy and effectiveness of internal controls.
24. Perth & Kinross Heath and Social Care Partnership independently developed a robust governance self assessment including a library of supporting evidence based on the requirements of the CIPFA 'Delivering Good Governance in Local Government Framework 2016' and supporting guidance notes. This sets out a risk assessment as well as responsible officers and timescales for identified improvement actions. A high-level Transforming Governance Action Plan based on this assessment was originally developed at year end 2016/17 and continues to be monitored by the A&PC.
25. To inform our evaluation of the internal control framework, Internal Audit validated the assessments through discussion with management and examination of the supporting evidence and documentation.
26. Based on our validation work, we can provide assurance on the following key arrangements in place by 31 March 2019; and also comment on where further development is needed in 2019/20. Based on our assessment, we also recommend further issues for consideration by management.
27. Last year we recommended that the Transforming Governance Action Plan should be updated to include the further recommendations made within our internal audit annual report. These were monitored through the Audit recommendations update to the A&PC. There are now a number of additional sources of recommendations:
 - ◇ In February 2019, it was agreed that management would form an action plan to address the recommendations arising from the Audit Scotland report on Health and Social Care Integration.

- ◇ The IJB submitted its self assessment response including proposed improvement actions against the Ministerial Strategic Group (MSG) for Health and Community Care 'Review of Progress with Integration of Health and Social Care, Final Report, February 2019'
 - ◇ P&K IJB has recently been subject to a joint inspection by the Care Inspectorate and Health Improvement Scotland. The results of this inspection will generate further improvement actions although publication of the final report is not expected until mid 2019.
28. Taking account of the considerable duplication between the outcomes of the organisation's governance self assessment, our findings and those of the MSG, as well as the Audit Scotland HSCI report; where possible, all relevant findings from these reviews should be collated and monitored through a single SMART action plan.
29. It is vital that the A&PC continues to regularly monitor progress in implementing agreed actions and understands the consequences of any non achievement or slippage in the governance action plan in overall context
30. Our evaluation of the IJB's Governance Framework is summarised below.

A- Corporate Governance	
A1- Key arrangements in place as at year end 2018/19	
I.	We welcome the regular updates to the A&PC on the Transforming Governance Action Plan.
II.	P&K IJB has undertaken a self assessment against the proposals contained in the MSG for Health and Community Care ' <i>Review of Progress with Integration of Health and Social Care, Final Report, February 2019</i> '. A report on the outcome of this exercise is planned to be reported to members in June 2019. The majority of areas have been assessed as 'Partly established' and improvement actions agreed with Perth & Kinross Council and NHS Tayside.
III.	A draft Governance Statement has been prepared for 2018/19 as part of the annual accounts process and will be presented to the A&PC in June 2019. Identified areas for development flow from the organisation's own governance self assessment process and agree with those previously identified by Internal Audit as well as the MSG self assessment. They were also cross referenced to the Audit Scotland report as well as the HSCI Governance principles agreed by NHS Tayside Audit Committee in December 2017.
IV.	The Chief Officer provides a strategic update to each IJB meeting on work ongoing across the HSCP for information in between formal reports. While the June 2018 IJB meeting requested that this be based on a forward planner for the IJB, this is not yet in place.
V.	Our review of IJB agendas, minutes and papers showed that in this third year of operation, the main focus of the IJB was on developing strategic objectives as well as the financial position.
VI.	P&K IJB's Annual Performance report 2017/18 was considered at a special meeting of the A&PC in July 2018. This shows that the IJB generally performed in line with or better than the Scottish average except in relation to Readmissions to Hospital within 28 days, the Falls rate per 1,000 population

	age 65+ and the Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency. However, the report identified 7 out of 19 indicators where performance has deteriorated against previous results.
VII.	The 2017/18 Annual Performance Report set out the key arrangements in place within the IJB which support each Best Value characteristic.
VIII.	Revised terms of reference for the A&PC were approved in November 2018 and strengthened and widened the committee's remit, especially in relation to performance and governance arrangements. The committee received regular updates on the Transforming Governance Action plan and progress updates against the further development of risk management arrangements. We welcome the regular reporting updating members on progress against Audit recommendations.
IX.	The Chair of the A&PC provides verbal updates to the full IJB.
X.	An Equality Outcomes Progress report was received by the IJB in June 2018 for information.
XI.	Standing Orders were reviewed and updated in September 2018.
XII.	Members have received induction training and development presentations have been provided including specifically several on the financial position and budget development.

A2 – Planned and ongoing developments

Many of these areas have been identified as requiring development for a number of years but remain outstanding.

I.	Review of corporate support arrangements remains outstanding. We would highlight that capacity has restricted the potential for further development in a number of governance areas.
II.	In February 2019, it was agreed that management would develop an action plan to address the recommendations arising from the Audit Scotland report on Health and Social Care Integration.
III.	Internal Audit report PK05/18 - Strategic Planning concluded that the IJB and its partners are facing major financial challenges and it is recognised that achieving financial balance is reliant on the delivery of a very significant transformation and efficiency programme. Sustained improvement and financial sustainability will not be achieved without setting clear strategic direction. Following the delay in the production of the new Strategic Plan for 2019 onwards, PK05/18 makes recommendations in relation to the completion of the Strategic Plan to identify key objectives and priorities consistent with the workforce development plans, financial sustainability planning and also operational plan as well as appropriate stakeholder engagement.
IV.	We previously reported that <i>'A refreshed structure and approach to strategic planning was approved in January 2018. Further details on the remits, memberships and reporting structures to support the development of the refreshed plan have yet to be reported to the IJB. The next improvement action plan update to be provided in June 2018 describes the move to a Care Programme Board structure including performance framework and</i>

	<p><i>programme budgets.</i> Whilst remits for the Programme of Care Boards have been discussed by the IJB these are yet to be finally agreed.</p>
V.	<p>Considerable progress on risk management arrangements was made during the year and the Risk Register and revised Risk Management framework were approved in November 2018. The February A&PC also received a strategic risk management update showing the organisation's strategic risks including information on current controls and treatment actions, but not assurances. Work is ongoing across the three Tayside partnerships to update and enhance risk management arrangements especially in relation to processes for ownership, identification and escalation of risk between the IJBs and their partners. Internal Audit has reviewed risk management arrangements separately and detailed recommendations will be made in this report.</p>
VI.	<p>The February 2019 A&PC was the first to receive a corporate performance report and a quarterly performance report from a Programme of Care Board (Older people and Unscheduled Care). There has therefore not yet been comprehensive reporting providing an overview of performance against the national health and wellbeing outcomes as well as progress towards the achievement of the organisation's strategic objectives. Reporting received includes data and narrative explaining the position but not yet information on remedial action where performance is off track. Planning work is underway for an internal audit review of performance management arrangements which will make detailed recommendations on this area.</p>
VII.	<p>In line with the national picture, work in relation to further clarification in relation to Large Hospital services and set aside budget remains outstanding and remains a concern. In its response to the MSG report, P&K stated that it plans to ensure that the Older People and Unscheduled Care Board is able to take the leadership in shifting the balance of care.</p>
VIII.	<p>No formal directions were issued for 2018/19. We evidenced discussions as part of the development of the 2019/20 financial plan for the Chief officer to issue directions for 2019/20 based on budget agreed. Management has informed us that workshops have taken place for the executive management team on the use of directions. The committee report template now includes a section on directions to ensure clarity where the IJB is asked to make a decision.</p>
IX.	<p>An annual report of the A&PC for 2018/19 will come to the June 2019 IJB including a self assessment.</p>
<p>A3- Recommended further issues for consideration by management</p>	
<p>Many important governance areas where we would further development is required have already been identified by management and are included in the Transforming Governance Action Plan.</p> <p>The following additional internal audit recommendations from previous annual reports remain extant:</p> <p>I. We have previously recommended that the Audit Committee considers the governance principles adopted by the HSCI Governance working group and ensures that they are taken forward within the IJB, in partnership with both parent bodies. These principles are still very much relevant in the light of the MSG proposals and we welcome the fact that these principles were considered as part of the Governance Self Assessment exercise. Any</p>	

