

**MINUTE of INTEGRATION JOINT BOARD (IJB)
WEDNESDAY 7 AUGUST 2019, COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD**

- Present:** Councillor Kieron Green, Argyll & Bute Council (Chair)
Sarah Compton-Bishop, NHS Highland Non Executive Board Member (Vice Chair)
Joanna Macdonald, Chief Officer, Argyll & Bute HSCP
George Morrison, Deputy Chief Officer, Argyll & Bute HSCP
Prof. Boyd Robertson, Interim Chair, NHS Highland (VC)
Councillor Aileen Morton, Argyll & Bute Council
Councillor Gary Mulvaney, Argyll & Bute Council
Councillor Sandy Taylor, Argyll & Bute Council
Rebecca Helliwell, Associate Medical Director, Argyll & Bute HSCP
Dr Angus MacTaggart, GP Representative, Argyll & Bute HSCP (VC)
Alex Taylor, Chief Social Worker/Head of Children and Families, Argyll & Bute HSCP
Alison McGrory, Acting Public Health Specialist, Argyll & Bute HSCP
Elizabeth Rhodick, Public Representative
Gaener Rodger NHS Highland Non Executive Board Member
Heather Grier, Unpaid Carer Representative
Kirsteen Murray, CEO, Third Sector Interface
Judy Orr, Head of Finance & Transformation, Argyll & Bute HSCP
Jean Boardman, NHS Highland Non-Executive Board Member
- In attendance:** David Forshaw, Principal Accountant, Argyll & Bute Council
Elizabeth Higgins Lead Nurse, Argyll & Bute HSCP
Stephen Whiston, Head of Strategic Planning & Performance, Argyll & Bute HSCP
Jane Fowler, Head of Customer Support Services, Argyll & Bute Council
Charlie Gibson, HR Lead, Argyll & Bute HSCP (Health)
Charlotte Craig Business Improvement Manager, Argyll & Bute HSCP
Fiona Broderick, Staffside, Lead for Argyll & Bute HSCP (Health)
Laureen McElroy, Service Planning Manager, Argyll & Bute HSCP
Sheena Clark, PA to Chief Officer, Argyll & Bute HSCP
- Apologies:** Linda Currie Lead, AHP, Argyll & Bute HSCP
Donald Watt, Acting Head of Adult Services (West), Argyll & Bute HSCP
Donald MacFarlane, Assistant Dental Director, Argyll & Bute HSCP
Fiona Thomson, Lead Pharmacist, Argyll & Bute HSCP
Catriona Spink, Public Representative

1 Welcome and Apologies

The Chair welcomed everyone to the meeting and introduced Jean Boardman, NHS Highland representative on the IJB. Apologies were as noted above.

2 **Declarations of Interest**

Heather Grier declared an interest in agenda item 5 as a member of the Strachur Hub.

3 **Draft Minute of Integration Joint Board 29 May 2019** – noted that Alison McGrory was in attendance.

Following discussions regarding the level of recorded detail in reporting of Item 7, Governance Update, bullet point 6, the IJB agreed to include *“As a result of serious concerns about governance raised by IJB members, it was agreed to set up.....”*

With the above amendments the draft Minutes were noted as an accurate record of the meeting.

4 **Business**

4.1 **Culture Fit for Future Action Plan**

The Interim NHS Highland Chair referred to the Culture Fit for the Future framework, setting out the approach, actions and progress to address the issues raised in the Sturrock Report. The recently appointed NHS Highland Director of Human Resources & Organisational Development is following up aspects of the recommendations.

The reference in the report to the process for the appointment of a Senior Responsible Officer has been overtaken by events and further consideration is now being given of the lead person to organise and develop the actions from the Sturrock Report, with a public call for interest in the role. The timeline being progressed is in keeping with recommendation in the report.

It is anticipated that the review in Argyll & Bute will commence at the end of October 2019, with an early draft of the report due in January 2020.

The IJB :

- Welcomed the progress being made by NHS Highland with a Culture Fit for the Future Action Plan.
- Noted the verbal update given by Professor Boyd Robertston
- Noted that at this stage details have not been finalised for an associated review in Argyll & Bute.
- Noted that officers are considering how recommendations can be brought forward in Argyll & Bute.
- Agreed that the IJB and HSCP Officers will continue to co-operate with ongoing activity linked to the Sturrock Report.

4.2 Joint Inspection of Services for Children & Young People in Need of Care & Protection in Argyll & Bute

The verbal update from the Chief Social Work Officer confirmed the conclusion of the inspection. Learnings are being applied to the redesign of the Children & Families management structure. Findings from the inspection and the Improvement Plan will be presented to the IJB in September.

The IJB noted the verbal update.

Year 2 (2018/19) Annual Review of the Children & Young People's Services Plan 2017-2020

The report set out the annual review process for year 2 of the Plan, to consider the updates on 2018/19 progress and areas of improvement; inform on developments that have taken place since publication of the Plan and set out key plans for the year ahead.

The development of the Strategic Joint Needs Assessment will strengthen and build on the existing good work of the service.

Preparation and planning process is underway for the Children & Young People's Service Plan 2020-2023.

Following a selection process, Scottish Government has invited Argyll & Bute to join the GIFREC Collective Leadership Programme and officers are due to meet representatives from the Government on Tuesday 13 August.

The IJB :

- noted that both NHS Highland and Argyll & Bute Council are jointly and equally responsible for children's services planning.
- approved Argyll & Bute's Children and Young People Services Plan 2017-2020 Year 2 review for the period 2018/19.
- approved the Children & Young People's Services Plan Year 2 review for submission to Scottish Government as per the legislative requirement.

4.3 Finance

a) Budget Monitoring

The Board considered the summary of the financial position of the Health & Social Care Partnership at end June 2019.

Following discussion the IJB agreed that the Quality & Finance Board will move to monthly meetings to monitor the financial position and recovery plan

The IJB :

- noted the forecast outturn position for 2019-20 is a forecast overspend of £2.806m as at 30 June 2019 and that there is a small year to date underspend of £0.059m at the same date.

b) Use of Earmarked Reserves

In line with financial regulations, the report advised the Board on the level of expenditure against reserves at 2018-19 year end, noting no draw down against reserves

The IJB noted the update on the Reserves held by the Board.

c) Financial Recovery Plan

The Financial Recovery Plan was presented to the Board, giving an assurance on the robust process on deliverability and the approach to progressing the Project Workstreams to enable the HSCP achieve a breakeven position.

The IJB considered and approved the proposed financial recovery plan.

d) Budget Outlook

The report outlined the current estimated budget outlook for the period 2020-21 to 2022-23.

The Board discussed the points raised regarding 3rd Sector contract terms and value, noting that this will be included in the development of the Argyll & Bute Commissioning Strategy within the work plan of the Strategic Planning Group. Options and policy implications will be presented to the IJB in December 2019 for its consideration

The IJB noted the current estimated budget outlook report for the period 2020-21 to 2022-23.

e) Financial Risk Register

The report presented an update on the assessment of financial risk to the Board.

To reflect earlier discussions under agenda item 4.3d, it was agreed to add 3rd Sector Contract Values as a risk

The IJB :

- considered the updated financial risks identified for the Health & Social Care Partnership.
- noted that financial risks will continue to be reviewed and monitored on a two monthly basis and reported to the Board
- agreed the inclusion of 3rd Sector Contract values in the register.

4.4 Staff Governance

The quarterly report reflects the closer working and development of the process between two reporting systems, Health and Council. The Board considered the overview of the staff performance issues identified and the supporting performance data.

The IJB :

- noted the content of the quarterly report on the staff governance performance in the HSCP
- requested the inclusion of data on Employee Relations new and closed cases in the next report.
- requested additional information on absence trends.

5 Draft Annual Performance Review

An overview of the report was presented and the amendments and comments were noted.

The IJB endorsed and approved the HSCP Annual Performance Report 2018/19 for publication.

6 Review of Integration Scheme

The summary paper outlined the information from the Executive Director leading the review.

The IJB noted the requirement, background and proposals for completion of the Review of Scheme of Integration.

7 HSCP Co-location Update

The paper detailed the ongoing progress on the co-location of staff from Aros to Whitegates and Kilmory.

The IJB noted the update report.

8 Deputy Chief Officer's Update

The report outlined areas of good practice around Argyll & Bute.

As an addendum, it was verbally reported that ChildSmile has received a national award and recognition from the European Commission of their work on oral health

The IJB noted the update report.

9 Noting

- a) Clinical and Care Governance Committee - Minutes 25/04/19 and Draft Minutes 27/06/19
- b) Quality & Finance Programme Board Minutes 6-6-19 and Draft Minutes 25-7-19
- c) IJB Audit Committee – Draft Minutes 26/6/19

The IJB noted the papers.

Date of Next Meeting

Wednesday 25 September 2019, 1.30pm, Council Chambers, Kilmory, Lochgilphead

Argyll & Bute Health & Social Care Partnership

Integration Joint Board

Agenda item: 5.2

Date of Meeting: 25 September 2019

Title of Report: Transforming Together Work Streams - Update

Presented by: Stephen Whiston, Head of Strategic Planning & Performance

The IJB is asked to :

- Note the status updates of each of the work streams / projects and recommendation for next stage
- Approve the timelines and outcomes specified.

1. EXECUTIVE SUMMARY

The IJB has put in place a “Transforming Together” programme with 8 work streams to strengthen and build on our achievements to date and continue the changes required to meet our vision, priorities and objectives. These have been detailed in the HSCP 3 year Strategic Plan, with priorities for service change detailed for years 1, 2 and 3 (see Appendix 1).

Each of these service transformation work streams are expected to involve significant change in services over the period of the HSCP strategic plan. They have all progressed over the course of the last 12 months but not all have met expected timelines or achieved the expected outcomes including cost savings in years one and two.

A Transformation Board was established to govern the work streams/projects and assess the performance. At its meeting on the 2nd July the Transformation Board reviewed the status of each project at the end of year 1 as it was clear that over the last 6 months the significant change in project resource and management had impacted on progress of some of the work streams.

In summary none of the work streams have achieved all of their first year objectives or met their milestones.

The Senior Leadership Team (SLT) received and considered the report from the Transformation Board at its July meeting and agreed a number of actions and changes in executive leadership to bring the projects back on track over the remaining 6 months of this year and into 2020/21.

The IJB is asked to consider and note the update and approve the revised timelines and outcomes specified.

2 Transforming Together Work stream

2.1 Status year 1

The IJB has put in place a “Transforming Together” programme with 8 work streams to strengthen and build on our achievements to date and continue the changes required to meet our vision, priorities and objectives. These have been detailed in the HSCP 3 year Strategic Plan, with priorities for service change detailed for years 1, 2 and 3 (see Appendix 1)

Table 1 below summarises the assessment by the Board of the work streams achievement of their year 1 objectives.

Table 1 – Transforming Together Workstreams Progress assessment

	Transforming Together Work streams	Executive Lead	RAG - Progress	RAG-Savings
1	Children’s Services	Head of Children’s Services	Amber	Red
2	Care Homes and Housing	Lead AHP	Green	Amber
3	Learning Disability Services	Head of Adult Services (E)	Red	Red
4	Community Model of Care	Head of Adult Services (W)	Amber	Red
5	Mental Health Services	Head of Adult Services (W)	Amber	Amber
6	Primary Care – GP, Pharmacy etc.	Chief Officer/AMD	Amber	Not Applicable
7	Hospital Services	Lead Nurse	Amber	Red
8	<u>Corporate Services</u> IT/Catering/Domestics	Head of Strategic Planning and Performance	Green	Amber
	Admin	Head of People & Change	Red	Amber
	Estates/co-location	Head of People & Change	Red	Red

RAG rating

Green – Complete / Saving Achieved

Amber – Partial progress / partial saving declared

Red - Outstanding no progress / no saving declared

In summary whilst it is clear that we have made some progress and delivered some objectives and outcomes across most of the work streams. In reality none have achieved all of their first year objectives or delivered against their milestones.

Reasons for this include:

- Not all the projects have had designated or consistent project resource as originally identified to start in April 2018.
- Management changes in executive leadership and operational management and absence of operational leads (LM and LAMs) has hampered progress
- Rigour in compliance with project management operation and performance reporting processes due to inadequate resourcing has not been achieved across all projects
- Reality check around some timelines for deliverability and cost improvement targets has identified flaws in focus of projects and “objective drift”
- Feedback from Project Officers have identified deficiencies which have not been addressed including
 - Poor executive lead support and operational buy in across some work streams.
 - Absence of finance support to progress cost modelling of options, consistent finance information to inform work
 - Significant delays in workforce/staff partnership agreement processes, inconsistent staff engagement and communication
 - Poor understanding and support and delays or application of NHS or council processes.
 - Inadequate project resources to undertake work streams
- Primary Care Improvement Plan project was removed from the transformation Board in March 2019 due to refocus of this in NHS Highland (work stream 7)
- The advent of the PMO approach in NHS Highland and its cascade to Argyll and Bute has identified cross over/duplication re process and some savings target.
- Decision to cease funding of project officer input due to the financial position of the HSCP beyond April - July 2019 has resulted in a loss of impetus in some work streams.

Notwithstanding this it is also clear the Transformation work streams remain extant and a priority for the HSCP and the SLT was requested to provide direction on their delivery and review of timescales.