	<p>changes in governance processes arising from this work should be incorporated into the next updates of Standing Orders, Scheme of Delegation and Standing Financial Instructions.</p>
II.	<p>Whilst meetings are recorded and available publically, minutes of P&K IJB and A&PC meetings are minimalist and do not provide a record of discussions, questions asked and assurances provided which would allow interested parties, including Board members not in attendance, a fuller understanding of the issues.</p>
<p>We also make the following additional recommendations arising from this year's review:</p>	
III.	<p>Alongside the Governance improvement plan, the IJB should be provided with assurance that sufficient capacity and organisational structure is in place to support the planned work.</p>
IV.	<p>Without transformational change, the IJB will not be able to achieve financial balance and sustainability. Our review showed that the previous section of the IJB agenda on 'Redesigning Care' is no longer included. Reporting on transformational change to the IJB should reflect its importance to the IJB, focused on providing an overall picture of progress and risks to delivery.</p>
V.	<p>The P&K IJB Integration Scheme sets out that the IJB is responsible for the operational oversight of hosted services. For P&K IJB, this includes Inpatient Mental Health Services. Whilst not recorded as a strategic risk to the organisation at the time of our report, this area clearly represents a complex challenge to the organisation but has not featured prominently in the business of the IJB and A&PC during 2018/19. We would recommend a clearer link between the organisation's highest financial and strategic risks and reporting received.</p>
VI.	<p>Management has informed us that performance management arrangements for services hosted by P&K IJB are to be aligned with relevant programme boards and reported through them to the A&PC. It is not clear how P&K IJB will receive assurance on services hosted by the other two Tayside IJBs as they relate to its citizens. We have previously recommended that risk & performance management arrangements should be included in any further work on the implementation of the Hosted Services Memorandum of Understanding.</p>
VII.	<p>Detailed recommendations on risk management and performance management will be made by Internal Audit within the respective Internal Audit reports.</p>

<p>B- Clinical & Care Governance/ Financial Governance/ Staff Governance/ Information Governance</p>
<p>B1- Key arrangements in place as at year end 2018/19</p>
<p>I. Complaints are now monitored as part of the corporate performance report by the A&PC.</p> <p>II. The September 2018 IJB received the Adult Protection Committee's biennial report 2016-2018. This report provides assurance that <i>'the Committee has, over the last two years, been developing greater oversight of the needs of</i></p>

	<i>adults at risk and understanding about areas for improvement. An improvement plan has been developed for 2018 – 2020’.</i>
III.	In February 2019, the Chief Social Work Officer delivered her annual report for 2017/18.
IV.	On an annual basis the IJB has to formally agree a devolved budget with Perth & Kinross Council and NHS Tayside. The June 2018 IJB was updated on the development of the 2018/19 Financial Plan at which point a £1M gap remained as well as setting out further financial risks with a potential impact of £4M. In September 2018, members were informed of the potential financial implications for the partner bodies. It is not explicit from a review of the minutes of the IJB whether this constitutes the final budget agreed for the year. However, we welcome the development of a three year Financial plan a 2019/20 financial plan for the core services provided by the IJB was approved in March 2019. This included transformation and efficiency alongside their Impact Analysis and Risk Assessment although a £2.8M gap remains.
V.	Financial updates were regularly reported to the IJB and included year end forecasts, information on savings delivery and the reserves position.
VI.	Based on the most recently reported financial position, an overall overspend position of £1.559m is forecast for year end. This reflects a significant overspend in Inpatient Mental Health Services (Hosted Services) and GP prescribing as well as Adult Social Care Services.
VII.	A Data Protection Officer has been appointed for the IJB, as well as a Data Protection Policy and associated action plan.
B2- Planned and ongoing developments	
Many of these areas have been identified as requiring development for a number of years but remain outstanding.	
I.	Financial plans for those services not covered by the Core Services budget approved in March 2019 are planned for presentation to the IJB in June 2019.
II.	Internal audit followed up recommendations arising from PK05/17. A number of actions remain ongoing and further changes have been made to the structure and format for reporting. However, our follow up work showed that little substantive progress has been made and the flow of assurance was not operating effectively. PK04-19 - Follow Up of PK07/17 - Clinical, Care & Professional Governance will report on this area separately.
III.	The establishment of a new Clinical, Care & Professional Governance Committee (CCPGC) was agreed and terms of reference approved in October 2018. However, this committee had not met by year end.
IV.	An annual report for the R2 forum had not yet been prepared at the time of our fieldwork but we did not evidence sufficient work to allow the group to conclude positively on clinical and care governance arrangements in place for the year.
V.	The June 2018 A&PC was informed that an inspection of Prisoner Healthcare had taken place and the October 2018 IJB was verbally informed that the A&PC had received an update in relation to this. The A&PC received the associated improvement plan in November 2018. We note with concern the lack of reporting through clinical and care governance channels identifying and mitigating against risks in this area both before and after the inspection.

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| <p>VI. The P&K Integration Scheme is ambiguous on the risk sharing arrangements for overspends from year 3 onwards and at the time of our fieldwork, no formal resolution of this situation had been reported to members.</p> <p>VII. The November 2018 IJB was updated on the development of a Joint Workforce Plan which is planned for approval during 2019/20. We note the delay in developing this fundamental enabling strategy with concern.</p> |
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<p>B3- Recommended further issues for consideration by management</p>
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<p>Many important governance areas where we would expect further development have already been identified by management and are included in the Governance Self Assessment and/or the MSG response. We would however highlight the following high priority areas where further action is urgently required during 2019/20:</p>
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| <p>VIII. Clarification of the financial risk sharing agreement;</p> <p>IX. Development and implementation of the workforce plan;</p> <p>X. Implementation of essential Clinical and Care Governance arrangements: Detailed recommendations in relation to this will be set out in Internal Audit report PK04/19 which will require senior leadership attention.</p> |
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ACKNOWLEDGEMENT

31. On behalf of the Internal Audit Service I would like to take this opportunity to thank the Chief Officer and Chief Finance Officer of the IJB as well as staff within the partnership for the help and co-operation extended to Internal Audit throughout the year.

A Gaskin, BSc. ACA
Chief Internal Auditor

Ref.	Finding	Audit Recommendation	Priority	Management Response/ Action	Action by/Date
1.	<p>Last year we recommended that the Transforming Governance Action Plan should be updated to include the further recommendations made within our internal audit annual report. These were monitored through the Audit recommendations update to the A&PC. Many areas remain outstanding and there are now a number of additional sources of recommendations:</p> <p>In February 2019, it was agreed that management would form an action plan to address the recommendations arising from the Audit Scotland report on Health and Social Care Integration.</p> <p>The IJB submitted its self assessment response including proposed improvement actions against the Ministerial Strategic Group (MSG) for Health and Community Care 'Review of Progress with Integration of Health and Social Care, Final Report, February 2019'</p> <p>P&K IJB has recently been subject to</p>	<p>Taking account of the considerable duplication between the outcomes of the organisation's governance self assessment, our findings and those of the MSG, as well as the Audit Scotland HSCI report; where possible, all relevant findings from these reviews should be collated and monitored through a single SMART action plan.</p> <p>Specifically, the following areas should be covered by this single SMART Governance Improvement action plan and have not been duplicated in a separate action in this report:</p> <ul style="list-style-type: none"> • Corporate and other support arrangements to address overall IJB capacity; • Completion of the new Strategic Commissioning Plan and developing the Programme of Care Board structures • Performance management arrangements • Large Hospital Services and Set Aside Budget; 	1	<p>In response to Audit, MSG self-evaluation and the joint inspection, we will develop an Action Plan with SMART objectives in relation to areas for improvement.</p> <p>We will consider and allocate corporate support resources and capacity and provide greater role clarity and accountability through our restructure.</p> <p>We will develop actions to address these specific recommendations and report accordingly to the relevant Committees and the IJB.</p>	<p>Chief Officer 30/9/2019</p> <p>Chief Officer 31/3/2020</p> <p>Chief Officer 30/9/2019</p>

a joint inspection by the Care Inspectorate and Health Improvement Scotland. The results of this inspection will generate further improvement actions although publication of the final report is not expected until mid 2019.

- Use of Directions;
- Induction and development for members;
- Clarification of the financial risk sharing agreement;
- Workforce plan and associated implementation;
- Implementation of improved Clinical and Care Governance arrangements.

2. A range of governance developments identified within the IJB's own self assessment and through previous internal and external audit reports have not progressed as anticipated. We do however acknowledge that the IJB has been dealing with a number of complex issues and capacity has restricted the potential for further development in a number of governance areas. In these circumstances, an organisation needs to focus core activity on the areas of highest importance which can be most realistically delivered within available resources and management capacity.

Alongside the Governance improvement plan as per Action point 1. above, the IJB should be provided with assurance that sufficient capacity and organisational structure is in place to support the planned work.

2 We will consider and allocate Corporate Support resources and capacity and provide greater clarity and accountability through our restructure.

Chief Officer
31/3/2020

3.	We have previously recommended that the Audit Committee considers the governance principles adopted by the HSCI Governance working group and ensures that they are taken forward within the IJB, in partnership with both parent bodies. These principles are still very much relevant in the light of the MSG proposals and we welcome the fact that these principles were considered as part of the Governance Self Assessment exercise.	Any changes in governance processes arising from this work should be incorporated into the next updates of Standing Orders, Scheme of Delegation and Standing Financial Instructions.	3	Agreed	Chief Financial Officer 30/9/2019
4.	Whilst meetings are recorded and available publically, minutes of P&K IJB and A&PC meetings are minimalist and do not provide a comprehensive record of discussions, questions asked and assurances provided, which would allow interested parties, including Board members not in attendance, a fuller understanding of the issues.	Good governance principles should be applied to ensure that the IJB and A&PC minutes and papers provide a full and accurate account of the business undertaken and the assurances and challenges at each meeting. documentation should be sufficiently detailed to ensure members receive sufficient information to identify key issues and areas of concern.	2	Consideration to more detailed minutes will be given.	Secretary to the Board 30/9/2019
5.	Without transformational change, the IJB will not be able to achieve financial balance and sustainability. Our review showed that the previous section of the IJB agenda on 'Redesigning Care' is no longer included.	Reporting on transformational change to the IJB should reflect its importance to the IJB, focused on providing an overall picture of progress and risks to delivery.	2	The Strategic Delivery Plans for each Care Programme will set out programmes of transformation and progress will be provided through regular reporting on each programme to the Board. Individual transformation	Chief Officer Ongoing

		Business Cases will be b/f to the IJB.			
6.	The P&K IJB Integration Scheme sets out that the IJB is responsible for the operational oversight of hosted services. For P&K IJB, this includes Inpatient Mental Health Services. Whilst not recorded as a strategic risk to the organisation at the time of our report, this area clearly represents a complex challenge to the organisation but has not featured prominently in the business of the IJB and A&PC during 2018/19.	We would recommend a clearer link between the organisation's highest financial and strategic risks and reporting received.	2	A schedule of reporting on Inpatient Mental Health Services to the IJB will be developed and agreed with the Chair/Vice Chair.	Chief Officer 30/6/2019
7.	Management has informed us that performance management arrangements for services hosted by P&K IJB are to be aligned with relevant programme boards and reported through them to the A&PC. It is not clear how P&K IJB will receive assurance on services hosted by the other two Tayside IJBs as they relate to its citizens.	We have previously recommended that risk & performance management arrangements should be included in any further work on the implementation of the Hosted Services Memorandum of Understanding.	3	A schedule of reporting on services hosted by Dundee and Angus IJB's will be agreed with the Chair/Vice Chair.	Chief Officer 30/6/2019
8.	PK05/18 makes recommendations in relation to the completion of the Strategic Plan to identify key objectives and priorities consistent with the workforce development plans, financial sustainability planning and	These recommendations have not been replicated in this action plan and should be monitored through the Audit Recommendations Update to A&PC.	3	Agreed	Chief Officer Ongoing

also operational plan as well as appropriate stakeholder engagement.

Detailed recommendations on risk management and performance management will be made by Internal Audit within the respective Internal Audit reports.

Implementation of essential Clinical and Care Governance arrangements: Detailed recommendations in relation to this will be set out in Internal Audit report PK04/19 which will require senior leadership attention.



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

18 JUNE 2019

ANNUAL GOVERNANCE STATEMENT

Report by Chief Financial Officer (Report No. G/19/103)

PURPOSE OF REPORT

The purpose of the report is to seek approval of the Annual Governance Statement for the financial year 2018/19 which provides assurance as to the effectiveness of the Integration Joint Board's (IJB) governance framework and in particular the system of internal control.

1. INTRODUCTION

- 1.1 The purpose of the Annual Governance Statement (AGS) is to give assurance to our stakeholders that we have effective arrangements in place to ensure that, as an IJB, we are doing the right things for the right people at the right time in an open, honest and accountable way.
- 1.2 The AGS provides an opportunity to review our rules, resources, systems, processes, culture and values to make sure that our governance framework and in particular our system of internal control is:
 - legally compliant
 - ethically sound; and
 - fit for purpose

thereby enabling the IJB to achieve its strategic objectives and provide high quality services that meet the needs of our communities, in an appropriate, efficient and affordable way. It is important therefore, that governance issues are identified systematically and comprehensively and reported in an open and transparent manner.

- 1.3 The Annual Governance Statement for 2018/19 is attached as Appendix 1 to this report.

2. GOVERNANCE ASSURANCE PROCESS

- 2.1 The process for reviewing the integrity and effectiveness of our governance arrangements to inform the AGS has been led by the Chief Financial Officer.

Evidence has been gathered by way of self-assessment which has been scrutinised by the Chief Financial Officer and the Executive Management Team. In addition, cognisance has been taken of the Audit Scotland report 'Health and Social Care Integration – Update on Progress' from November 2018 and the Ministerial Strategic Group for Health and Community Care report 'Review of Progress with Integration of Health and Social Care' from February 2019 and subsequent self assessment.

- 2.2 Further, whilst not yet finalised, the Chief Officer and Executive Management Team have had feedback on the key improvement actions arising across Strategic Planning, Performance and Leadership and these have been considered as part of the assurance process.

3. GOVERNANCE ISSUES

- 3.1 The assurance process demonstrated that the IJB has in place adequate internal controls that are considered fit for purpose in accordance with the governance framework.
- 3.2 The process has been successful in identifying areas and controls that would benefit from further development to ensure that they can manage and mitigate current and emerging risks more effectively.
- 3.3 These will be incorporated into a Partnership Improvement Plan and updates on progress will be provided to each meeting of the IJB's Audit & Performance Committee along side the Strategic Risk Register and mitigating actions.

4. RECOMMENDATION

- 4.1 It is recommended that the Committee:
- (i) Approve the 2018-2019 Annual Governance Statement.
 - (ii) Agree for the issue of a letter to the Chairs of NHS Tayside and Perth & Kinross Council Audit Committee confirming that adequate and effective governance arrangements were in place throughout Perth & Kinross IJB during the year 2019/19.

Author(s)

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

APPENDICES

1. Annual Governance Statement 2018/19

DRAFT SECTION 4: ANNUAL GOVERNANCE STATEMENT**INTRODUCTION**

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

SCOPE OF RESPONSIBILITY

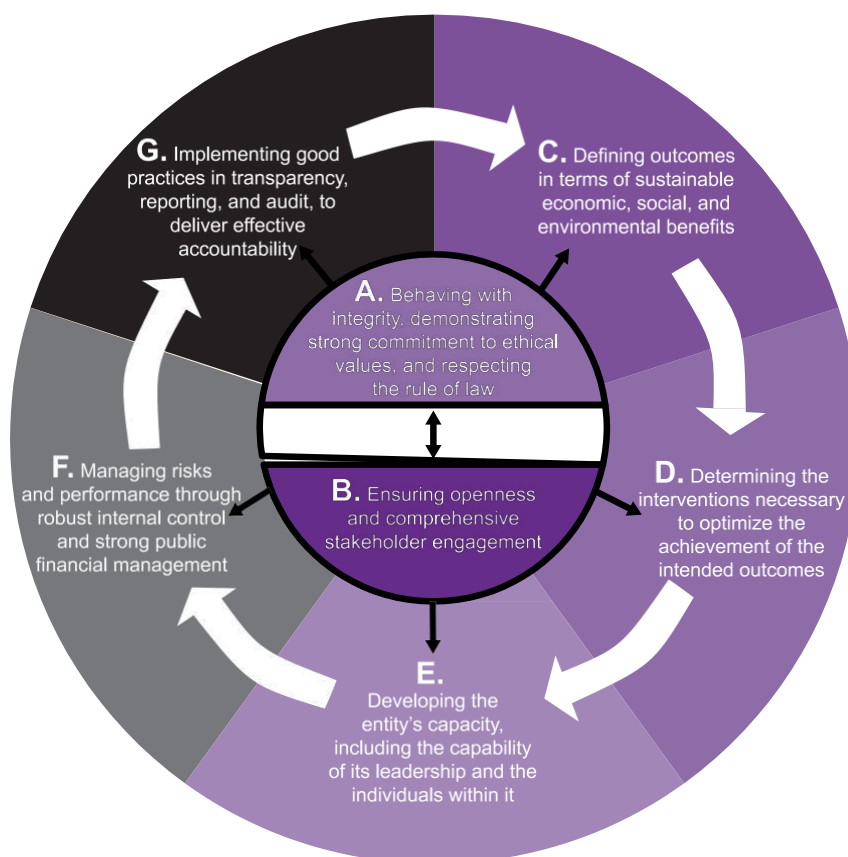
Perth & Kinross IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

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 organisations aims and objectives including those of the IJB. Assurance has been received from both NHS Tayside and Perth and Kinross Council as to the effectiveness and adequacy of those systems. The systems can only provide reasonable and not absolute assurance of effectiveness.

PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values by which the IJB is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the IJB to monitor the achievement of its strategic priorities and to consider whether those priorities have led to the delivery of appropriate, cost-effective services. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Perth & 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 below:



As a relatively new public body, the IJB supported by the HSCP 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 parent bodies but have also sought to identify best practice systems and processes from elsewhere. The key features of the governance framework that was in place during 2018/19 are summarised below.

LEADERSHIP, CULTURE AND VALUES

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

The Chair and Chief Officer meet regularly and the Chief Financial Officer and Chair of the Audit and Performance Committee meet on a monthly basis. The Strategic Commissioning Plan has provided a clear sense of shared direction and

purpose across the IJB membership and HSCP Team and the refresh which is underway will further align 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 parent 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 parent bodies Executive Group, the Chief Officer benefits from the support of the Council's Chief Social Work Officer, who is a member of the IJB and the Clinical and Professional Governance Forum.