2.2 Assessment and Options

To assist the SLT the Transformation Board undertook an assessment of potential actions against each programme as follows:

- Pause some or all projects
- Redirection of internal resources to support work
- Investment in project resource for 2019/20 – increasing the cost saving requirement
- Investment in project resource as part of the 2020/21 financial plan

- Other

The Transformation Board for its meeting on the 2nd July requested executive leads provide reports on the status of their programmes with recommendations on how or if they could be progressed/paused or changed and resource suggestions.

3. SLT Recommendation

The SLT in assessing the recommendation from the Transforming Together Board is very clear of the need to progress these work streams, but recognising that it has to live within the budget and resources it has at its disposal. Its clear direction required the refocusing of internal resource, alignment of PMO resource where appropriate and if necessary temporarily pausing work streams.

Note the primary care improvement plan work stream has been removed from the programme and will be progressed as a separate programme and reported to the IJB accordingly.

The outcome of this is summarised in the table overleaf:

Table 2 – Transforming Together Work stream resource source and programme milestones 2019/20 to 2020/21

	Transforming Together Work streams	Lead and Proposed Project Resource	Work programme	milestones (date) and outcomes	Public / Staff engagement arrangements
1	Children’s Services	<p>Exec Lead - Head of Children’s Services</p> <p>Resource Insufficient capacity to progress at present. Funding sourced within service to continue SIO input until 31st March 2020</p>	<ul style="list-style-type: none"> Acceleration of Core and Cluster Accommodation. Review of Criminal and Community Justice. Management and Staffing Review <p>New areas:</p> <ul style="list-style-type: none"> Review of Services for Children with Disabilities (To be completed June 2020 see Joint Inspection Improvement Plan) Youth Justice (To be completed March 2020 links with the review of CJSW and a recent ICR) 	<ul style="list-style-type: none"> Implemented in Helensburgh and Lomond. To be rolled out across Argyll and Bute. Paper being prepared for SLT. Structure and costing being finalised. 	<p>Children and Families features in the annual Engagement Action Plan for 2019 – 2020. Engagement Specifications have been completed for:</p> <ul style="list-style-type: none"> CARO review Children affected by disability review Maternity and neonatal 5 year plan Review of hostels Core and cluster NH service redesign <p>Engagement specs required for:</p> <ul style="list-style-type: none"> Management structure review Youth justice
2	Care Homes and Housing	<p>Exec Lead AHP</p> <p>Resource HSCP Planning support commencing</p>	<p>Completion Phase 1</p> <p>Commence -Phase 2 procurement</p>	<p>Completion of level 1 engagement for Bute Nov 19</p> <p>Nov/Dec 19-Jan 20</p> <ul style="list-style-type: none"> Develop care 	<p>An engagement specification was completed for this work in 2018 – 19. This should be updated for the 2019-20</p>

	Transforming Together Work streams	Lead and Proposed Project Resource	Work programme	milestones (date) and outcomes	Public / Staff engagement arrangements
		Nov/Dec		<p>home/housing options by locality</p> <ul style="list-style-type: none"> Detailed scoping required of shortlisted options to include finance, work force, work with different providers and market test etc <p>Level 2 engagement with refined options appraisal (care housing/home requirements) Jan 2020</p> <p>Option Appraisal outcome and sign off – Feb to April 2020</p> <p>Phase 2 commences – April 20</p> <p>To be scoped - -progress to new build/procurement</p> <ul style="list-style-type: none"> Development of interim / final solution Cowal and Oban re opportunistic developments to be examined – Oct 19-Jan 20 	plan.

	Transforming Together Work streams	Lead and Proposed Project Resource	Work programme	milestones (date) and outcomes	Public / Staff engagement arrangements
3	Learning Disability Services	Exec Lead Interim Head of Adult Services East Resource	Ongoing review of care delivery	Current, Seeks specific resource to accelerate activity.	Review and redesign of learning disability service features as an action in the Engagement Action Plan. An Engagement specification has not yet been submitted.
4	Community Model of Care	Exec lead change to Lead AHP Resource HSCP HQA Practitioner	(see attached Communities Together A4) Review and re-establish Steering group with clear set of work streams-each to have PID or ToR agreed (Aug 19) Strategic agreement of leadership structure across A&B. Delivery of team structures	Steering Group - on-going 19/20 People and Pathways group-delivery group-on-going 19/20 Care First/Processes sub-group Aug-Nov 19-delivery of integrated operational IT system. Care at Home/ACRG action plan group Aug-Nov 19-delivery of new models Outcomes group Aug-Aug 20-Team Dashboards Aug/Sept 19 Depends on strategic discussions – Oct 19 onwards	This features in the Engagement Action Plan. An Engagement Specification is required to be completed for this activity.

	Transforming Together Work streams	Lead and Proposed Project Resource	Work programme	milestones (date) and outcomes	Public / Staff engagement arrangements
5	Mental Health Services	<p>Exec Lead – Head of Adult Services West</p> <p>Resource –</p> <ul style="list-style-type: none"> · PMO · Current Management 	<ul style="list-style-type: none"> · Elderly Dementia · Acute Mental Health 	<p>Dementia:</p> <ul style="list-style-type: none"> · Option appraisal complete by 31/10/2019. · Consultation event with staff and public completed by 30/11/2019. · Agreed by transformation board by 31/12/2019 · Presented to IJB by 31/12/2019 <p>Acute:</p> <ul style="list-style-type: none"> · Recruitment to urgent care practitioners by 30/09/2019. · Implement service by 31/10/2019. · Monitor activity and impact of team on admissions to Succoth Ward. 	<p>Review of dementia services features as an action in the Engagement Action Plan. An Engagement specification has not yet been submitted.</p>
6	Hospital Services	<p>Exec Lead – Lead Nurse</p> <p>Resource Locality Management</p>	<p>Review the role, services and number of inpatient beds that the hospitals will provide in</p>	<p>Reduction of 4 beds in Campbeltown hospital-establishment review in progress and should be completed Oct 2019</p>	<p>Review of hospital services in Campbeltown and Mid Argyll features in the Engagement Action Plan. Engagement Specifications have not</p>

	Transforming Together Work streams	Lead and Proposed Project Resource	Work programme	milestones (date) and outcomes	Public / Staff engagement arrangements
			<p>the future</p> <p>Review the workforce strategy for the hospital</p>	<p>Tests of change in Cowal from 14 to 11 inpatient beds and 2 assessment beds. Work progressing with local management and clinical leads to review bed utilisation. Bed modelling exercise in planning stage. Completion date set for Sept 2019</p> <p>Establishment reviews planned for all inpatient services by March 2020</p>	yet been completed.
8	HSCP and Council Catering service	<p>Exec lead TBC</p> <p>Resource Business case proposal appoint Catering Manager for HSCP</p>	Integrated council and HSCP catering service	Options appraisal to be presented to SLT in October 2019 By Jayne Jones (A&B Council Commercial Manager)	This features in the Engagement Action Plan. An Engagement Specification has not yet been completed.
	Estates/co-location	Chief Officer	Programme in place for Aros and Willow view 2019	HOS West will take the Lead with the Willow View move. BIM lead on Aros	

4. CONTRIBUTION TO STRATEGIC PRIORITIES

4.1 Statutory requirements and partnership accountability.

The HSCP Transforming together work streams are a key component of the IJBs objectives within its strategic plan it will be held accountable to their delivery

5. GOVERNANCE IMPLICATIONS

5.1 Financial Impact

There is appropriate alignment of these transformational changes in the IJBs financial plan and the cost saving plan of the HSCP, financial delivery is therefore a requirement of these work streams.

5.2 Staff Governance

The work streams have a variety of staff implications and staff governance processes will require to be enacted and delivered efficiently and robustly to ensure standards are met and staff partnership supported organisational changes are implemented.

5.3 Clinical and care Governance

The work streams have a variety of clinical and care implications and governance processes which will require to be enacted

6. EQUALITY & DIVERSITY IMPLICATIONS

The work streams impact on users and service changes will require EQIA to be undertaken

7. RISK ASSESSMENT

Risk assessment processes need to be included in each project/work stream

8. PUBLIC & USER INVOLVEMENT & ENGAGEMENT

Any service change will require appropriate level of involvement and engagement utilising the agreed process.

9. CONCLUSION

The IJB has been asked to consider this status report and recommendation of realignment of resources to support the delivery of the transforming together work stream and the revision to the milestones as detailed.

For further information contact:

Stephen Whiston
Head of Strategic Planning and Performance
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Appendix 1 – Transforming together work streams 3 Year priorities

Transformational Area 1 - Children's Services

Priorities Year 1:	Priorities Year 2:	Priorities Year 3:
<ul style="list-style-type: none"> Strengthen Early Intervention and Support 	<ul style="list-style-type: none"> Use of logic modelling to help define and separate strategic and operational performance measures. Align all self-evaluation involving children and young people's services under the Children and Young People's Service Plan to provide more uniformity when identifying multiagency and single agency performance measures Deliver the Children and Young People's wellbeing survey. Develop the 2020 – 2023 Children and Young People's Service Plan 	<ul style="list-style-type: none"> Launch 2020 – 2023 Children and Young People's Service Plan
How will we measure our progress?		
We will monitor outcomes against our plan objectives, service inspections and feedback.		

Transformational Area 2- Care Home and Housing

Priorities Year 1:	Priorities Year 2:	Priorities Year 3:
<ul style="list-style-type: none"> Scoping of future needs and planning future care homes and housing models (Phase 2/3) 	<ul style="list-style-type: none"> Agree the future shape of service provision at locality and Argyll and Bute level for the cohort of care provision required (Phase 3/4) Develop a commissioning strategy (Phase 3/4) 	<ul style="list-style-type: none"> Working in partnership with Argyll & Bute Council Housing Services, local Registered Social landlords and care home providers to fulfil the future requirement of care homes or housing from existing or new stock. (Phase 4)

How will we measure our progress?

Set targets and objectives including:

- Reduce out of area placements
- Provision of care home or specialist housing at the time required, without delay

Transformational Area 3 - Learning Disability Services

Priorities Year 1:	Priorities Year 2:	Priorities Year 3:
<ul style="list-style-type: none"> Develop 'Care Campus' approaches to services that will be designed, commissioned, and delivered in a way that 	<ul style="list-style-type: none"> Fully utilise opportunities offered through Self-directed Support to influence the variety of providers and support available to meet personal outcomes for people with 	<ul style="list-style-type: none"> Deliver training focused on identifying risk, prevention, choice and rights to our staff and those of partner

<p>meets the identified needs of individuals and groups, rather than assigning provision in 'categories' of care needs.</p> <ul style="list-style-type: none"> • Reduce the number of people cared for 'out of area', by making provision available within Argyll & Bute. • Use approaches such as 'Strategic Change through Person Centred Thinking' to obtain qualitative and quantitative information from those receiving services and use it to shape our plans to help them achieve their objectives. • 	<p>learning disabilities</p> <ul style="list-style-type: none"> • Work with people with Learning Disabilities and their carers when devising packages of care to incorporate carers' needs and expertise in the design and delivery of these packages. Examples of this will include: <ul style="list-style-type: none"> • Involving carers of people with learning disabilities when identifying potential services that meet the outcomes of the person with a learning disability as part of the approach to developing new commissioning plans. • Asking carers how best to support caring relationships and make sure the wellbeing of carers themselves will be supported and enhanced. • Invest in the asset based/community capacity building approach to ensure people with learning disabilities have access to a choice of community resources, lifelong learning and employment opportunities 	<p>organisations</p> <ul style="list-style-type: none"> • Further embed and strengthen links made between services (e.g. child to adult, adult to older people's care) to ensure that all transitions are well planned and managed whether due to age or change of needs or health. People will be supported and be fully involved at periods of transition across all Services.
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How will we measure our progress?

In order to ratify strategic outcomes/priorities and ensure that they are met, immediate next steps will include:

- Establishing a steering group with responsibility to deliver the Implementation Plan, with representation from partners, including provider organisations; Dec 2019
- Devising and delivering an outcomes-based implementation plan for this Strategy by Jan 2019
- Setting out funding priorities and ambitions within the implementation plan (identifying clearly the opportunities and need for savings to be made); by Jan 2019
- Putting in place robust monitoring and reporting arrangements (i.e. a performance framework, consistent with strategic and corporate requirements); by Apr 2019
- Identifying risks to achieving the strategic outcomes and propose mitigation measures; by Jan 2019
- Developing Commissioning Plans for all services to be provided;
- Establishing consultation plans (using the Engagement Specification) with people with learning disabilities and their carers' as part of the process to set our strategic objectives; by Feb 2019
- Utilising feedback from professionals and those affected by our plans through a Health Impact Assessment and Equality and Socio-Economic Impact Assessment; by Mar 2019

Transformational Area 4 – Community Model of Care

Priorities Year 1:

- Multi-disciplinary teams will be established across all Argyll and Bute.
- All teams have a Single Point of Access.
- All teams have a daily huddle with referral and caseload allocation.
- All teams are working appropriately and where necessary, extended hours to deliver care.
- All teams are working to the agreed standards for community teams in Argyll and Bute.
- Generic workers will be a key role within the teams

Priorities Year 2:

- All teams will be working on an 'asset based approach'.
- The use of TEC will be fully embedded in the assessment and care in the community.
- IT will support mobile and agile working for the community teams.
- The teams will be working to a single record and data system.
- Advanced nurse practitioners will be developing in the teams.
- Anticipatory care planning will be fully embedded within the team.