STAKEHOLDER ENGAGEMENT

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

The Strategic Commissioning Plan was developed following engagement with over 4000 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 HSCP are represented on a number of wider community groups e.g. Alcohol and Drugs Partnership. Our overarching Strategic Planning and Commissioning Board and four Strategic Programme Boards have been designed to promote strong leadership and engagement with clinical stakeholders. In developing its new Strategic Commissioning Plan the HSCP will engage further with key stakeholders and will also reflect on the effectiveness of the existing strategic planning and engagement activity. . A refresh of the role and remit of the Communications and Engagement Group is underway as well as a review of corporate support.

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

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

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

VISION, DIRECTION AND PURPOSE

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

DECISION MAKING

All reports to the IJB are in an agreed format that supports effective decision making. The IJB Annual Work plan for 2018/19 has been developed to ensure regular opportunity for review and scrutiny of progress in delivering strategic priorities. The role of EMT has been strengthened to ensure robust review and scrutiny of progress in delivering our transformation and service redesign priorities at locality level and for escalation of operational risk that will impact on strategic delivery. The membership of EMT has been extended to ensure wider involvement of clinical colleagues.

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

ORGANISATIONAL DEVELOPMENT

The IJB Members are supported by a programme of training and development throughout the year. PKHSCP has a formal leadership structure that has been endorsed by the IJB however the new Chief Officer is considering the future organisational structure to achieve greater integration and improved effectiveness. PKHSCP relies heavily on the Corporate Support arrangements in place with NHS Tayside and Perth and 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.

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 sub 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 third 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 parent bodies as part of the operational delivery of the Health & Social Care Partnership. In particular the systems include:-

- Comprehensive budgeting systems;
- Setting of targets to measure financial performance
- Regular reviews of periodic and annual financial reports that indicate financial performance against the forecasts;

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

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

care including agreed performance targets. EMT has provided an improved oversight function in delivering transformation and service redesign and monitoring the financial position. The Audit and Performance Committee have provided a strong scrutiny and review of our actions to develop our governance arrangements. The establishment of new Clinical Care 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 will be an area of significant focus as we seek to further embed a performance review framework across all services.

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

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

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

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

The wider internal control framework also includes:-

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

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

ONGOING REVIEW AND FURTHER DEVELOPMENTS

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

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

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

- As part of the development of the 3 year Financial Plan the Chief Officer and Chief Financial Officer have met with elected members across all parties to describe the financial challenge and Strategic Direction. This has supported a much more collaborative approach to budget setting for 2019/20.
- Further development of the Budget Review Group Process has ensured all IJB members have the necessary information to make decisions around allocation of resources in line with strategic priorities.
- The establishment of a new strategic planning structure through four Programmes of Care improved the effectiveness of strategic planning arrangements and has provided a platform to build on moving forward.
- A refreshed Risk Management Framework has been agreed by the Audit and Performance Committee inclusive of a risk escalation process. A high level strategic risk profile has developed which is now being regularly updated and reported to the Audit and Performance Committee.
- Appointment of Data Protection Officer for Perth and Kinross IJB to ensure compliance with General Data Protection Regulations.
- Improvement in the level and effectiveness of finance support to budget holders.
- Establishment of Mental Health Alliance to set the strategic intention for Mental Health Services Tayside-wide.
- All Hosted Services have been aligned to relevant Strategic Programme of Care Boards which are providing a strategic oversight including services

hosted by other IJB's.

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

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 and Kinross Council and NHS Tayside.

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

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

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

ACTION PLAN FOR 2019/20

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

LEADERSHIP, CULTURE & VALUES

- How effective is the IJB Board? Assessment of performance against the PKIJB Integration Scheme with IJB members will provide improved understanding of the IJB's role and remit
- Review of PKHSCP organizational structure
- Leadership Development Program focused on Collaborative Practice
- IJB Member Development: Refresh of induction and review and refresh of IJB Annual Training and Development Plan.
- Annual Development Meetings between Chair and Members
- Development of a statement of our vision and values to be developed to become front and centre of all IJB activities moving forward

STAKEHOLDER ENGAGEMENT

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

VISION, DIRECTION & PURPOSE

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

DECISION MAKING

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

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

INTERNAL CONTROLS

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

SCRUTINY AND ACCOUNTABILITY

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

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

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

Robert Peat

IJB Chair

Gordon Paterson

Chief Officer



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

18 JUNE 2019

UNAUDITED ANNUAL ACCOUNTS 2018/19

Report by Chief Financial Officer (G/19/104)

PURPOSE OF REPORT

This report presents the Integration Joint Board's (IJB) Unaudited Annual Accounts for the financial year 2018/19 in accordance with the Local Authority Accounts (Scotland) Regulations 2014.

1. BACKGROUND

- 1.1 The Unaudited Annual Accounts for 2018/19 are due to be submitted to the Controller of Audit by 30 June 2019.
- 1.2 The Annual Accounts are prepared in accordance with the 2015 CIPFA Code of Practice on Local Authority Accounting ("the Code").
- 1.3 These accounts also comply with the Local Authority Accounts (Scotland) Regulations 2014 which came into force in October 2014.

2. ANNUAL ACCOUNTS

- 2.1 The regulations require an annual review of the effectiveness of the IJB's system of internal control. This requirement will be met by the approval of the Annual Governance Statement by the Audit & Performance Committee of the IJB.
- 2.2 The Annual Accounts include a Management Commentary. The purpose of which is to provide users of the financial statements with integrated information on management's view of performance, position and progress (including forward looking information). This is set out from page 3 of the Accounts.
- 2.3 The regulations require the IJB to consider the unaudited accounts at a meeting to be held no later than 31 August 2019. Best practice is for the IJB to have formally

considered the Unaudited Annual Accounts prior to submitting them to the appointed auditor and making them available for public inspection.

- 2.4 Following consideration of the Unaudited Annual Accounts, the Audit & Performance Committee is asked approve these and agree their submission to the IJB for their consideration on the 26 June 2019.

3. NEXT STEPS

- 3.1 Assuming approval by the IJB at its meeting on the 26 June 2019, the audit of the Annual Accounts will take place during July and August 2019. Audit Scotland (working with Council officers) will consider whether the Annual Accounts:

Give a true and fair view in accordance with applicable law and the 2015/16 Code of the state of the affairs of the IJB at 31 March 2019 and of the income and expenditure of the IJB 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 2015/16 Code; and have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003.

- 3.2 It is anticipated that the results of the audit will be summarised in the Draft Annual Report which incorporates the ISA260: Report to those Charged with Governance. It is anticipated that this Audit Scotland report will be considered by the Audit & Performance Committee on 16 September 2019 with the Final Annual Report on the 2018/19 Audit being considered by the IJB on 27 September 2019.
- 3.3 The Unaudited Annual Accounts are also available for public inspection between 1 July and 19 July 2019 (inclusive) with any objections being sent to the auditor.

4. CONCLUSION AND RECOMMENDATIONS

- 4.1 The Unaudited Annual Accounts will be submitted to the Controller of Audit by 30 June 2019 subject to approval by this Committee; approval by the IJB at its meeting on the 26 June 2019 and authorisation by the Chief Financial Officer
- 4.2 It is recommended that the Audit & Performance Committee approves the Unaudited Accounts and passes these for consideration by the IJB.

Author(s)

Name	Designation	Contact Details
Jane M Smith	Chief Financial Officer	janemsmith@nhs.net janemsmith@pkc.gov.uk 01738 459556 07966 875713

APPENDICES

1. Unaudited Annual Accounts 2018/19

Perth and Kinross
Integration Joint Board

Annual Accounts 2018/19

Unaudited





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MANAGEMENT COMMENTARY

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INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF PERTH AND KINROSS
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GLOSSARY OF TERMS

SECTION 1 MANAGEMENT COMMENTARY

INTRODUCTION

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

The Management Commentary outlines key messages in relation to the objectives and strategy of Perth & Kinross Integration Joint Board (IJB) and the financial performance of the IJB for the year ended 31 March 2019. It also provides an indication of the issues and risks which may impact upon the finances of the IJB in the future and the challenges we face in meeting the needs of the people of Perthshire and Kinross.