Priorities Year 3:

- Advanced nurse practitioners will be embedded in the teams.
- A frailty pathway will have been developed and implemented in all teams.
- Improvement work will be shared and implemented as standard work.
- Agreed outcome measures will have been tested and implemented.

How will we measure our progress?

- Reduced delayed discharges in Argyll and Bute.
- Improved discharge planning with Greater Glasgow and Clyde.
- Reduced number of unnecessary emergency admissions to hospital.
- Reduced length of stay in hospitals.
- More people will be looked after at home rather than hospital or care home.
- Reduced number of professionals involved with a person in receipt of care.

Transformational Area 5 - Mental Health Services

Priorities Year 1:	Priorities Year 2:	Priorities Year 3:
<ul style="list-style-type: none"> • Progress planned developments associated with Transforming Together agenda for mental health : - • Community Mental Health Services review and outcomes • Psychological Therapies • Care Reviews • Inpatient services • Dementia services, including development of a local dementia strategy 	<ul style="list-style-type: none"> • Establish clear pathways to keep patients in local hospitals before transferring to acute units and further develop community supports and strategies, aimed at supporting individuals to remain at home and in their community and ensure effective admission and discharge planning. 	<ul style="list-style-type: none"> • Consider and consolidate standardisation of processes; roles and responsibilities; care and support co-ordination and utilisation of effective training and delivery models (i.e. specialist / generic), as appropriate to support mental health and dementia services locally.
How will we measure our progress?		
<ul style="list-style-type: none"> • Monitor the number of acute admissions, year on year to assess the effectiveness of community supports and strategies which support individuals at home. • Evaluate and monitor reductions in demand and spend for out of hour's services; Police Scotland and interventions by other emergencies services. • Realise reductions in acute hospital admissions and / or use of compulsory measures in terms of detention under Mental Health legislation. • Monitor the number of crisis interventions provided by practitioners. • Monitor the number of service users requiring detentions in community hospitals. • Evaluate service and carer satisfaction levels relating to above outcomes. 		

Transformational Area 6 - Primary Care

Priorities Year 1:	Priorities Year 2 and Year 3:
<ul style="list-style-type: none"> • Establish immunisation teams to administer vaccines in Oban, Lorn & Mull, Cowal & Bute and Mid Argyll areas. • Expand pharmacy teams and introduce the Pharmacotherapy service in a phased approach across the HSCP. 	<ul style="list-style-type: none"> • Establish immunisation teams to administer vaccines in Kintyre and Islay and in Tiree, Coll and Colonsay areas. • Agree and finalise Influenza Vaccine delivery. • Expand provision of pharmacotherapy

<ul style="list-style-type: none"> • Agree, finalise and deliver a midwifery model for pertussis delivery across Argyll and Bute. • Recruit GPs and other staff to the Island of Mull and Iona practice • Establish a sustainable GP out of hours service for Jura, linking it with Islay and building community resilience 	<ul style="list-style-type: none"> • Test, agree and deliver Shingles vaccination delivery model. • Test, agree and deliver 'at risk' programme delivery model. • Travel Health and travel vaccinations
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How will we measure our progress?

We have established a 3 year implementation plan against these various priorities and will manage and monitor progress against these objectives and milestones. These will include such measures as:

- Establish a baseline of current practice and measure new activity against the baseline, for example spend on antidepressant therapy as opposed to medication, number of referrals to Centre for Mental Health Service (CMHS) for primary care,
- Use and satisfaction with Technology Enabled Care and Home Health monitoring for example psychological therapy, blood pressure monitoring.
- Treatment related specific outcomes (patient and practitioner)
- Increase in activity for physiotherapy and reduced expenditure on pain medication

Transformational Area 7 – Hospital Services

Priorities Year 1:	Priorities Year 2:	Priorities Year 3:
<ul style="list-style-type: none"> • Moderate reduction in the number of hospital beds. • Begin service specification for all community hospitals. • Complete bed modelling exercise across all inpatient areas. 	<ul style="list-style-type: none"> • Completion of service specification for Community Hospitals and Lorn and Islands Rural General Hospital. • Increase day case services in all hospitals. • Fully embed Quality Improvement initiatives across all hospitals. • Reduction in unscheduled activity into NHS GG&C Hospitals 	<ul style="list-style-type: none"> • Continue to deliver more care in the community, less inpatient care and appropriate use of our A&E Departments, reducing unscheduled activity into Glasgow.

How will we measure our progress?

- We will monitor and manage the level of acute activity delivered locally
- Reduce the increase in emergency activity into NHS GG&C Hospitals
- Incorporate into our patient outcomes and experience of services patient/user feedback
- Monitor and manage services to ensure consistent high quality standards of care.

Transformational Area 8 – Corporate Services

Priorities Year 1:	Priorities Year 2 and 3:
<ul style="list-style-type: none"> • Implement co-location plans and arrangements as identified • Identify other estate rationalisation and co-location opportunities • Increase the number of health staff using the single health and social care IT system- “CareFirst” • Pilot mobile App for staff using the “CareFirst” IT system 	<ul style="list-style-type: none"> • Provide single integrated corporate services for health and social care staff in Finance, HR etc. • Put in place a single unified telephone and IT system between the NHS and the council saving money and increasing productivity of staff • Establish and operate a single catering service for Education, NHS and Social Care within Argyll and Bute
How will we measure our progress?	
<ul style="list-style-type: none"> • Reduced number of buildings and estate • Productivity benchmark targets improved • Significant cost reduction in corporate services of between 10-20% (To be confirmed) 	

Argyll & Bute Health & Social Care Partnership

Integration Joint Board

Agenda item: 5.3

Date of Meeting: 25 September 2019

Title of Report: Joint Inspection of Services for Children and Young People in Need of Care and Protection in Argyll & Bute

Presented by: Alex Taylor, Chief Social Work Officer

The Integration Joint Board is asked to :

- Note the findings of the inspection report into the Joint Inspection of Services for Children and Young People in the Argyll and Bute Community Planning Partnership Area
- Endorse the Improvement Action Plan which has been prepared and shared with the Care Inspectorate to address the key areas identified by inspectors.

1. EXECUTIVE SUMMARY

- 1.1 The report of the Joint Inspection of Services for Children and Young People in Need of Care and Protection in Argyll and Bute was published by the Care Inspectorate on 26th March.
- 1.2 The inspectors evaluated the quality and effectiveness of services in Argyll and Bute provided by the Community Planning Partnership to the quality indicators in their newly published quality framework for children and young people in need of care and protection.
- 1.3 The Care Inspectorate and its scrutiny partners have evaluated services in Argyll and Bute as:
How good is our leadership - GOOD
Impact on families – GOOD
Impact on Children and Young People – GOOD
Improvements in the safety, wellbeing and life chances of vulnerable children and young people - ADEQUATE

2. INTRODUCTION

The report of the Joint Inspection of Services for Children and Young People in Need of Care and Protection in Argyll and Bute was published by the Care Inspectorate on 26th March.

- 2.1 The inspection took place between August and November 2018. The Care Inspectorate and its scrutiny partners Healthcare Improvement Scotland, Her Majesty's Inspectorate of Constabulary for Scotland and Education Scotland, looked at the differences the Community Planning Partnership is making to the lives of children and young people in need of care and protection and the lives of the children and young people for whom the Community Planning Partnership has corporate parenting responsibilities.
- 2.2 The inspectors evaluated the quality and effectiveness of services in Argyll and Bute provided by the partnership to the quality indicators in their newly published quality framework for children and young people in need of care and protection.
- 2.3 The inspectors gathered and reviewed evidence in relation to all 17 quality indicators in the framework and used this understanding to answer five key inspection questions:
1. How good is the partnership at recognising and responding when children and young people need protection?
 2. How good is the partnership at helping children and young people who have experienced abuse and neglect stay safe, healthy and recover from their experiences?
 3. How good is the partnership at maximising the wellbeing of children and young people who are looked after?
 4. How good is the partnership at enabling care experienced young people to succeed in their transition to adulthood?
 5. How good is collaborative leadership?
- 2.4 In addition to answering the inspection questions, the inspectors used a six-point scale to provide a formal evaluation of three quality indicators that concern the impact of partners' work on the lives of children, young people and their families, and the outcomes partners are achieving.

These are:

- 1.1 Improvements in the safety, wellbeing and life chances of vulnerable children and young people
- 2.1 Impact on children and young people
- 2.2 Impact on families

They also provide an overall evaluation for leadership, which comprises a suite of four quality indicators (9.1 to 9.4 inclusive).

2.5 The Care Inspectorate and its scrutiny partners have evaluated services in Argyll and Bute as:

9 How good is our leadership - GOOD

2.2 Impact on families – GOOD

2.1 Impact on Children and Young People – GOOD

1.1 Improvements in the safety, wellbeing and life chances of vulnerable children and young people - ADEQUATE

3. DETAIL OF REPORT

3.1 The joint Inspection of Children's Services looked closely at the support that is provide to children and young people who are currently, or have previously been, 'looked after', including those living with parents, having short periods of respite care, in kinship care, in residential care (including schools and secure care) and, in foster care. The inspectors also reviewed how services work together to protect children where concerns have been raised about their welfare or safety, including children who are currently, or have previously been, on the child protection register.

3.2 The inspection comprised of the following elements:

- a) The pre-inspection return, with information for the case analysis sample, organisation governance charts and significant and initial case review information. Argyll and Bute's return was submitted on 3rd August 2018.
- b) The self-evaluation report answered the three reflective questions set out in the QIF and addressed the 5 inspection questions. 200 pieces of supporting documentation accompanied the comprehensive self-evaluation reports prepared by the partnership and was submitted on 13 August 2018.
- c) A sample of 88 case files were requested from social work, education, health, police and Scottish Children's Reporter Administration (SCRA). The inspectors reviewed these files during their first onsite week, w/c 10th September 2018.
- d) The inspectors met with children, young people, parents, carers and staff from across a range of agencies, including the third sector during the second half of onsite week 1. These participation and engagement sessions took place on islands and some of the more remote communities, as well as the larger towns.
- e) 58 separate focus groups and one to one sessions took place with multi-agency groups of practitioners, managers, chief officers, partner agencies, children and young people, parents and carers from across Argyll and Bute during the second onsite week commencing 22nd October.
- f) Inspectors met with the partnership on 5 occasions to provide feedback on progress, key high level findings and to discuss areas of uncertainty.

- 3.3 The staff survey was completed by 693 employees from Health and Social Care, Education, Police, SCRA and the third sector. The children and young people survey was completed by 21 children and young people. The parents and carers survey was completed by 13 parents and carers.
- 3.4 The team of 11 inspectors, including two young volunteer inspectors spent two weeks in Argyll and Bute meeting staff, children and young people, parents and carers from across the authority. The inspectors ensured that there is a greater emphasis than previously on the voices of children and young people in the inspection methodology.
- 3.5 The inspection report for Argyll and Bute Community Planning Partnership was published on the Care Inspectorate website on 26th March 2019. The inspectors said that they are confident that the partnership in Argyll and Bute has the capacity to continue to improve and to address the points for action highlighted in the report, this is based on:
- services working well together, underpinned by a collaborative, learning culture.
 - staff united in a common purpose, underpinned by GIRFEC and a strong, shared commitment to improving outcomes.
 - positive leadership from chief officers, providing direction and scrutiny to services for children and young people in need of care and protection.
 - notable improvement in the partnership's joint approach to self-evaluation.
 - a willingness on the part of all partners to actively engage with children, young people and their families in order to share power, identify need and improve outcomes.
 - evidence of significant improvement in priority areas, including the wellbeing of care leavers and the recognition and immediate response to children and young people in need of care and protection despite challenges facing the partnership.
- 3.6 The Strengths of Argyll and Bute's Partnership are:
1. The wellbeing of children in need of care and protection was improving, with most children and young people enjoying positive and caring relationships with staff and carers.
 2. Children and young people were respected and listened to, at both operational and strategic levels, reflecting positive attitudes and significant investment on the part of community planning partners.
 3. Other than one important area of practice (see priority areas for improvement), the inspectors found that overall, processes for

recognising and responding to children and young people in need of protection were well established.

4. Children and young people in need of care and protection benefitted from well-managed, independently chaired reviews. Review meetings were providing quality assurance and accountability, adding to the prospect of better outcomes.

3.7 The priority areas for improvement are:

1. Risk assessments were not always being carried out where necessary. Similarly, risk management plans were missing from a small but significant proportion of the case files read.
2. Access to some specialist services was not consistent, particularly for children, young people and families residing in the more isolated areas of Argyll and Bute.
3. Although there were pockets of strong performance management, an inconsistent approach to the use of trend data, a lack of reliable data measures and outcome based reporting, meant that the partnership was unable to demonstrate sustained improvement over time in key areas.
4. The partnership needed to strengthen and develop its approach to strategic commissioning, in order to help decide how to allocate resources to get the best, most effective services for children and young people in need of care and protection.

3.8 The key messages in the report are summarised in appendix 1. The Improvement Action Plan which has been prepared to address the points raised and continue to make improvements in the services we provide to children, young people and their families is included in appendix 2. This was submitted to the Care Inspectorate on 3rd May 2019 with input provided by partners.

3.9 All partners are committed to implementing the improvement actions identified. The implementation of the Improvement Action Plan will be monitored by Argyll and Bute's Children Strategic Group which is made up of partners from across all organisations and services who have a role in providing services to children.

4. GOVERNANCE IMPLICATIONS

4.1 Financial Impact

There are no additional resource implications anticipated with the delivery of the improvement plan.