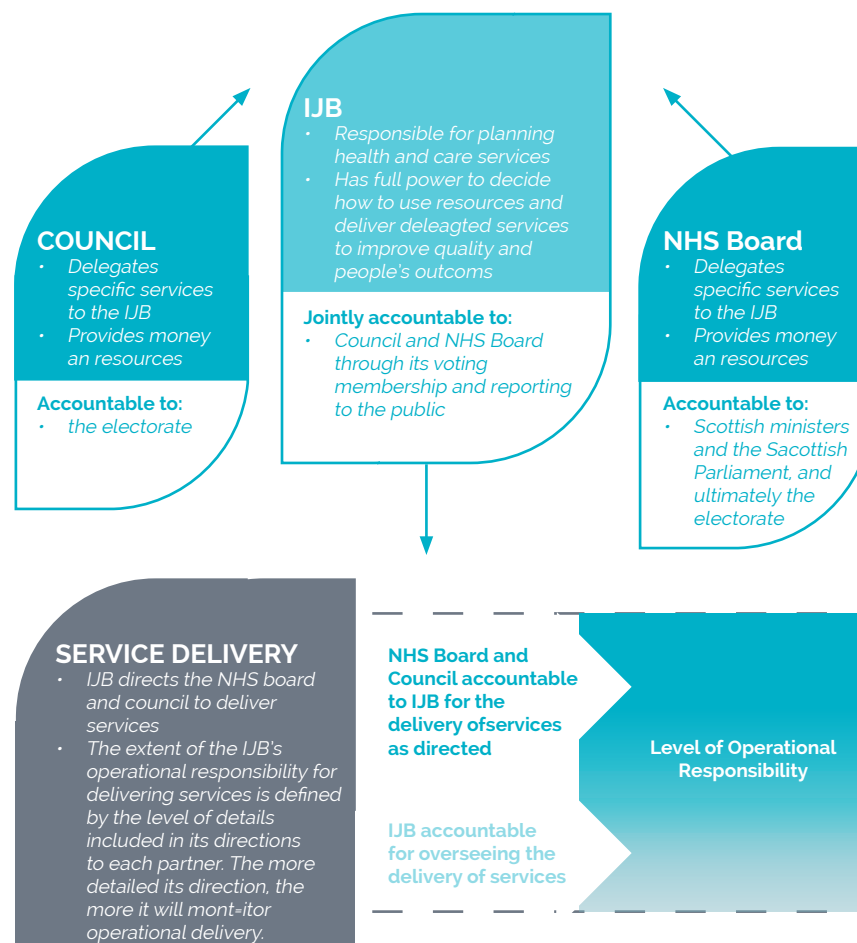
Perth & Kinross Integration Joint Board was established as a body corporate by order of the Scottish Ministers on 3 October 2015 as part of the establishment of the framework for the integration of health and social care in Scotland under the Public Bodies (Joint Working) (Scotland) Act 2014.

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

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

Exhibit 1 Integration Joint Boards.

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



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

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

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

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

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

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

A new Chief Officer commenced on 01 April 2019. The Chief Officer will review current leadership and management arrangements with a view to further integration.

PURPOSE AND OBJECTIVES OF THE IJB

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

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

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

The Strategic Plan sets out a number of Strategic Objectives designed to ensure a direction of travel by the Partnership consistent with National Objectives:

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

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

In 2018/19, PKHSCP redesigned its Strategic Planning Framework, creating four Programmes of Care: Older People and Unscheduled Care, Mental Health and Wellbeing, Primary Care and Carers. Strategic Planning Boards for each have been established providing a coordinated approach to achieving the objectives of the Health and Social Care Partnership's Strategic Commissioning Plan. The Boards report via the Strategic Planning and Commissioning Board to the IJB. The Strategic Planning & Commissioning Board has an affiliated Strategic Planning Group which acts as a reference group supporting the decision making responsibilities of the Strategic Planning & Commissioning Board (inclusive of Public Partner, 3rd Sector and Independent Sector membership). The IJB's strategic

ambitions sit alongside operational imperatives across a wide range of services. This creates a very challenging landscape for each Programme Board in developing and overseeing implementation of major plans for service redesign.

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



Older People and Unscheduled Care (OPUSC) Board

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

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

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





Mental Health and Wellbeing Board (MHWB)

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

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

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

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



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

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



Primary Care Board (PCB)

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

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

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



Other Hosted Services:

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

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

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



Carers Board:

The Carers Programme Board approved the Perth & Kinross Health and Social Care Partnership Short Break Services Statement on 6 December 2018. This is in line with the requirements of the Carers Scotland Act 2016. There is work underway in terms of public consultation allowing co-production of the Carers Strategy.



Inpatient Mental Health Services:

Perth & Kinross Health & Social Care Partnership hosts Inpatient Mental Health Services on behalf of all 3 IJB's in Tayside. During 2018/19, there have been significant challenges relating to the supply, attraction and retention of critical posts for medical and nursing workforce. We are developing a Mental Health Workforce Plan which will include a programme of work to reform the workforce across mental health with a clear understanding of



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



Large Hospital Set Aside

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

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

PERFORMANCE REVIEW

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

Ministerial Strategic Group for Health and Community Care (MSG) - Table 1 - MSG indicators				
MSG Indicator	MSG Description	P&K Total Previous Year 2017/18	P&K Current Year 2018/19	P&K YTD diff from 17/18
1a	Emergency Admissions	15,021	14,592	429
2a	Unscheduled hospital bed days	102,451	96,867	5,584
3a	A&E Attendances	32,506	32,888	382
4.1	Delayed discharge bed days *	16,785	14,203	2,582
5.1	Proportion of last 6 months of life spent at home or in a community setting	89.64%	89.68%	0.04%
6.1	Percentage of population at home unsupported	90.00%	n/a**	n/a

*All ages DDs including complex cases ** Information not available until October 2019

Emergency Admissions

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

Unscheduled (Unplanned) Hospital Bed Days

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

A&E Attendances

Reducing A&E attendances is an ongoing challenge across Scotland. Currently A&E attendances are seeing a slow increase

each year. A&E attendances can be an indication of the degree to which community services are helping people receive care in the right place at the right time. PKHSCP are working in collaboration with NHS Tayside to review attendances and pathways; increase awareness and use of Anticipatory Care Plans; Develop Community Care & Treatment Centres; focus on early intervention and prevention. Along with a variety of additional strategies the PKHSCP plan to slowly reduce A&E attendances over the coming years.

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

The proportion of last six months of life spent at home or in a community setting should ideally represent the wishes and choices for patients and their carers and also demonstrates the effectiveness of having a planned approach to end of life care. For PKHSCP this is a positive indicator that demonstrates our year on year ability to meet the wishes of our people and support more of them at home receiving palliative or end of life care and our ability to support those with the most complex needs in their own home in their last six months of life and in accordance with their wishes.

Delayed Discharge

People should not have to wait unnecessarily for appropriate care to be provided after treatment in hospital. Being delayed in hospital is a poor outcome for the individual, is an ineffective use of scarce resource and potentially denies an NHS bed for someone else who might need it. Over the past four years, there has been a year on year improving picture in relation to

delayed discharge for Perth and Kinross. We have recently seen the lowest level of delayed discharge since 2014. For people delayed, this represents a reduction in the impact of unnecessary time spent delayed in a hospital bed and reduces their chances of a poorer health and wellbeing outcome.

Percentage of Population at Home Unsupported

This new measure will demonstrate the combined success of a variety of key priorities of the Perth and Kinross partnership in shifting people away from high cost institutional care to lower cost care in the community where people's health and wellbeing will be greatly improved. It is expected that we will be tracking this measure for a number of years.

FINANCIAL MANAGEMENT

Background

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

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

Analysis of Financial Statements

The main objective of the Annual Accounts is to provide information about the financial position of the IJB that is useful

to a wide range of users in making and evaluating decisions about the allocation of resources.

The 2018/19 Annual Accounts comprise:

- a) **Comprehensive Income and Expenditure Statement** - this shows a surplus of £2.470M. This is made up of a breakeven position for the IJB overall plus £2.470M of earmarked funding that is being transferred to reserves for future commitments. Further detail is provided in section c) below and in Note 6. The underlying out-turn for the IJB is a £1.160M overspend. However in line with the risk sharing agreement with NHS Tayside and Perth and Kinross Council further non-recurring budget has been devolved to the IJB to deliver breakeven.
- b) **Movement in Reserves** – Earmarked reserves of £2.470M have been generated. Most significantly from Mental Health Action 15 Funding, Alcohol and Drug Partnership Funding and Primary Care Improvement Funding. This surplus has been transferred to earmarked IJB reserves for specific projects and commitments.
- c) **Balance Sheet** - In terms of routine business the IJB does not hold assets, however the transfer of £2.470M of earmarked reserves is reflected in the year-end balance sheet.
- d) **Notes** - comprising a summary of significant accounting policies, analysis of significant figures within the Annual Accounts and other explanatory information.

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

Financial Performance 2018/19

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

	Financial Plan Shortfall £M	Budget £M	Actual £M	Year-End Variance Over/ (-)Under £M
Older Peoples Service/Physical Disabilities incl. AHPs	0.0	66.3	66.5	0.2
Learning Disabilities/Mental Health/Addictions	0.0	24.2	24.6	0.4
Planning/Management /Other Services	0.0	7.9	7.2	(0.7)
Sub-Total Core Services	0.0	98.4	98.3	(0.1)
Prescribing	0.5	26.7	27.5	0.8
General Medical Services	0.0	24.1	24.1	0.0
FHS	0.0	17.4	17.4	0.0
Hosted Services	0.4	21.0	21.4	0.4
Large Hospital Set Aside	0.0	14.3	14.3	0.0
Sub-Total All Services	0.9	201.9	203.0	1.1
Additional Budget from Partner Body				
NHS Tayside		0.3		(0.3)
Perth & Kinross Council		0.8		(0.8)
Total		203.0	203.0	0.0

The out-turn in 2018/19 was an overspend of £1.1M, this compared to a financial plan gap of £0.9m. The primary areas of overspend are within:

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

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

At the year end both Perth & Kinross Council and NHS Tayside increased the devolved budget to the IJB by £0.8M and £0.3M respectively, in order to support delivery of breakeven for 2018/19 in line with the Integration Scheme.

During 2018/19, funding was received from Scottish Government for a number of initiatives. These included Mental Health Action 15 monies, Alcohol & Drug Partnership Funding and funding to implement the Primary Care Improvement Plan.

The underspend of £2.5M against these funds in 2018/19 has been transferred to an earmarked IJB reserve to meet future year commitments.

Financial Outlook, Risks and Plans for the Future

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

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

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

Prescribing is another significant financial challenge for the IJB, with the increasing elderly population having a direct impact on growth. In addition unanticipated increases in the price of medicines in 2018/19 are expected to continue in 2019/20. This will be. Therefore despite a significant programme of

efficiencies driven through the Quality Safety and Efficiency Programme (QSEP) and allocation of additional funding, an overspend is still predicted for 2019/20.

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

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

- **Workforce:** *PKHSCP face a number of recruitment and retention challenges that may impact on the deliverability of existing and proposed service models. A number of factors are impacting on availability of staff including national shortages, the age of our workforce, rurality and the local economy. An integrated workforce plan is now required to identify the actions required to redesign sustainable models of care to within workforce expected to be available.*

- **Strategic planning and leadership:** *Both the Audit Scotland Update Report on Health and Social Care (November 2018) and the Ministerial Strategic Group Review of progress with Integration of Health and Social Care (February 2019) highlighted a number of challenges that need to be addressed on a Scotland wide basis to ensure the success of integration and speed up change. Appropriate leadership capacity and including strategic planning capacity have been particularly highlighted and this has been regularly reflected in our own assessments of effectiveness. The new Chief Officer will seek to understand the capacity gaps within PKHSCP and agree with both parent bodies the actions required to ensure a sustainable leadership structure that has the strategic planning capability to increase the pace of change. hat has the capability to increase the pace of change.*

FURTHER INFORMATION

These Annual Accounts refer to both the Perth & Kinross IJB Integration Scheme and the Perth & Kinross IJB Strategic Plan. These can be found at:

Perth & Kinross IJB Integration Scheme:

http://www.pkc.gov.uk/media/36049/Perth-and-Kinross-Integration-Scheme/pdf/Approved_Health_Social_Care_Integration_Scheme

Perth & Kinross IJB Strategic Plan:

http://www.pkc.gov.uk/media/38714/Health-and-Social-Care-Strategic-Commissioning-Plan/pdf/2016193_strat_comm_plan_CLIENT

Perth & Kinross IJB publishes all formal Board papers at:

<http://www.pkc.gov.uk/ijb>

Further information regarding the Annual Accounts can be obtained from:

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

CONCLUSION AND ACKNOWLEDGEMENTS

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

Looking forward, while the IJB faces continuing challenging financial circumstances it also plans to continue to take

advantage of the opportunities available through Health and Social Care Integration to best deliver affordable health and social care services for the population of Perth and Kinross.

Robert Peat
IJB Chair

Gordon Paterson
Chief Officer

Jane Smith
Chief Financial Officer

Date: 27/9/19

SECTION 2 STATEMENT OF RESPONSIBILITIES

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

Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:

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

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

Signed on behalf of the Perth and Kinross IJB

.....
Robert Peat
IJB Chair

Date: 27/9/19

Responsibilities of the Chief Financial Officer

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

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

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

The Chief Financial Officer has also:

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

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

Jane Smith
Chief Financial Officer

Date: 27/9/19

SECTION 3 REMUNERATION REPORT

INTRODUCTION

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

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

BOARD MEMBERS

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

Voting Members:

Robert Peat (Chair)
Councillor Xander McDade
Councillor Colin Stewart (Vice Chair)
Gillian Costello (Nurse Director)
Councillor Callum Purves
Lorna Birse Stewart (Non Executive Member)
Councillor Eric Drysdale
Professor Nic Beech (Non Executive Member)

Non-voting Members:

Robert Packham (Chief Officer)
Dr Drew Walker (Director of Public Health)
Jane Smith (Chief Financial Officer)
Allan Drummond (Staff Organisations Rep.)
Jacqueline Pepper (Chief Social Work Officer)
Stuart Hope (Staff Organisations Rep.)
Dr Douglas Lowden (Associate Medical Director)
Clare Gallagher
(Third Sector Representative)
Jim Foulis (Associate Nurse Director)
Linda Lennie (Service User Representative)
Dr Alistair Noble (SACH and External Advisor)
Bernie Campbell (Carers Representative)

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

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

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 post holders alternates between a Councillor and a Health Board representative.

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

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

OFFICERS OF THE IJB

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

Chief Officer

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 will adhere to the legislative and regulatory governance of the employing partner organisation. The remuneration terms of the Chief Financial Officer as approved by the IJB.

Other Officers

No other staff are appointed by the IJB under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below:

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

In respect of officers' pension benefits the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.

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

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/18	For Year to 31/03/19		Difference from 31/03/18	As at 31/03/19
	£	£		£	
Rob Packham Chief Officer	13,168	13,510	Pension	1,182	26,726
			Lump sum	3,547	80,178
Jane Smith Chief Financial Officer	10,513	10,829	Pension	1,563	22,979
			Lump sum	298	51,169
Total	23,681	24,339	Pension	2,745	49,705
			Lump Sum	3,845	131,347

Disclosure by Pay Bands

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

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

Robert Peat
IJB Chair

Gordon Paterson
Chief Officer

Date: 27/9/19

SECTION 4 ANNUAL GOVERNANCE STATEMENT

SECTION 5 ANNUAL ACCOUNTS

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

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

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

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

MOVEMENT IN RESERVES STATEMENT

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

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

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

BALANCE SHEET

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

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

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

Jane Smith
Chief Financial Officer

Date: 27/9/19

SECTION 6 NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A GENERAL PRINCIPLES

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

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

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

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

B ACCRUALS OF INCOME AND EXPENDITURE

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

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

C FUNDING

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

D CASH AND CASH EQUIVALENTS

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently the IJB does not present a 'Cash and Cash Equivalent' figure on the

balance sheet. The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet.

E EMPLOYEE BENEFITS

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

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

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

F PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's Balance Sheet, but is disclosed in a note where it is material.

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

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

G RESERVES

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

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

The IJB's only Unusable Reserve is the Employee Statutory Adjustment Account. This is required by

legislation. It defers the charge to the General Fund for the Chief Officer's absence entitlement as at 31 March, for example any annual leave earned but not yet taken. The General Fund is only charged for this when the leave is taken, normally during the next financial year.

H INDEMNITY INSURANCE

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

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

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

The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where

material, presented as either a debtor or disclosed as a contingent asset.

I CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

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

The value of the Large Hospital Set Aside expenditure reported within the total Integration Joint Board expenditure of £14.346M is based on the most recently available activity levels for hospital inpatient and day case activity as provided by NHS Services Scotland's Information Services Division and direct cost information provided by NHS Tayside. This is a transitional arrangement for 2018/19 agreed locally between NHS Tayside and the three Tayside

Integration Joint Boards and with the Scottish Government. Work is progressing at a national and local level to refine the methodology for calculating and planning the value of this in the future.

J RELATED PARTY TRANSACTIONS

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

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

K SUPPORT SERVICES

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

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

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

NOTE 3: EXPENDITURE AND INCOME ANALYSIS BY NATURE

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

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

NOTE 4: TAXATION AND NON-SPECIFIC GRANT INCOME

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

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

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

NOTE 5: DEBTORS

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

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

NOTE 6: USABLE RESERVE: GENERAL FUND

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

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

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

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

NOTE 7: AGENCY INCOME AND EXPENDITURE

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

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

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

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

NOTE 8: RELATED PARTY TRANSACTIONS

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

Income – payments for integrated functions

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

Expenditure – payments for delivery of integrated functions

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

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

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

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

Balances with Perth and Kinross Council

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

Balances with NHS Tayside

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

NOTE 9: VAT

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

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

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

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

SECTION 7: INDEPENDENT AUDITOR'S REPORT

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.

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.

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 INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

18 JUNE 2019

2018/19 FINANCIAL POSITION

Report by Chief Financial Officer (Report No. G/19/105)

PURPOSE OF REPORT

This report provides an update to the Perth & Kinross Integration Joint Board (IJB) Audit and Performance Committee (A&PC) on the year-end outturn for 2018/19.