4.2 Staff Governance

None at this time.

4.3 **Clinical Governance**

Under section 115 of the Public Services Reform (Scotland) Act 2010, the Care Inspectorate led a joint inspection of the provision of services to children and young people in the Argyll and Bute community planning partnership area.

5. **EQUALITY & DIVERSITY IMPLICATIONS**

Issues of equality and diversity were considered throughout the inspection process.

6. **RISK ASSESSMENT**

Failure to implement the improvement action plan will result in failure to embed improvements in the service to children and their families in need of care and protection.

7. **PUBLIC & USER INVOLVEMENT & ENGAGEMENT**

The voice of children and young people has been central to the Care Inspectorate revised methodology.

8 **CONCLUSION**

The publication on the inspection report concludes the inspection activity by the Care Inspectorate and its scrutiny partners. Argyll and Bute's Children Strategic Group will be responsible for ensuring that the Improvement Action plan is fully implemented. The effectiveness of these improvements will be tested through the ongoing process of self-evaluation which is well established with services for children and young people in Argyll and Bute.

Appendices

Appendix 1: Summary of key findings

Appendix 2: Improvement Plan

Joanna MacDonald
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1st July 2019

Appendix 1

Joint Inspection of Services for Children and Young People in Need of Care and Protection in Argyll and Bute

Summary of Key messages

Q1. How good is the partnership at recognising and responding when children and young people need protection?

- i. There were well-established professional relationships across disciplines and these contributed to the ability of staff to discuss initial concerns and thresholds for risk.
- ii. The approach and use of care assessment and reviewing officers (CARO), Getting it Right for Every Child (GIRFEC) advisors and child protection officers was an effective method of providing operational support, advice and guidance that enhanced both the confidence and ability of staff to respond effectively to child protection concerns.
- iii. Pre-birth planning processes were strong and effective in enabling the early identification and response to child protection and wellbeing concerns.
- iv. There was a need for improved recording of decision-making, supervision and quality assurance in order to facilitate communication, provide clearer governance and lines of accountability, and achieve better, safer outcomes for children and young people.

Q2. How good is the partnership at helping children and young people who have experienced abuse and neglect stay safe, healthy and recover from their experiences?

- i. Children and young people benefitted from trusting relationships, and they were confident that their views were heard and they felt listened to.
- ii. Targeted support was helping vulnerable young people stay healthy and recover from their experiences, but this was not always readily available. This was particularly so with services aimed at addressing the mental health and emotional wellbeing of children and young people in need of care and protection.
- iii. Well managed, independently chaired reviews had contributed to improved quality assurance and the participation of children and young people, which in turn had benefitted their wellbeing.
- iv. Across the services, support and supervision were available to staff on a regular basis. This provided staff with an opportunity to reflect upon, evaluate and improve their practice.
- v. In a small but significant number of case records, there was no risk assessment recorded. Furthermore, the quality of risk assessments we read in case records needed to be improved.

Q3. How good is the partnership at maximising the wellbeing of children and young people who are looked after?

- i. There was a positive, coherent and committed approach to corporate parenting being implemented by partners across Argyll and Bute.
- ii. Many care experienced children and young people experienced improved wellbeing that was supported by trusting relationships, strengthened universal services and individually planned measures of support.
- iii. The recent decision to regard children with disabilities in receipt of short breaks as looked after had introduced more robust review arrangements. This improvement in planning and quality assurance promised better outcomes for this group of children and young people.
- iv. Partners were not using performance measures to full effect in ways that highlighted trends, identified different groups and supported improvements in the wellbeing of care experienced children and young people.
- v. The influence of care experienced children, young people and families needed to be strengthened at a strategic level.

Q4. How good is the partnership at enabling care experienced young people to succeed in their transition to adulthood?

- i. Care experienced young people told us that the support they had received, particularly from staff working in the through care and aftercare team, had helped them to achieve positive outcomes in relation to housing, employment and education.
- ii. The partnership was able to demonstrate that over 70% of care experienced young people aged 16 to 24 (130 in total) were in positive destinations.
- iii. The partnership had embraced the Staying Put Scotland agenda and continuing care legislation. These were contributing positively to the support that care experienced young people received, adding to their sense of stability and self-worth.
- iv. The structured approach to identifying routes for care experienced young people to education, employment and housing was not consistently applied to the health of care leavers, including their emotional wellbeing and mental health.
- v. The corporate parenting strategy required greater momentum in particular areas. This included full implementation of the champions' board model, and further expansion of work experience and employment opportunities for care leavers, with all partners making a tangible contribution.

Q5. How good is collaborative leadership?

- i. The vision, values and aims in relation to children and young people in need of care and protection were clearly stated and commonly held.
- ii. The partnership benefitted at all levels from a positive, enabling culture and a supportive working environment.
- iii. The partnership benefitted at all levels from a learning culture, in which staff had opportunities to jointly develop skills and learn from each other.
- iv. There was a need for a more strategic approach to how leaders communicated with staff – particularly those providing services for children in need of care and protection in the front line.
- v. Work on developing a coherent commissioning strategy, in keeping with the partnership's vision for keeping children safe and meeting their corporate parenting responsibilities, needed to gather momentum.



Argyll and Bute Joint Inspection of Children's Services (2018/19) Joint Improvement Action Plan 2019 - 2021



Foreword

This joint inspection improvement plan has been developed following the Joint Inspection of Children's Services in Argyll and Bute in 2018/19 which focused on answering five key questions:

1. How good is the partnership at recognising and responding when children and young people need protection?
2. How good is the partnership at helping children and young people who have experienced abuse and neglect stay safe, healthy and recover from their experiences?
3. How good is the partnership at maximising the wellbeing of children and young people who are looked after?
4. How good is the partnership at enabling care experienced young people to succeed in their transition to adulthood?
5. How good is collaborative leadership?

The Care Inspectorate requested that a joint action plan is provided that clearly details how the partnership will make improvements in the key areas identified by the inspectors.

Key inspection findings and areas required to improve delivery of services for our Children and Young People are detailed in this plan.

The Plan also sits alongside our:

- Children and Young People's Services Plan 2017- 2020
- Corporate Parenting Plan 2018 - 2021
- Child Protection Committee Business and Improvement Plan (2018 -20)

What key outcomes have we achieved?						
1.1 Improvements in the safety, wellbeing and life chances of vulnerable children and young people						
Areas for Improvement	Key Actions	Impact Measure of success (How will we know.....?)	Progress Report	Agency Lead(s)	By When? Date	RAG
Improve our collation, segmentation and use of data to improve outcomes for children and young people	<ul style="list-style-type: none"> Implement the use of the national shared dataset across the partnership Quarterly performance report of segmented data to Argyll and Bute's children Undertake annual benchmarking of data against comparator partnerships 	<ul style="list-style-type: none"> We will have evidence of improving trends in outcomes each year Improved performance management We will see an improvement in results when benchmarked against other authorities 	<p>National minimum dataset work in progress. CPC currently examining data, workshop planned to explore further.</p> <p>Data to be collated from:</p> <ul style="list-style-type: none"> CYPSP 2017-20 Corporate parenting plan GIRFEC Education Criminal Justice 	<p>HSCP Performance Team/ Dougie Hunter</p> <p>Dougie Hunter</p> <p>A&B Children PQA group</p>	<p>Within 3 months of publication of the shared dataset</p> <p>Jan 2020</p> <p>April 2020</p>	
Reduce the attainment gap for Looked After Children LAC - we are assuming there is an attainment gap between other	<ul style="list-style-type: none"> Develop use of benchmarking to identify baseline potential for individual looked after children Use benchmark data to identify what meaningful 	<ul style="list-style-type: none"> Robust data and reporting systems in place to evidence the attainment of looked after children 	<p>Tracking secondary children and sending to children in schools</p> <p>Qualitative and quantitative data through school learning plans</p> <p>Dedicated education post for LAC</p>	<p>Education Officer Louise Lawson</p>	<p>December 2019</p>	

<p>looked after children cohort and the general school population</p>	<p>attainment will look like in relation to each looked after child</p> <ul style="list-style-type: none"> Track and monitor progress and achievement for each looked after child using new systems in SEEMiS 		<p>SEEMiS – progress and achievement module will track and monitor consistency of LAC achievements in education</p> <p>Softer improvements include: Needs analysis developed for schools looking at risk. Is a risk assessment required and what is required for the LAC?</p> <p>All schools to use well-being App which will evidence improvements</p> <p>Exclusion rates are showing a more positive trend</p> <p>All work on-going</p>			
<p>All Children who require it have a risk assessment and risk management plan</p>	<ul style="list-style-type: none"> Update NUCA to ensure all versions include a mandatory risk assessment section Establish a quarterly Quality Assurance panel for sample of risk assessments and plans 	<p>Assessment format update on care first</p> <p>Care first data confirms all Social Work clients have a complete risk assessments</p>	<p>Completed</p> <p>Panel established and first meeting set for 23rd Sept 2019</p>	<p>Mark Lines Children & Families locality manager</p>	<p>September 2019</p> <p>September 2019</p>	

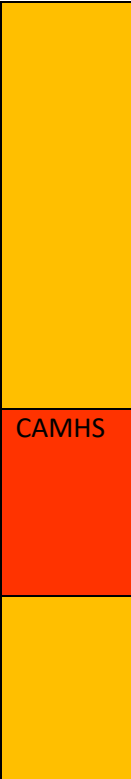
How well do we meet the needs of our stakeholders?						
2.1 Impact on Children and Young People						
Areas for Improvement	Key Actions	Impact Measure of success (How will we know.....?)	Progress Report	Agency Lead(s)	By When? Date	RAG
Staff supervision recording of decisions and quality assurance processes	<ul style="list-style-type: none"> Stage 2 supervision training for first line managers 	<ul style="list-style-type: none"> First line managers' report improved confidence in providing and recording supervision 	<ul style="list-style-type: none"> Supervision guidance updated 	Alex Taylor Chief Social Worker	October 2019	Green
	<ul style="list-style-type: none"> Introduce 6 monthly supervision mentoring sessions for first line managers 	<ul style="list-style-type: none"> Managers supported to consistently implement supervision policy and apply learning from training 	<ul style="list-style-type: none"> First line managers have undergone supervision training Mentoring sessions available 		October 2019	
	<ul style="list-style-type: none"> Establish quality assurance process for staff supervision 	<ul style="list-style-type: none"> Performance data on frequency of staff supervision reported and quality of recording of supervision quality assured Impact of supervisory discussions in improving outcomes evidenced 	<ul style="list-style-type: none"> Quality assurance process to be put in place 		March 2020	Yellow
Improve pathways for care experienced care leavers	<ul style="list-style-type: none"> Implement care leavers journey audit (mirroring child journey audit to track sample of care leavers) 	<ul style="list-style-type: none"> Learning from Care Leavers Journey auditing informs self-evaluation and planning to improve services 	All care experienced Young People to have plan that will align with the Pillars of Care Leavers Covenant	Paul Kyle Locality Manager Children and Families	Starts July 2019 and runs for 12 months	Yellow
	<ul style="list-style-type: none"> Review and implement revised Care leavers quality 	<ul style="list-style-type: none"> Improved care leaver data reported to CPB and 	Liaise with Data Analyst	Paul Kyle		

	and performance data set	informs performance improvement				
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How well do we meet the needs of our stakeholders?

2.2 Impact on Families

Areas for Improvement	Key Actions	Impact Measure of success (How will we know.....?)	Progress Report	Agency Lead(s)	By When? Date	RAG
Disability Strategy	Review of services for children and young people with disability to consider future model of provision including looking at closer integration with adult disability services.	<ul style="list-style-type: none"> Children and young people with disability have access to commissioned services which are equitable and meet the assessment of need and best value across each area of Argyll and Bute. Transitions are managed in accordance with best practice as outlined in Principles of Good Transition 3. Increase uptake of full range of SDS options 	Review initiated	Argyll and Bute's Children Strategic Group	June 2020 March 2021	
Improve equity of access to specialist targeted services	<ul style="list-style-type: none"> Implement Children and families Joint Strategic Needs Assessment Develop joint commissioning strategy 	Evidence the commissioning strategy improves access to services e.g. reduced waiting times	JSNA currently under development Discussion underway regarding commissioning strategy	Argyll and Bute's Children Strategic Group	March 2020	

<p>Improve the availability of mental health services for looked after C&YP and care leavers</p>	<p>All Looked After Children are offered mental health screening using accredited tool by the 6 week review</p> <p>Develop and implement an 'at risk' pathway for Looked After Children and care leavers</p>	<p>All Looked After Children are offered mental health screening</p> <p>Improved access to CAMHS for Looked After Children</p> <p>Implement a transitions protocol covering all aspects of the Care Leavers Covenant</p>	<ul style="list-style-type: none"> • Identify appropriate screening tool • Care leavers pathway in development • School nurses have completed Mental health training, social workers and advanced nurses to undertake MH training • LAC access to CAMHS will be reviewed when team is at full capacity • All care experienced Young People to have plan that will align with the Pillars of Care Leavers Covenant 	<p>Argyll and Bute's Children Strategic Group</p>	<p>March 2021</p>	
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How good is our leadership?						
9. Leadership and Direction						
- Vision, Values and aims			- Leadership of strategy and direction			
- Leadership of people and partnerships			- Leadership of improvement and change			
Areas for Improvement	Key Actions	Impact Measure of success (How will we know.....?)	Progress Report	Agency Lead(s)	By When? Date	RAG
Children and families Joint Strategic Needs Assessment and Strategic Commissioning Strategy	<ul style="list-style-type: none"> Develop a Children and families Joint Strategic Needs Assessment Develop joint commissioning strategy 	Services are monitored and evaluated to show that they are improving the wellbeing of children, young people and families	JSNA currently under development Discussions under development regarding commissioning strategy	Argyll and Bute's Children Strategic Group	September 2020	
Improve the visibility and profile of strategic leaders with our staff	Develop and implement a range of methods to effectively communicate with staff	<ul style="list-style-type: none"> Staff survey reports Leaders are visible, accessible and responsive 	TBA - Reported through Argyll and Bute's Children Strategic Group chaired by the HSCP Chief Officer	Argyll and Bute's Children Strategic Group	September 2020	TBA
Strategic Risk Register	Develop a strategic risk register for integrated children's services to identify gaps in priority areas of need	Risks are effectively mitigated and the pace of change and improvement is escalated	TBA	Argyll and Bute's Children Strategic Group	March 2020	TBA