1. RECOMMENDATION(S)

It is recommended that the Audit and Performance Committee:-

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

2. SUMMARY OF FINANCIAL PERFORMANCE 2018/19

Our financial performance for the year compared to the 2018/19 Approved Financial Plan is summarised in the table below:

	Financial Plan Shortfall	Year-End Variance Over/ (-)Under
	£m	£m
Older Peoples Service/Physical Disabilities incl. AHPs	0.0	0.2
Learning Disabilities/Mental Health/Addictions	0.0	0.4

Planning/Management /Other Services	0.0	(0.7)
Sub-Total Core Services	0.0	(0.1)
Prescribing	0.5	0.8
General Medical Services	0.0	0.0
FHS	0.0	0.0
Hosted Services	0.4	0.4
Large Hospital Set Aside	0.0	0.0
Sub-Total All Services	0.9	1.1
Additional Budget from Partner Body		
NHS Tayside		(0.3)
Perth & Kinross Council		(0.8)
Total		0.0

The outturn in 2018/19 was an overspend of £1.1m, this compared to the 2018/19 Financial Plan gap of £0.9m. The areas of overspend are within:

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

Of the £5.2m approved savings within Core Health and Social Care, £4.8m were delivered (92%). The undelivered balance contributed to the overall overspend position.

At the year end both Perth and Kinross Council and NHS Tayside increased the devolved budget to the IJB by £0.8m and £0.3m respectively, in order to support delivery of breakeven for 2018/19 in line with the Integration Scheme.

The sections below sets out the year end position for Perth & Kinross IJB as follows:-

- NHS Tayside Directed Services (Section 3).
- Perth & Kinross Council Directed Services (Section 4).
- Summary (Section 5).

The IJB's detailed year-end financial position for 2018/19 is set out in Appendix 1.

3. NHS DIRECTED SERVICES – YEAR END POSITION

3.1 Local Hospital and Community Health Services

Overall a year-end underspend of £0.904m has been delivered. This outturn reflects good progress made in delivery of savings and cost containment but also results from significant slippage in recruitment to key posts. As reported in February, reserves of £0.110m were also applied to the position to support financial recovery.

3.2 Services Hosted in Perth & Kinross on Behalf of Tayside IJBs

The Inpatient Mental Health Services year-end position is an overspend of £1.332m. The overspend in Inpatient Mental Health Services has been driven by medical locum costs, supplementary nursing costs, and a historic brought forward balance of undelivered savings. Plans to remodel the service are slowly being progressed; however these did not impact on the 2018/19 overspending. Updates will be shared through future IJB reports and will also be shared with other Tayside IJBs.

Prison Healthcare outturn was a £0.065m overspend reflecting the increased prisoner population and the impact of this on staffing and medicines cost.

The combined effect of the above, despite some off-setting under spends, is an overspend of £0.365m for the Perth & Kinross IJB share of these costs.

3.3 Services Hosted Elsewhere on Behalf of Perth & Kinross IJB

A number of devolved services are managed by other IJBs on behalf of Perth & Kinross IJB. The year-end outturn for these services is an overspend of £0.136m. The details are set out in Appendix 2.

The main contributors to this position are undelivered savings targets as well as pressures within Palliative Care, Brain Injury, Psychotherapy (overseen by Dundee IJB) and Out of Hours (overseen by Angus IJB).

The net financial position of these services is an overspend of £0.045m for the P&K IJB share of these costs. This is an improvement of £0.044m from the last report.

3.4 Family Health Service (FHS) Prescribing

A year-end over spend of £0.842m is reported for Prescribing. This is £0.383m less than last reported. This movement relates entirely to nationally negotiated rebates for specific drugs. This rebate was significantly higher than expected. Overall the prescribing overspend compares to a gap of £0.438m set out in approved 2018/19 Financial Plan. The deterioration from plan relates to growth above expectation, a level of undelivered savings and the significant impact of an unanticipated national reduction in funding.

3.5 General Medical Services and Family Health Services (GMS and FHS)

Overall these services delivered an underspend of £0.029m. However within this projection P&K HSCP has been attributed a share (£0.188m) of the budgetary pressures being incurred relating to 2C GP Practices in Dundee and Angus. This pressure was offset by other non-recurring underspends during the year.

3.6 Funding of Complex Care Packages

The budget for clinically assessed health contributions required for Complex Care Packages has not yet been devolved to the 3 IJB's in Tayside. Therefore for 2018/19 invoices for these costs have been issued directly to NHS Tayside and the costs are not included in the year-end outturn position.

3.7 Large Hospital Services

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

This budget had been initially quantified at £11.793m based on last year's accounts. However, updated information has now been made available. The 2018/19 accounts reflect a budget of £14.346m being attributed to Large Hospital Set Aside for Perth & Kinross. This 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. The year end financial position is presented as break even.

The 3 Year Financial Plan has been developed in conjunction with the Acute Division to consider the large hospital budget. Therefore improved financial reporting will be required from 2019/20 onwards.

3.8 Overall Position regarding NHS Directed Resources

The overall 2018/19 outturn for Health Services is an over spend of £0.319m. This is a significant improvement on the £0.820m forecast last reported to the IJB. This improvement is mainly driven by the unanticipated prescribing rebate. Overall the approved 2018/19 Financial Plan set out a gap of £0.920m in respect of devolved health services. Further the Financial Recovery Plan approved by the IJB in February set out a forecast after recovery actions of £1.941m driven by higher than anticipated spend within Prescribing and Inpatient Mental Health Services. The actual out-turn is therefore a significant achievement and reflects efforts made across all services to maximise opportunity for efficiency and cost containment.

4. PERTH & KINROSS COUNCIL DIRECTED SERVICES – YEAR END POSITION

4.1 Adult Social Care Services

4.2 Overall

The year-end outturn for Adult Social Care Services was an overspend of £0.841m. The 2018/19 Financial Plan assumed a break even position for these services.

4.1.1 Older People and Physical Disability Services

Within Older People's and Physical Disability Services the net overspend of £0.503m is largely attributable to demographic growth issues and savings not being fully realised in 2018/19. This is an improvement of £0.260m from the last report to the IJB and is largely due to an increase in the final income figures.

Within Care at Home Services, a year-end overspend of £0.239m is reported. This overspend is mainly due to additional demand and interim placements, off set primarily by an underspend in internal Care at Home teams due to delays in recruitment and slippage on the implementation of a revised Intermediate Care Service model.

Within Care Home Placements, a year-end overspend of £0.466m is reported. The overspend is due to the number of people in care home placements as we strive to progress the implementation of the “Shifting the Balance of Care” project.

Carers Services reported a year-end underspend of £0.160m, mainly attributable to part year implementation of approved spend plans.

As reported previously, there are a number of underspends across other Older Peoples Services as a result of staff vacancies, uncommitted budgets and additional non-recurring income.

4.1.2 Learning Disabilities, Mental Health and Addiction Services

As noted in previous reports, Learning Disabilities and Mental Health continue to experience a sustained increase in the costs of individual care packages (both in residential settings and in the community). This has resulted in an overspend against budget of £1.741m.

A number of one-off underspends partially offset the overspend, including recovery of prior year’s surpluses from providers based on occupancy levels and contract payments (£0.761m). There is also non-recurring slippage in the Invergowrie project due to delays in progressing the building works (£0.387m). The development at Invergowrie is no longer going ahead, and alternative options are being reviewed.

4.1.3 Other

The last report to the IJB highlighted that a number of underspends (£0.338m) were being forecast across Management, Commissioned Services, Learning Disabilities and Mental Health Services. However this has reduced to a small underspend of £0.045m. This includes the variance from forecast to actual outturn for contributions policy income (a movement of £0.157m) and bad debt provision (movement of £0.048m).

A number of approved 2018/19 savings were not fully realised. These total £0.506m and progress in delivering these is set out at Appendix 3.

In terms of the financial recovery plan, PKC reserves earmarked for Social Care (£0.518m) and underspend against Partnership Funds (£0.110m) were applied to improve the year-end position. The aim was also to reduce the overall overspend within Learning Disabilities and Mental Health Services by £0.350m through demand management. Of this £0.183m was achieved. In addition £0.150m was anticipated through a review of care at home services, £0.033m of this was achieved. Areas that were not within the financial recovery plan but benefited the year-end outturn were additional income within Community Alarms and Placements (£0.220m), reduction in placement spend (£0.093m) and slippage in grant funding (£0.074m).

4.2 Overall Position regarding Perth & Kinross Council Directed Resources

The overall 2018/19 outturn for Perth & Kinross Council directed resources is an overspend of £0.841m. Whilst this is not in line with the balanced position set out in the 2018/19 approved Financial Plan, it represents a

successful delivery of the approved Financial Recovery Plan which set out plans to reduce the £2.088m forecast overspend on social care to £0.960m.

5. 2018/19 SAVINGS DELIVERY

- 5.1** The balanced Financial Plan for Core Health and Social Care Services for 2018/18 was reliant on delivery of a £5.325m transformation and efficiency programme. Of this, £4.802m (90%) has been delivered on a recurring basis. A further £0.212m relates to slippage on the Older People Review of Residential Care which will be delivered in full in 2019/20. The balance of £0.311m relates almost entirely to PKC led Corporate Savings which have not been delivered. Appendix 3 provides a breakdown of savings delivered in 2018/19 against target.

6. IJB RESERVES

- 6.1** The IJB will carry forward £2.470m of ear-marked reserves to meet future year commitments against a number of priorities. No general reserves are available for carry forward. An update on the IJB Reserves position is noted in Appendix 4.

Author(s)

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

APPENDICES

1. Year End Financial Position For 2018/19
2. Devolved Services
3. Approved 2018/19 Savings
4. IJB Reserves

PERTH & KINROSS INTEGRATION JOINT BOARD - FINANCIAL MONITORING REPORT 2018-19
as at March 2019 Year End

Appendix 1

	Social Care		NHS Directed Services		Health & Social Care Partnership		Last Reported Month 11 Projected Over / (Under) £,000
	Annual Budget £,000	Over / (Under) £,000	Annual Budget £,000	Over / (Under) £,000	Annual Budget £,000	Over / (Under) £,000	
Older People & Physical Disability Services							
Medicine For Elderly			3,509	(11)	3,509	(11)	(3)
Psychiatry Of Old Age			5,809	(27)	5,809	(27)	(37)
Community Hospitals			4,769	(50)	4,769	(50)	(40)
Comm Nursing-Older People			3,638	(98)	3,638	(98)	(93)
Intermediate Care			887	(191)	887	(191)	(198)
Physiotherapy			1,829	(32)	1,829	(32)	(21)
Anticoagulation			366	(23)	366	(23)	(23)
Occupational Therapy			1,124	111	1,124	111	114
Joint Loan Store / Social Care Occupational Therapy / Telecare	1,972	12	289	22	2,262	34	162
Care at Home	14,610	239			14,610	239	161
Care Home Placements	18,273	466			18,273	466	557
Local Authority Care Homes	1,826	291			1,826	291	(17)
Services To Carers	664	(160)			664	(160)	(118)
Other Services Older People	1,993	(303)			1,993	(303)	(181)
Localities and Early Intervention & Prevention	4,720	(41)			4,720	(41)	(9)
Older People & Physical Disability Services	44,059	503	22,220	(298)	66,279	205	255
Learning Disability & Mental Health Services							
Residential Placements and Community Support	20,513	507			20,513	507	556
Learning Disability			779	33	779	33	33
General Adult Psychiatry			1,835	(103)	1,835	(103)	(115)
Learning Disability & Mental Health Services	20,513	507	2,614	(70)	23,127	437	474
Substance Misuse Services							
	84	(21)	964	(1)	1,048	(22)	(30)
OTHER							
Management / Partnership Funding	(15,936)	38	22,695	(388)	6,759	(350)	(479)
Adults Mental Health And Wellbeing			52	30	52	30	30
Primary Care			457	(21)	457	(21)	(12)
Pchp Admin & Clerical			381	(4)	381	(4)	(5)
Commissioned Services	2,099	(187)			2,099	(187)	(188)
Med Training-Non Psychiatry			637	(152)	637	(152)	(165)
OTHER	(13,837)	(149)	24,221	(534)	10,384	(683)	(819)
Hospital Community Health and Social Care	50,820	841	50,019	(904)	100,839	(63)	(120)
Services Hosted in P&K on Behalf of Tayside IJBs							
Prison Health Services			3,363	65	3,363	65	70
Public Dental Service			2,004	(35)	2,004	(35)	(15)
Podiatry (Tayside)			2,833	(145)	2,833	(145)	(122)
Inpatient Mental Health Services			22,930	1,332	22,930	1,332	1,365
Hosted Services Recharges to Other IJBs			(20,580)	(852)	(20,580)	(852)	(907)
Services Hosted in P&K on Behalf of Tayside IJBs			10,550	365	10,550	365	391
Services Hosted Elsewhere on Behalf of P&K IJB							
			10,473	45	10,473	45	89
GP Prescribing			25,845	1,260	25,845	1,260	1,235
Other Family Health Services Prescribing			833	(418)	833	(418)	(10)
General Medical Services			24,109	5	24,109	5	6
Family Health Services			17,400	(34)	17,400	(34)	(32)
Large Hospital Set Aside			14,346	0	14,346	0	0
Grand Total	50,820	841	153,576	319	204,395	1,160	1,559

SERVICES HOSTED IN PERTH & KINROSS IJB ON BEHALF OF TAYSIDE IJBs	ANNUAL BUDGET	PROJECTED YEAR END VARIANCE	(Appendix 2)
	£	£	
PERTH & KINROSS HOSTED SERVICES	31,130,000	1,217,000	
HOSTED SERVICES ATTRIBUTABLE TO ANGUS & DUNDEE IJBs	20,580,000	852,000	66.5%
BALANCE ATTRIBUTABLE TO PERTH & KINROSS	10,550,000	365,000	33.5%
SERVICES HOSTED IN ANGUS AND DUNDEE ON BEHALF OF PERTH & KINROSS IJB	ANNUAL BUDGET	PROJECTED YEAR END VARIANCE	
	£	£	
PERTH & KINROSS SHARE OF SERVICES HOSTED IN DUNDEE			
Palliative Care	5,642,602	124,000	
Brain Injury	1,595,921	122,800	
Homeopathy	26,515	3,600	
Psychology	4,924,220	(557,700)	
Eating Disorders	0	0	
Psychotherapy (Tayside)	893,762	139,000	
Dietetics (Tayside)	3,143,764	(208,800)	
Sexual & Reproductive Health	2,069,081	(44,200)	
Medical Advisory Service	153,646	(60,400)	
Tayside Health Arts Trust	58,400	(1,600)	
Learning Disability (Tay Ahp)	769,208	(79,200)	
Balance of Savings Target	(598,516)	598,500	
Grand Total	18,678,603	36,000	
Perth & Kinross Share (33.5%)	6,257,000	12,000	
PERTH & KINROSS SHARE OF SERVICES HOSTED IN ANGUS			
Forensic Service	961,218	(105,800)	
Out of Hours	7,433,140	149,900	
Tayside Continence Service	1,408,126	(47,300)	
Pharmacy	1,854,300	500	
Speech Therapy (Tayside)	1,040,628	(10,800)	
Balance of Savings Target	(113,308)	113,300	
Grand Total	12,584,104	99,800	
Perth & Kinross Share (33.5%)	4,216,000	33,000	
TOTAL PERTH & KINROSS SHARE OF SERVICES HOSTED ELSEWHERE	10,473,000	45,000	
TOTAL PERTH & KINROSS SHARE OF ALL HOSTED SERVICES	21,023,000	410,000	

Appendix 3

	Savings Plan	Amount Forecast	Variance from Plan
	£000	£000	£000
Social Care			
Corporate Procurement Savings	302	36	266
Corporate Digital Services/My account/Mobile Working	86	58	28
Mainstream Care at Home	345	345	-
Redesign of Care at Home -Introduce HART Service	386	386	-
Housing with Additional Support	90	90	-
Review of Day Services	463	463	-
Review of Older People Residential Care	528	316	212
Review of Care Packages for Adults	560	560	-
Implement COSLA income and disregard thresholds	400	400	-
Redesign of Drugs and Alcohol Service	50	50	-
Review of Locality Teams/Management	50	50	-
Intermediate Care Review (crisis beds)	105	105	-
Intermediate Care Review (Intermediate care team)	156	156	-
Shifting the Balance of Care (reduction of placements)	775	775	-
Communities First	200	200	-
Increase slippage target	171	171	-
CAH - Single Handed Care	50	50	-
Total Social Care	4,717	4,211	506
Hospital & Community Health			
Redesign of Tay Ward	246	246	-
OT Workforce Redesign	121	121	-
LD Pay Protection	30	30	-
GP SLA Review	35	35	-
Integrated Management Structure	25	25	-
Integrated Care Teams	117	117	-
POA GP Costs	17	-	17
Physiotherapy Workforce Redesign	17	17	-
Total Hospital & Community Health	608	591	17
Total Social Care and Hospital Community Health	5,325	4,802	523

IJB RESERVES

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

As at March 2018, the IJB's Annual Accounts showed that Perth & Kinross IJB had no earmarked or general reserves.

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

The table below sets out the position for the year-end.

Projected Movement in Reserves 2018/19	General Fund Balance (Usable Reserve) (£000)	General Fund Balance (Ear-Marked Reserves) (£000)	Total General Fund Balance (£000)
Opening Balance 31 March 2018	0	0	0
Ear-marked Reserves			
Scottish Government - Primary Care Improvement Fund	0	642	642
Scottish Government - Mental Health - Action 15 Fund	0	171	171
Scottish Government - - Primary Care Transformation Fund	0	359	359
Scottish Government- ADP Fund	0	572	572
Partnership Transformation Fund	0	554	554
GP Recruitment and Retention Fund	0	118	118
Mental Health Bundle	0	54	54
Closing Balance at 31 March 2019	0	2,470	2,470

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