<p>Engagement of children and young people in strategic planning and service development</p>	<p>Develop and implement a strategy and framework to effectively engage and involve children and young people</p>	<p>The voices of children, young people and families are clearly reflected in the Children and Young People Service Plan (CYPSP) and Corporate Parenting strategy</p>	<p>Work to progress:</p> <ul style="list-style-type: none"> • Engagement leads identified • A&B team selected for NTS improvement training on children and young people's strategic engagement • Children's Rights Cafe 	<p>Argyll and Bute's Children Strategic Group</p>	<p>April 2020</p>	
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Argyll & Bute Health & Social Care Partnership

Integration Joint Board

Agenda Item: 5.4(i)

Date of Meeting: 25 September 2019

Title of Report: Audited Annual Accounts 2018-19

Presented by: Judy Orr, Head of Finance and Transformation

The Integration Joint Board is asked to:

- **Note** that Audit Scotland have completed their audit of the annual accounts for 2018-19 and have issued an unqualified independent auditor's report.
- **Note** the 2018/19 Annual Audit Report prepared by Audit Scotland and the Key Messages therein.
- **Note** that the Audit Committee have recommended the Audited Accounts to the IJB for approval at their meeting on 25 September 2019.
- **Approve** the Audited Annual Accounts for 2018-19 to be signed for issue

1. EXECUTIVE SUMMARY

1.1 The Integration Joint Board were required to produce a set of annual accounts for 2018-19. These accounts were produced within the statutory timescale and have been subject to independent audit by the Integration Joint Board's external auditors, Audit Scotland. The audit process has been completed and Audit Scotland have issued an unqualified independent auditors report.

2. INTRODUCTION

2.1 The Integration Joint Board were required to produce a set of annual accounts for 2018-19. The unaudited accounts for 2018-19 were produced in line with the agreed timetable and statutory timescales. The unaudited accounts were approved by the Audit Committee on 26 June 2016 for submission to external audit. The audit process is now complete and the audited accounts require to be approved by the Integration Joint Board prior to 30 September 2019.

3. DETAIL OF REPORT

3.1 The Integration Joint Board 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 Authorities Accounting in the United Kingdom 2018-19 supported by

International Financial Reporting Standards (IFRS) unless legislation or statutory guidance requires different treatment.

- 3.2 The annual accounts have been subject to independent audit by Audit Scotland and there were some minor changes required to the accounts as a result of this. The changes were mainly presentational. There has been one change to the financial figures. The analysis of expenditure and income by nature has been amended at note 3 to exclude internal audit fees which had been erroneously included in the fees payable to Audit Scotland. These have been reduced from £48k to £25k. The Supplies and Services line has been commensurately increased by £23k from £11,408k to £11,431k. The Audited Annual Accounts for 2018-19 are included as Appendix 2.
- 3.3 The independent auditors report is attached at Appendix 1. Audit Scotland are able to conclude that that Integration Joint Board's accounts present a true and fair view of the IJB. There are a number of key messages contained in their report and the IJB is asked to note these.
- 3.4 The Audit Committee reviewed the Audited Annual Accounts at their meeting earlier today, and recommend the Accounts to the Integrated Joint Board for approval.
- 3.5 The Integration Joint Board is required to formally approve the Audited Annual Accounts prior to 30th September.

4. RELEVANT DATA AND INDICATORS

- 4.1 Information is derived from the financial systems of NHS Highland and Argyll and Bute Council.

5 CONTRIBUTION TO STRATEGIC PRIORITIES

- 5.1 The annual accounts are a key statutory reporting requirement. They communicate both financial and key service delivery performance information in an accessible public document.

6. GOVERNANCE IMPLICATIONS

- 6.1 Financial Impact - The Integration Joint Board is required to consider and approve the Audited Annual Accounts for 2018-19 by 30th September 2019.
- 6.2 Staff Governance – None
- 6.3 Clinical Governance - None

7. EQUALITY & DIVERSITY IMPLICATIONS

- 7.1 None

8. GENERAL DATA PROTECTION PRINCIPLES COMPLIANCE

- 8.1 None directly from this report.

9. RISK ASSESSMENT

9.1 No implications for changes to risks.

10. PUBLIC & USER INVOLVEMENT & ENGAGEMENT

10.1 The unaudited annual accounts were advertised and made publicly available for inspection. There were no objections noted from the public inspection. The audited accounts will require to be published by 30 September 2019.

11. CONCLUSIONS

11.1 The Audited Annual Accounts for 2018-19 require to be approved by the IJB by 30 September 2019. These were submitted to Audit Scotland, the IJB external auditors, and an unqualified independent auditors report has been received. There were a small number of changes required to the accounts as part of the audit process and these were in the main presentational.

12. DIRECTIONS

Directions required to Council, NHS Board or both.	Directions to:	tick
	No Directions required	√
	Argyll & Bute Council	
	NHS Highland Health Board	
	Argyll & Bute Council and NHS Highland Health Board	

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APPENDICES:

Appendix 1: Independent Auditors Report 2018-19

Appendix 2: Audited Annual Accounts 2018-19

Argyll and Bute Integration Joint Board

2018/19 Annual Audit Report - Proposed



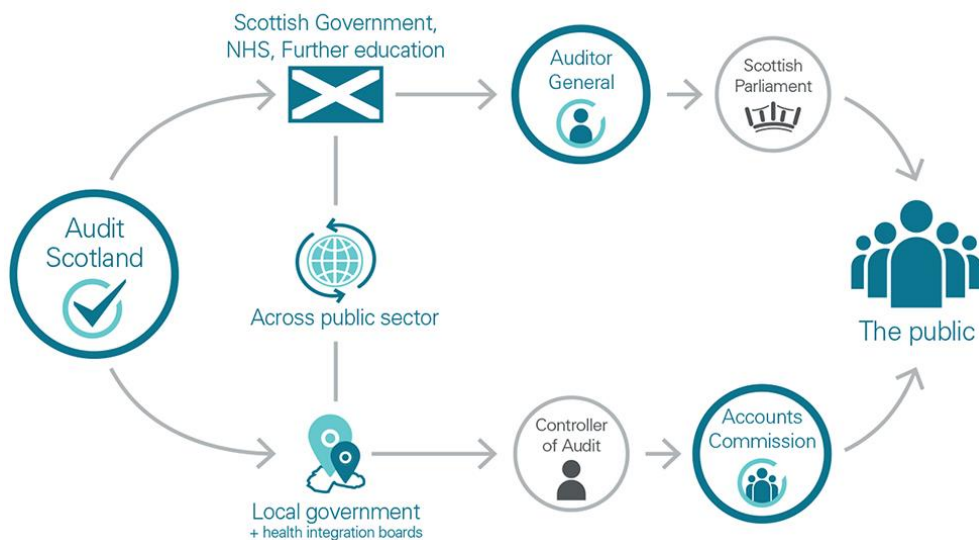
 AUDIT SCOTLAND

Prepared for Argyll and Bute Integration Joint Board and the Controller of Audit
25 September 2019

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Key messages

2018/19 annual report and accounts

- 1 Argyll and Bute Integration Joint Board's financial statements give a true and fair view of the state of affairs of the IJB as at 31 March 2019 and of its income and expenditure for the year then ended, and were properly prepared.
- 2 The management commentary, audited part of the remuneration report and annual governance statement were consistent with the financial statements and prepared in accordance with applicable guidance.

Financial management and sustainability

- 3 Financial management arrangements and the quality of financial monitoring and reporting improved during the year enabling members to scrutinise financial performance more effectively.
- 4 The IJB was unable to set a balanced budget for 2018/19 and ended the year with an overspend of £6.7 million. A financial recovery plan and tight financial 'grip and control' measures were unsuccessful in addressing the overspend. Additionally, £3.1 million of the overspend is to be repaid to the council over the next four years. This is in addition to the £1.2 million to be repaid for 2017/18.
- 5 The IJB has a poor record in delivering recurring savings and despite a renewed vigour in the delivery of savings plans there is a risk that planned savings for 2019/20 will not be achieved in full.
- 6 The IJB is facing significant budget gaps in 2019/20 and 2020/21 and savings plans to bridge these gaps have yet to be finalised and agreed.

Governance, transparency and value for money

- 7 The IJB has appropriate governance arrangements in place but there is scope for improvement particularly as they relate to the operation of the Audit Committee.
- 8 The management commentary clearly explains the IJB's financial performance and the challenges in achieving financial balance. However, the Best Value section of the annual performance report could be improved by mapping evidence against the eight Best Value themes.
- 9 As the IJB develops its savings and operational plans to deliver the required savings outcomes there is also the need to develop a robust workforce plan that is aligned to service and financial plans.

Introduction

1. This report is a summary of our findings arising from the 2018/19 audit of Argyll and Bute Joint Board (the IJB).
2. The scope of our audit was set out in our Annual Audit Plan presented to the Audit Committee meeting on 8 March 2019. This report comprises the findings from our main elements of work in 2018/19 including:
 - an audit of the IJB's 2018/19 annual accounts including issuing an independent auditor's report setting out my opinion
 - consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#) as illustrated in [Exhibit 1](#).

Exhibit 1 Audit dimensions



Source: Code of Audit Practice 2016

Adding value through the audit

3. We add value to the IJB, through audit, by:
 - our early engagement with the new Chief Officer and Chief Finance Officer to understand the approach to addressing financial and service challenges, offering insights from engagements with other IJBs and sharing good practice from elsewhere
 - providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability

- identifying and providing insight on significant risks, and making clear and relevant recommendations for improvements that have been accepted by management
- reporting our findings and conclusions in public
- sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides

4. In so doing, we aim to help the IJB promote improved standards of governance, better management and decision making and more effective use of resources.

Responsibilities and reporting

5. The IJB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. The IJB is responsible for compliance with legislation, and putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

6. Our responsibilities, as independent auditor appointed by the Accounts Commission, are established by the Local Government (Scotland) Act 1973, the Code of Audit Practice (2016), supplementary guidance, and International Standards on Auditing in the UK.

- As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on:
 - the appropriateness and effectiveness of the performance management arrangements,
 - the suitability and effectiveness of corporate governance arrangements,
 - the financial position and arrangements for securing financial sustainability.

7. In doing this we aim to support improvement and accountability. Further details of the respective responsibilities of management and the auditor can be found in the *Code of Audit Practice 2016* and supplementary guidance.

8. This report raises matters from the audit of the annual accounts and consideration of the audit dimensions. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

9. Our annual audit report contains an agreed action plan at Appendix 1. It sets out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and the steps being taken to implement them.

10. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can confirm that we have not undertaken any non-audit related services and therefore the 2018/19 audit fee of £25,500 as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

11. This report is addressed to both the board and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

12. We would like to thank all management and staff who have been involved in our work for their co-operation and assistance during the audit.

Part 1

Audit of 2018/19 annual accounts



Main judgements

Argyll and Bute Integration Joint Board's financial statements give a true and fair view of the state of affairs of the IJB as at 31 March 2019 and of its income and expenditure for the year then ended, and were properly prepared.

The management commentary, audited part of the remuneration report and annual governance statement were consistent with the financial statements and prepared in accordance with applicable guidance.

The annual accounts are the principal means by which the Board accounts for the stewardship of the its resources and its performance in the use of those resources.

Audit opinions on the annual accounts

- 13.** The annual accounts for the year ended 31 March 2019 were approved by the board on 25 September 2019. We reported within the independent auditor's report that:
- the financial statements give a true and fair view and were properly prepared
 - the audited part of the remuneration report, management commentary, and annual governance statement were all consistent with the financial statements and properly prepared in accordance with proper accounting practices.

14. Additionally, we have nothing to report in respect of misstatements in information other than the financial statements, the adequacy of accounting records, and the information and explanations we received.

Submission of annual accounts for audit

15. We received the unaudited annual accounts on 28 June 2019 in line with our agreed audit timetable. The unaudited accounts and supporting working papers were of a good standard. Also, finance staff provided good support to the audit team which helped ensure the audit process ran smoothly.

Risks of material misstatement

16. Appendix 2 provides a description of those assessed risks of material misstatement in the financial statements and any wider audit dimension risks that were identified during the audit planning process. It also summarises the work we have done to gain assurance over the outcome of these risks.

17. We have no issues to report from our work on the risks of material misstatement highlighted in our 2018/19 Annual Audit Plan.

Materiality

18. Misstatements are material if they could reasonably be expected to influence the economic decisions of users taken based on the financial statements. The

assessment of what is material is a matter of professional judgement. It involves considering both the amount and nature of the misstatement. It is affected by our perception of the financial information needs of users of the financial statements.

19. Our initial assessment of materiality for the annual report and accounts was carried out during the planning phase of the audit and is summarised in [Exhibit 2](#). Specifically, regarding the annual accounts we assess the materiality of uncorrected misstatements, both individually and collectively.

20. On receipt of the unaudited annual accounts we reviewed our materiality calculations and concluded that they remained appropriate.

Exhibit 2 Materiality values

Materiality level	Amount
Overall materiality	£2.65million
Performance materiality	£1.86 million
Reporting threshold	£0.130 million

Source: Audit Scotland, 2018/19 Annual Audit Plan

Significant findings from the audit in accordance with ISA 260

21. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices covering accounting policies, accounting estimates and financial statements disclosures.

22. The accounts submitted for audit were of a good standard. There were no significant findings arising from our audit and there were no material adjustments to the unaudited annual accounts. We identified some presentational issues, and these were accepted by management and adjusted in the audited accounts.

Follow up of prior year recommendations

23. The last year has been extraordinary and challenging. However, the IJB has made good progress in implementing prior years' recommendations and five of the seven recommendations in our 2017/18 Annual Audit Report have been addressed.

24. Of the two remaining recommendations, progress has been made but the actions have not been fully implemented. These relate to the development of a longer-term financial strategy (see comments at paragraphs 50 and 51) and workforce planning (refer paragraphs 76 and 77).

Part 2

Financial management and sustainability



Main judgements

Financial management arrangements and the quality of financial monitoring and reporting improved during the year enabling members to scrutinise financial performance more effectively.



The IJB was unable to set a balanced budget for 2018/19 and ended the year with an overspend of £6.7 million. A financial recovery plan and financial 'grip and control' measures were unsuccessful in addressing the overspend. Additionally, £3.1 million of the overspend is to be repaid to the council over the next four years. This is in addition to the £1.2 million to be repaid for 2017/18.

The IJB has a poor record in delivering recurring savings and despite a renewed vigour in the delivery of savings plans there is a risk that planned savings for 2019/20 will not be achieved in full.

The IJB is facing significant budget gaps in 2019/20 and 2020/21 and savings plans to bridge these gaps have yet to be finalised and agreed.

Financial management arrangements and the quality of financial reporting improved during the year enabling members to scrutinise financial performance more effectively

25. Budget monitoring reports are submitted to each meeting of the IJB for review. For most of the year these reports contained information on year to date financial position, forecast out turn for the year, a high-level variance analysis, information on savings and financial risks. The reports contained sufficient information to demonstrate that the IJB was overspending its budget but lacked sufficient detail to enable members to assess and challenge the true extent of the financial position. The situation was not helped by two Chief Finance Officers leaving the IJB in the eight-month period from April to November 2018.

26. There was a marked improvement in the budget monitoring reports presented to the IJB board from January 2019. This coincided with the period when Argyll and Bute Council's Head of Strategic Finance was acting as interim Chief Financial Officer (CFO). The Interim CFO brought a renewed, and much needed, vigour and discipline to financial monitoring arrangements. This included more detailed analysis of budget variances including comprehensive explanations for the pressures impacting on financial performance. Additionally, the Interim CFO led on a budget challenge exercise which resulted in more realistic and deliverable savings plans.

27. On 1 June 2019, the Interim CFO was replaced by the current Head of Finance and Transformation who has retained the form and content of the budget monitoring reports and the regular reports on budget outlook, and financial risks and has further enhanced financial performance reporting to track progress on savings plans. The suite of financial performance reports now available to IJB members allows them to monitor, assess and challenge the financial position more effectively.

Good financial management results from financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

The IJB was unable to set a balanced budget for 2018/19 and ended the year with an overspend of £6.7 million. A financial

recovery plan and financial ‘grip and control’ measures were unsuccessful in addressing the overspend. Additionally, £3.1 million of the overspend is to be repaid to the council over the next four years. This is in addition to the £1.2 million to be repaid for 2017/18

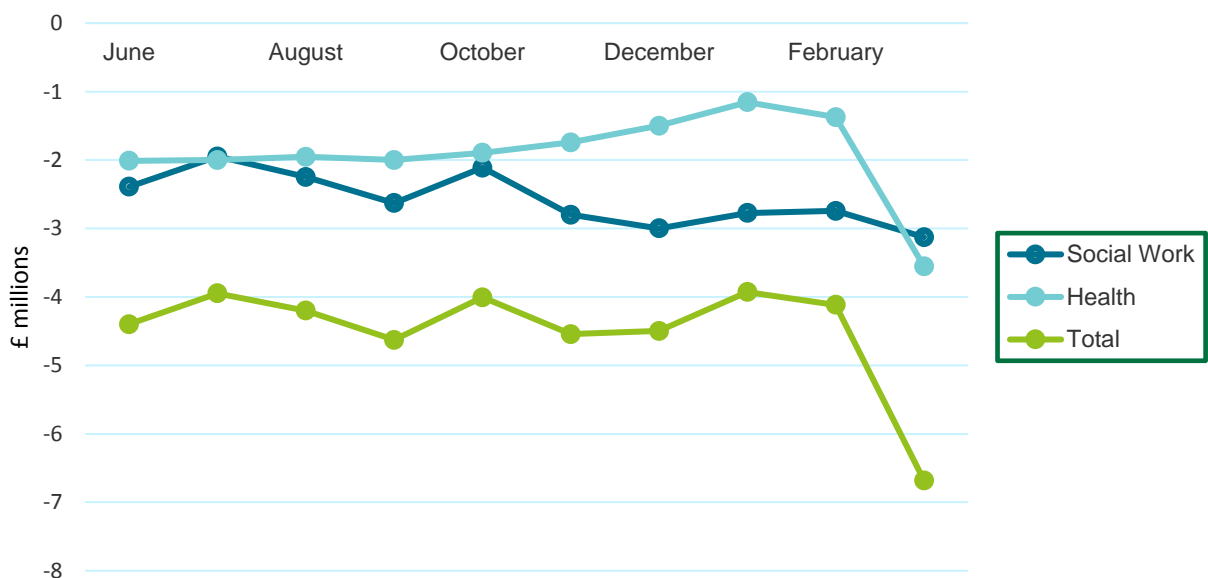
28. The Board were unable to set a balanced budget for 2018/19 which presented the organisation with a significant financial challenge at the very beginning of the year from which it was never able to recover. A budget was set based on funding offers made by the partner bodies. However, projected expenditure for the year exceeded the budget by £12.2 million. An agreed savings plan was put in place for £10.6 million which still left a funding gap of £1.6 million. Therefore, Board members were advised in May 2018 that there was a high risk that financial balance would not be achieved in 2018/19.

29. A financial recovery plan was not implemented until August 2018 to address in-year overspends and attempt to return to financial balance. Failure to implement a recovery plan until five months after the funding gap was identified and nearly halfway through the financial year was a further significant contribution to the inability of the IJB to address the forecast deficit. The financial recovery plan itself failed to recognise the time needed to implement the action required to deliver savings and was therefore unsuccessful in providing an achievable solution to the financial challenge.

30. It was not until a new Chief Officer was appointed in October 2018 that “grip and control” measures were introduced to stabilise the financial position and slow down the run-rate of the overspend. These measures included daily review/authorisation of all non-essential and non-clinical expenditure, reduced authorisation limits for expenditure and central approval of expenditure procured through the PECOS system. The appointment of the interim CFO on 1 December 2019 further reinforced these measures through more robust financial planning, monitoring and reporting. However, whilst these measures were successful in reducing expenditure, stabilising the financial position and reducing the run-rate, they were too late to prevent the £6.7m overspend reported at the year-end.

31. The financial position further deteriorated significantly in February 2019 due to a £1.2 million dispute over an SLA agreement with NHS Greater Glasgow and Clyde, as illustrated in Exhibit 3 below. The dispute remains unresolved.

**Exhibit 3
IJB Outturn Movement 2018/19**



Source: Integration Joint Board Annual Accounts

32. Of the £6.7 million overspend just over half (£3.6 million) was attributable to Health services and the balance (£3.1 million) to Social Work services. The Health Services overspend was covered by Scottish Government brokerage and does not need to be repaid. The social work overspend requires to be repaid as detailed in paragraph 41 following.

33. In summary the financial balance was not achieved in 2018/19 for several reasons including:

- unidentified savings of £1.6 million at the start of the year, for which no recurring savings were identified to offset
- ongoing service pressures and budget overspends in areas such as medical agency and locum costs, prescribing costs, high cost care packages and higher demand for social care services (e.g. residential care places)
- slippage in the delivery of recurring savings included within the Quality and Finance Plan
- exceptional charges outwith the main Service Level Agreement with NHS Greater Glasgow and Clyde and higher than anticipated price increases on the main service level agreement.

34. The position would have been significantly worse were it not for underspends in other areas of health and social services budgets being used to offset overspends.

35. The situation was exacerbated by the turnover of key staff during the year. The Chief Officer left at the end of September 2018 and a new Chief Officer was appointed on 1 October although there had been one month's overlap to ensure a seamless transition. Two Chief Financial Officers departed during the year and from 1 December 2018 to 30 June 2019 interim cover was provided by the Council's Head of Strategic Finance. This was in addition to her normal council duties.

36. The turnover of senior staff resulted in a reduced focus on delivering approved savings. The appointment of a new Head of Finance and Transformation (Chief Financial Officer) on 1 June 2019 is a positive development.

The IJB has insufficient reserves to cushion the impact of any future overspends and is unlikely to have so in the foreseeable future

37. The Scheme of Integration states that the IJB may retain any underspend to build up its own reserves. In March 2017, the IJB approved a reserves policy which sets the governance for creating and holding reserves. The policy is consistent with the legislative requirements outlined in the Local Government Scotland Act 1973.

38. The IJB's reserves policy states that over the medium term a prudent level of general fund reserves would be 2% of net expenditure which would be approximately £5 million. Management acknowledge that this is aspirational and unlikely to be achieved in the foreseeable future.

39. An important reason for holding reserves is to build a contingency to cushion the impact of unexpected events or emergencies such as unexpected and unplanned overspends against budget. However, at the start of 2018/19 the IJB had a reserves balance of only £104,000 which was significantly short of the level of reserves envisaged under the IJB's Reserves Policy. This earmarked reserve

balance was fully drawn down during 2018/19 for its designated purpose. Opening reserves were wholly inadequate to meet the scale of the financial challenge. At the end of 2018/19 an earmarked reserve of £325,000 was created within the General Fund as a result of underspends of specific funding allocations in health. This level of reserves remains significantly short of the level envisaged under the IJBs Reserves Policy.

Argyll and Bute council provided additional funding of £3.1million to cover the Social Services element of the IJB overspend and this must be repaid

40. The Scheme of Integration states that where financial recovery plans are unsuccessful and an overspend occurs at the financial year end, and there are insufficient reserves to meet the overspend, then the Partner Bodies will be required to make additional payments to the IJB.

41. In line with the Scheme of Integration the Partner Bodies provided additional funding to cover the 2018/19 overspend. The health element of the overspend was covered by SG brokerage and does not need to be repaid. However, the overspend on Social Work services must be repaid. Payback arrangements have been negotiated with Argyll and Bute Council for overspends incurred in both 2017/18 and 2018/19 as detailed in [Exhibit 4](#). The money due to the council will be deducted from future funding. This is a significant addition to the financial pressures facing the IJB in future years and has been included in baseline budgets from 2019/20 onwards.

Exhibit 4 Phased repayment of Social Services overspends

Financial Year	Repayment 2017/18 Overspend £000	Repayment 2018/19 Overspend £000	Total Repayment £000
2019/20	100	0	100
2020/21	300	800	1,100
2021/22	755	1,000	1,755
2022/23	0	1,327	1,327
Total	1,155	3,127	4,282

Source: Argyll & Bute Health and Social Care Partnership Annual Performance Report 2018/19

The IJB has set a balanced budget for 2019/20 but significant challenges lie ahead in maintaining financial balance

42. The IJB at its meeting in March 2019 agreed a balanced budget for 2019/20. The latest budget monitoring report submitted to the IJB in August 2019 reported a small underspend of £59,000 for the first quarter of the financial year. This consisted of an overspend of £302,000 within Social Work services offset by a year to date underspend of £361,000 within Health services.

43. However, the same report forecasts an overspend of £2.8 million by 31 March 2020 of which £2.3 million is attributable to Social Services due to slippage in delivering savings combined with a higher demand for services than budgeted. The health overspend is forecast as £0.500 million due to locum/agency costs, rising pharmacy costs and increases in drug costs. Management expect that the health

overspend can be contained through on-going financial ‘grip and control’ of expenditure. A financial recovery plan has been agreed by the IJB on 7 August 2019 to bring the forecast overspend back into financial balance which includes £700k of new in-year savings.

44. One significant risk though is the ongoing dispute with NHS Greater Glasgow and Clyde over an SLA agreement which could see the forecast overspend increase by a further £2 million in the current year. This dispute has yet to be resolved and is a significant risk to achieving financial balance.



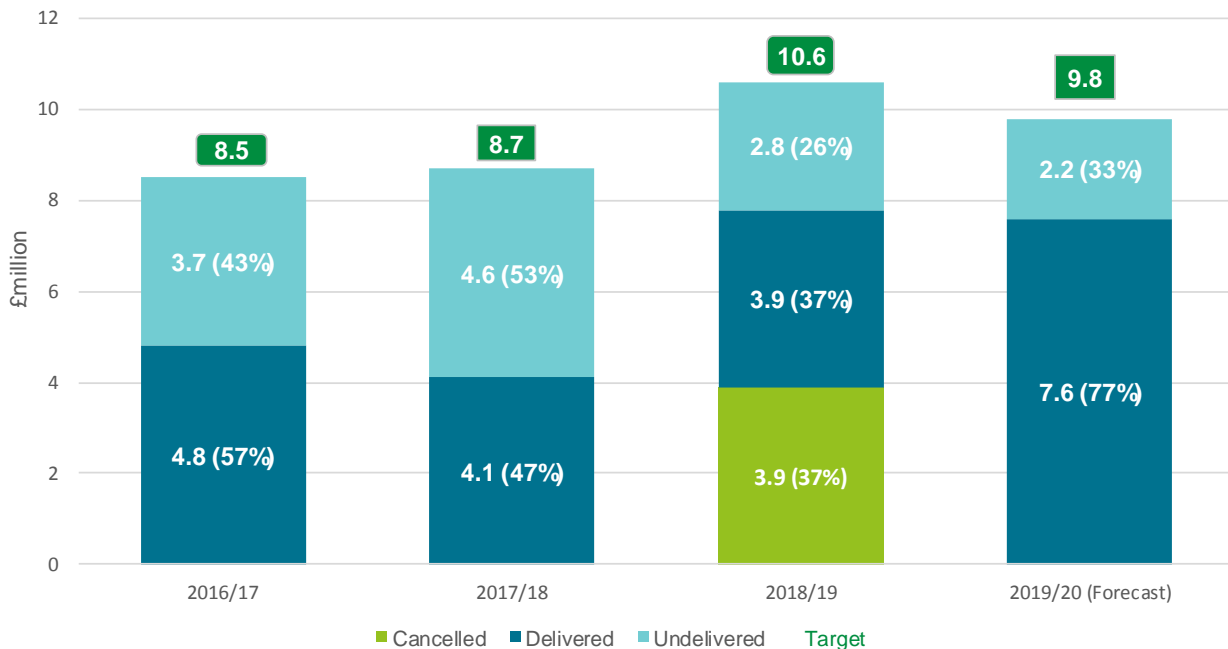
Recommendation 1

The IJB needs to bring the 2019/20 in-year financial position into balance or at the very least set a challenging, but achievable, target overspend that can be addressed through future savings plans.

The IJB has a poor record in delivering recurring savings and despite a renewed vigour in the delivery of savings plans there is a risk that planned savings for 2019/20 will not be achieved in full

45. Savings are crucial in ensuring that any budget gaps are bridged, and financial balance maintained. The IJB has a poor record of delivering savings as illustrated in [Exhibit 5](#).

**Exhibit 5
Delivery of savings 2016/17 to 2019/20 (forecast)**



Source: Audit Scotland Annual Audit Reports 2016/17 and 2017/18 and IJB financial monitoring reports

46. The IJB has not delivered against its savings targets for the last three years with undelivered savings rolled forward into subsequent years.

47. The Quality and Finance Plan approved by the IJB in March 2018 set savings targets of £10.6 million for 2018/19 and £11.1 million for 2019/20. Subsequently,

these were found to be unrealistic and undeliverable. In March 2019, the agreed savings targets of £3.8 million and £6.2 million for 2018/19 and 2019/20 were agreed. The target for 2019/20 has since been revised upwards to £9.8 million including £2.8 million of undelivered savings brought forward from 2018/19.

48. Financial management information for the period to 31 July 2019 is showing that £4.56m (46%) of the £9.82m has been delivered in the year to date, but is forecasting that only 77% of savings will be achieved in the full year. The risk that approved financial savings will not be delivered in 2019/20 remains high. The Quality and Finance Plan Programme Board now meet monthly to review and scrutinise savings plans and progress, and to identify alternative savings options.

49. While these are positive developments and provide substantially more rigour into the savings plan management and monitoring arrangements at the IJB, the Quality and Finance Plan Programme Board needs to satisfy itself that identified savings plans are achievable and robustly risk assessed. Additionally, there is a need to inject more pace in delivery of actions required to achieve financial savings and bring about a position of recurring financial balance.



Recommendation 2

In order to reach a position of recurring financial balance the Board should increase the pace of actions designed to achieve financial savings.

Progress has been made with medium term financial planning and this is a good foundation for developing a longer-term financial strategy

50. Medium and long-term financial planning is an important part of good financial management. The IJB has yet to develop a long-term financial plan that it is aligned to its strategic objectives. However, the IJB has developed a medium-term outlook report covering a three-year period. It includes assumptions about future inflation levels, funding and cost and demand pressures. Also, it sets out the financial position under three different scenarios i.e., best case, mid-range and worst case. Additionally, the board now receives regular budget outlook updates to inform revisions to the plan.

51. The preparation of budget outlook reports is a step in the right direction and provides a good foundation for longer-term financial planning. We recommend that public bodies develop a long-term financial strategy covering a period of five to ten years. Exhibit 3 within the Audit Scotland publication [Scotland Public Finances – A follow-up audit: Progress in meeting the challenges \(June 2014\)](#) outlines what such a strategy should include. It is recognised that this is difficult in light of the current financial challenge at the IJB. However, longer term planning is increasingly important as demand pressures increase, financial settlements continue to reduce for partner bodies and fundamental service re-design over a longer time becomes necessary.

Financial sustainability looks forward to the medium and longer term to consider whether the IJB is planning effectively to continue to deliver its services or the way in which they should be delivered.



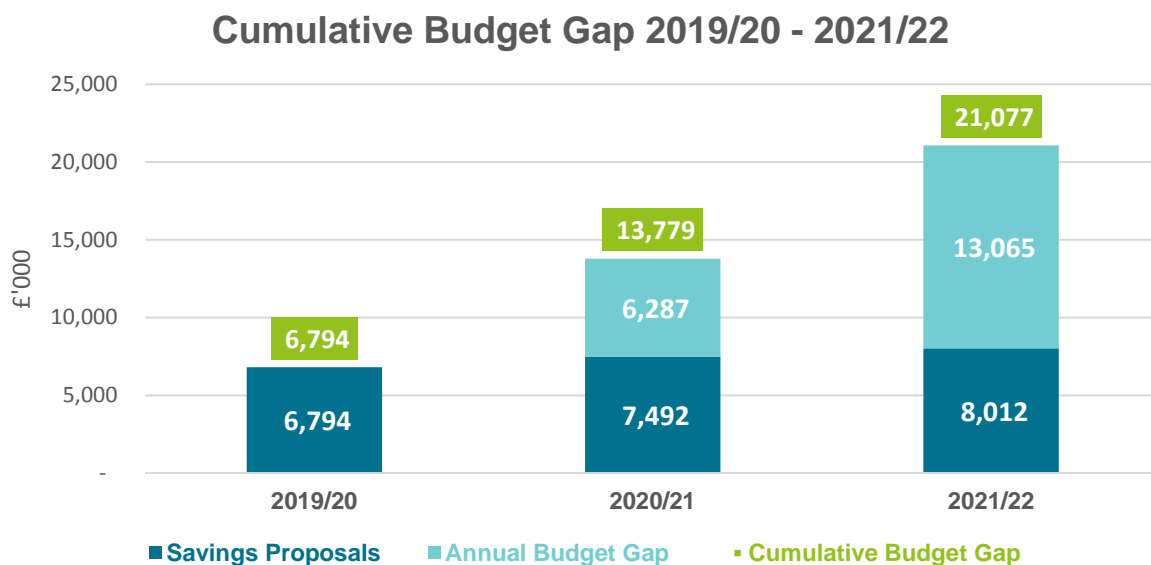
Recommendation 3

The IJB should use build on work already undertaken in preparing a three-year budget outlook to develop a long-term financial strategy in line with the recommendations set out in Audit Scotland's report on Scotland's Public Finances (2014).

The IJB is facing significant budget gaps in 2019/20 and 2020/21 and savings plans to bridge these gaps have yet to be finalised and agreed

52. The budget outlook in the 2018/19 accounts covers the period 2019/20 to 2021/22 and forecasts that by 2021/22 the IJB will be facing a cumulative budget gap of £ 21.077 million based on a mid-range scenario. The delivery of meaningful, recurring savings is fundamental to bridging the gap, but after taking account of approved savings plans a significant gap in excess of £13m still remains to be addressed as illustrated in Exhibit 6.

Exhibit 6 Cumulative budget gap 2019/20 to 2021/22



Source: Integrated Joint Board papers March 2019

53. Savings proposals to bridge the funding gaps forecast for 2020/21 and 2021/22 have yet to be finalised and approved although it is noted that the IJB has started to consider savings proposals in August which is earlier than in previous years. There is a risk that the budget gap will increase if all of the agreed savings are not delivered in 2019/20.



Recommendation 4

The IJB should develop plans which can deliver enough savings to bridge funding gaps over the medium term.

The IJB relies on the internal control systems of partner bodies and the external auditors of these bodies provided assurance that there were no significant control weaknesses

54. Argyll and Bute IJB does not have any financial systems of its own. It relies upon the financial systems of partner organisations - NHS Highland and Argyll and Bute Council - including ledger and payroll. All transactions of the IJB are processed through these partner organisations and they are responsible for maintaining internal controls.

55. As part of our audit approach we sought assurances from the external auditors of NHS Highland and Argyll and Bute Council (in accordance with IAS 402). They confirmed that their work had not identified any weaknesses in the partner bodies systems of internal control.

Internal audit generally complies with Public Sector Internal Audit Standards (PSIAS)

56. Internal audit is an important element of the internal control framework established by management. It provides senior management with assurance on the IJB's risk management, internal control and corporate governance processes.

57. The internal audit function is provided by Scott Moncrieff. A central review of the adequacy of the internal audit function was carried by colleagues within Audit Scotland who shared their findings with us. They concluded that internal audit generally complied with PSIAS.

58. The [Code of Audit Practice 2016](#) encourages external auditors to use the work of internal audit to avoid duplication of effort wherever possible. In 2018/19 we did not use the work of internal audit, but we took account of their reported findings and key messages in planning our work.

Adequate arrangements are in place for the prevention and detection of fraud and error

59. The IJB places reliance on anti-fraud policies and strategies of both Argyll and Bute Council and NHS Highland. Based on our review of the evidence we concluded that adequate arrangements are in place for the prevention and detection of bribery and corruption. Also, we are not aware of any specific issues that need to be brought to members attention.

Part 3

Governance, transparency and value for money



Main judgements

The IJB has appropriate governance arrangements in place but there is scope for improvement particularly as they relate to the operation of the Audit Committee.



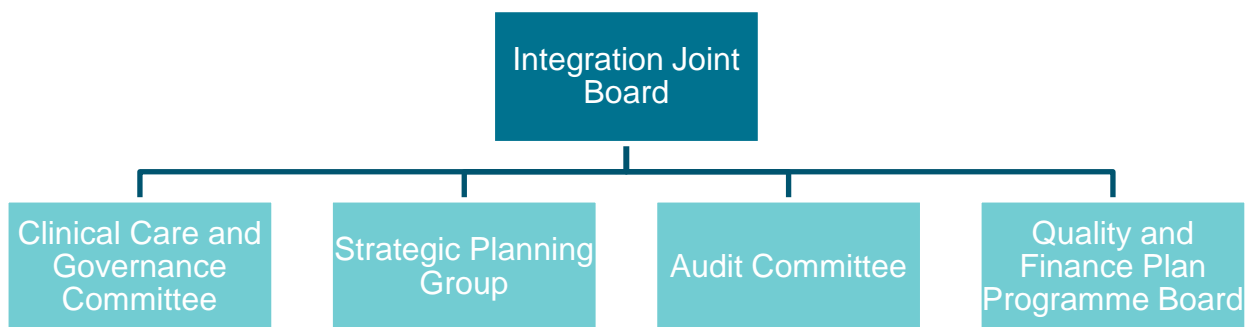
The management commentary clearly explains the IJB's financial performance and the challenges in achieving financial balance. However, the Best Value section of the annual performance report could be improved by mapping evidence against the eight Best Value themes.

As the IJB develops its savings and operational plans to deliver the required savings outcomes there is also the need to develop a robust workforce plan that is aligned to service and financial plans

The IJB has appropriate governance arrangements but there is scope for improvement particularly as they relate to the operation of the Audit Committee

60. The IJB's governance arrangements are centred on a board supported by committees and other groups as set out in [Exhibit 7](#).

Exhibit 7 Integration Joint Board governance structure



Source: Board papers May 2018

61. The main governance committees are the Clinical Care and Governance Committee, Audit Committee, and Quality and Finance Plan Programme Board. In addition, a Strategic Planning Group is required by statute. Its role is to support the IJB in preparing, consulting and publishing a Strategic Plan for Integrated Health and Social Care services, and to review progress in delivering the Strategic Plan.

62. Papers are provided to board members at least one week in advance for review. Generally, papers are of a good quality and include clear actions requiring

approval. From our attendance at board meetings we observed that ample time is given to discussing items on the agenda. Also, members are free to voice their opinions. Additionally, there are regular development sessions for members to improve their understanding of the work of the IJB and support them in their scrutiny role.

63. The opportunity exists to further clarify and strengthen the IJBs governance arrangements in respect to its Audit Committee:

- There have been several administrative issues during the year, including some difficulties with scheduling of meetings (e.g. in June 2019 dates of future meetings had still to be agreed), and quorum problems leading to cancellation. We would acknowledge the geographic challenges faced by the IJB as well as the challenges presented in the year due to the many changes in committee members and senior officers. However, solutions must be found so that the Committee operates more effectively. To that end, the Council has agreed to provide committee administrative support from September, 2019.
- There have been some inaccuracies in the minutes in relation to attributing points for action. This may be due to some confusion over the respective roles of the IJB's Internal Audit function, internal audit at the two partner bodies and external audit. This should be resolved as part of the governance review, and as officers involved become more familiar with the parties involved.
- There has been considerable discussion at Audit Committee meetings around the precise role of the Committee and of how much involvement it should have in financial monitoring, performance review and scrutiny. The terms of reference for the Audit Committee are being reviewed by the IJBs Monitoring Officer, as part of the wider review of governance.

64. The Audit Committee Terms of Reference should be finalised as a matter of priority and should confirm its role as an audit and governance review group.



Recommendation 5

The review of the Audit Committee's governance arrangements, including terms of reference, should be concluded and approved promptly.

The IJB has arrangements in place that support openness and transparency

65. Transparency means that the general public has access to understandable, relevant and timely information about how the IJB is taking decisions and how it is using resources.

66. There is evidence from several sources which demonstrate the IJB's commitment to transparency. Board agenda, papers and minutes are readily available on the IJB's website. Also, Board papers are readily available to the public on the IJB's website.

67. The Audit Committee is not open to the public nor are committee papers available on the IJB's website. However, the IJB receives copies of Audit Committee minutes outlining issues discussed. These are available on the IJB's website within the Board papers.

The management commentary clearly explains the IJB's financial performance and the challenges in achieving financial balance. However, the Best Value section of the annual performance report

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

could be improved by mapping evidence against the eight Best Value themes

68. The management commentary that accompanies the financial statements should clearly explain how a body has performed against its budget and how this is reconciled to the financial statements.

69. From our review of the management commentary we concluded that it was of a good standard and explained clearly and transparently the difficult financial position faced by the IJB. Also, it included:

- a clear explanation of the outturn against budget position for the year with reasons for significant variances explained;
- a reconciliation between the Comprehensive Income and Expenditure Statement to financial outturn;
- details of the medium-term financial outlook under three different scenarios i.e. Best case, worst case and mid-range; and
- significant financial risks and challenges facing the IJB.

70. The Board is required by the Public Bodies (Joint Working) (Scotland) Act 2014 to produce an annual performance report. The IJB approved the 2018/19 Annual Performance Report at its August 2019 meeting. It provides a comprehensive assessment of performance including progress in delivering local and national priorities. However, the Best Value section of the report does not clearly articulate how Best Value is being delivered against the eight Best Value themes. The themes are:

- Vision and Leadership
- Governance & Accountability
- Effective use of resources
- Partnership & Collaborative Working
- Community Responsiveness
- Fairness & Equality
- Sustainability
- Performance, Outcomes & Improvement

Value for money is concerned with using resources effectively and continually improving services.



Recommendation 6

The Best Value section of the Annual Performance Report should set out succinctly the evidence showing how Best Value is being delivered against the eight Best Value themes.

71. The Annual Performance Report has been uploaded to the IJB's website for the public to access.

There is evidence of the IJB's commitment to Best Value and continuous improvement

72. Best Value is about ensuring that there is good governance and effective management of resources, with a focus on improvement, to deliver the best possible outcomes for the public. It is a statutory duty for local authorities including Integrated Joint Boards. The IJB should have effective arrangements for scrutinising performance and monitoring progress towards strategic objectives.

73. Our audit work focuses on the four audit dimensions which form the basis of Best Value. These are set out in [Exhibit 1](#) on page 5 of this annual audit report. The audit findings throughout this report comment on arrangements that have been put

in place by the IJB to secure Best Value including financial sustainability, financial management, governance and performance. We have identified areas for improvement including workforce planning and long-term financial planning.

74. The IJB receives quarterly performance reports which provide a 'scorecard' showing performance against national health and well-being outcomes. They provide information where performance is improving, and outline actions being taken to address areas of poor performance.

75. Overall, there is evidence that the IJB is committed to Best Value and continuous improvement.

As the IJB develops its savings and operational plans to deliver the required savings outcomes there is also the need to develop a robust workforce plan that is aligned to service and financial plans

76. In our previous two Annual Audit Reports we reported that the IJB did not have an overarching plan which set out clearly what resources were required for service delivery. The risk being that in the absence of such a plan the IJB would find it difficult to address its future staffing and skills needs. It was agreed that an organisation-wide workforce plan focused on the development of the workforce would be in place by 2019.

77. From our discussions with officials and a review of available evidence we are aware that progress has been made. Initially, officers intended to bring a high-level overarching workforce plan to the IJB meeting in October 2019, but this has now been deferred until November 2019. Also, there is recognition, by senior management, that service, financial and workforce plans are not fully integrated. Achieving this will be very challenging given the difficult financial context and will take more time to develop.



Recommendation 7

Workforce planning should be progressed and integrated with service and financial plans.

National performance audit reports

78. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2018/19 we published some reports which are of direct interest to the board as outlined in Appendix 3.

Appendix 1

Action plan 2018/19



No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p>Forecast overspend in 2019/20</p> <p>The latest budget monitoring report is forecasting an overspend of £2.8 million.</p> <p>Risk – failure to resolve the dispute with NHS greater Glasgow and Clyde lead to an increase costs of £2 million being incurred in 2019/20 which could undermine plans to achieve financial balance in 2019/20.</p>	<p>The IJB needs to bring the 2019/20 in-year financial position into balance or at the very least set a challenging, but achievable, target overspend that can be addressed through future savings plans.</p> <p>Paragraph 44</p>	<p>Agreed. The forecast overspend to end of July has improved to £2.1m. Work is continuing to pull back overspend through additional efforts to deliver new and previously agreed savings, and to agree a position with NHS GG&C</p> <p>Chief officer/ Chief Financial Officer</p> <p>March 2020</p>
2	<p>Savings plans</p> <p>Savings are not being delivered at sufficient pace to achieve recurring financial balance.</p> <p>Risk – failure to achieve recurring financial balance</p>	<p>In order to reach a position of recurring financial balance the Board should increase the pace of actions designed to achieve financial savings.</p> <p>Paragraph 49</p>	<p>Agreed. Quality & Finance Plan Programme Board is now meeting monthly and receiving more detailed information about the actions to deliver savings</p> <p>Chief Officer / Chief Financial Officer</p> <p>September 2019</p>
3	<p>Medium to long term financial planning</p> <p>Medium term financial planning has been progressed through the development of three-year budget outlook reports. A longer-term financial strategy over a five to 10-year period has not yet been developed. This has been reported in previous years.</p> <p>Risk – the IJB may not be able to respond to, or manage, significant financial risks in the long term.</p>	<p>The IJB should build on work already undertaken in preparing a three-year budget outlook to develop a long-term financial strategy in line with the recommendations set out in Audit Scotland's report on Scotland's Public Finances (2014).</p> <p>Paragraph 51</p>	<p>Agreed in principle, however, this is aspirational whilst funding is based on single year settlements. Unlikely to progress until this changes.</p>
4	<p>Efficiency savings</p> <p>The finance report submitted to the IJB at its March 2019</p>	<p>As a priority, the IJB should develop and agree savings</p>	<p>Savings plans are in development for 2020/21 and a number of Transformaing</p>

meeting forecast that the budget gaps for 2020/21 and 2021/22 were £6.985 million and £14.283 million respectively. Savings plans have yet to be fully developed to address these gaps.

Risk – the IJB may not be able to identify and deliver savings plans that will cover funding gaps in the medium term.

plans to bridge funding gaps in the medium term.

[Paragraph 53](#)

Together workstreams are in progress which will result in medium term savings to help bridge the gap. Work is planned to bridge these gaps over the medium term

Chief Officer / Chief Financial Officer

March 2020

5 Governance arrangements

A review of governance arrangements is underway. But there are aspects of the Audit Committee's governance arrangements that need to be addressed as a priority.

Risk - The Audit Committee may not be carrying out its governance responsibilities in an efficient and effective way.

The review of the Audit Committee's governance arrangements, including terms of reference, should be concluded and approved promptly.

[Paragraph 64](#)

The current terms of reference are fit for purpose. They will be reviewed in line with the overall review of governance arrangements

IJB's Monitoring officer

March 2020

6 Workforce planning

In previous years we have reported that the IJB needs to develop an overarching workforce plan. A workforce plan has yet to be finalised and approved. Also, such a plan cannot be developed in isolation but needs to be integrated with financial and service plans.

Risk – In the absence of integrated planning, the IJB will be unable to manage its staff resources effectively.

Workforce planning should be progressed and integrated with service and financial planning.

[Paragraph 77](#)

In progress. To be presented to November IJB.

Head of Customer Support Services

November 2019

7 Best Value

The Best Value section of the Annual Performance Report lacks detail on how Best Value is being delivered.

Risk – The IJB is unable to demonstrate that Best Value is being delivered in all key areas.

The Best Value section of the Annual Performance Report should set out succinctly the evidence that shows how Best Value is being delivered against the eight Best Value themes.

[Paragraph 70](#)

Agreed. Will be incorporated into 2019/20 Annual Performance Report

Chief Financial Officer / Head of Strategic Planning & Performance

June 2020

Appendix 2

Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual report and accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Audit risk	Assurance procedure	Results and conclusions
Risks of material misstatement in the financial statements		
<p>1. Risk of management override of controls</p> <p>ISA (UK) 240 [<i>The auditor's responsibilities relating to fraud in an audit of financial statements</i>] requires that audit work is planned to consider the risk of fraud, which is presumed to be a risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.</p>	<ul style="list-style-type: none"> Procedures including testing of journals and other adjustments in the preparation of the annual accounts. An assessment of the methodology applied, and the reasonableness of estimates contained in the financial statements. Evaluation of financial statement assurances provided by the external auditors of the IJB's partner bodies. Evaluation of significant transactions that are outside the normal course of business. 	<p>Satisfactory written assurances were received from the external auditors of the council and health board regarding accounting estimates, journal testing and accuracy, allocation and cut-off of IJB transactions.</p> <p>No significant estimates have been applied in preparing the financial statements, and there were no significant transactions outside the normal course of business.</p> <p>No fraud concerns were identified from our work in relation to the risk of management override of control.</p>
<p>2. Risk of fraud over income and expenditure</p> <p>Under ISA (UK) 240 there is a presumed risk that income may be misstated due to the improper recognition of income. The presumption is that the IJB could adopt accounting policies or recognise income in such a way as to lead to a material misstatement in the reported financial position.</p> <p>Practice Note 10 issued by the Financial Reporting Council expands this to recognise that most public sector bodies are spending bodies and notes that there is an increased risk of material misstatement due to improper recognition of expenditure.</p>	<p>The IJB receives its income by way of budget allocations from its partner bodies i.e. Argyll and Bute Council and NHS Highland, then commissions services in line with its Strategic Plan. This limits the scope for manipulation, therefore we have rebutted the presumed risk of improper recognition of income.</p> <p>IJB expenditure is processed through the financial systems of its respective partner bodies, therefore the risk of manipulation is deemed a risk at these bodies rather than at the IJB. We obtain assurances from the external auditors of the partner bodies as to accuracy and completeness of transactions allocated to the IJB, so have rebutted the risk</p>	<p>We rebutted the risks of fraud over income and expenditure, so did not undertake any direct audit work in these areas.</p>

Audit risk	Assurance procedure	Results and conclusions
	of improper recognition of expenditure within the IJB.	

Risks identified from the auditor's wider responsibility under the Code of Audit Practice

3. Financial sustainability

Forecast outturn and budget gap

Financial sustainability continues to be a significant risk to the IJB. The latest forecast outturn position, as at 31 December 2018, was an overspend of £4.398 million. The main reason for the overspend is a forecast shortfall in planned savings for 2018/19 of £7.177 million. It is unlikely, therefore, that the IJB will achieve financial balance by the end of the financial year which will increase the financial pressures for 2018/19 and beyond.

Additionally, there is a risk that the overspend will increase by a further £1.1 million should proposed cost increases in the Service Level Agreement with NHS Greater Glasgow and Clyde be confirmed.

In the mid-range scenario option, the budget gap estimated for the three-year period 2019/20 to 2021/22 is £16.891 million with a gap of £6.572 million occurring in 2019/20.

Savings targets

Latest savings targets are for £10.954 million in 2018/19 and £11.471 million in 2019/20. As noted above, the shortfall for 2018/19 is currently forecast to be £7.177 million, whilst for 2019/20 it is anticipated that only £6.437 million out of the total savings target will be achieved leaving a shortfall of £5.034 million.

There is a risk that if effective savings plans are not implemented this will undermine the IJB's ability to maintain financial balance.

- Review the IJBs arrangements for delivering in-year savings

The IJB has not delivered in-year savings. The departure of two Chief Financial Officers during the year resulted in less focus on delivering savings (refer paragraphs 46 to 49).

- Assess progress in delivering the three-year recovery plan, highlighted as a management action in our 2017/18 Annual Audit report.

The recovery plan has been unsuccessful in delivering planned savings and achieving financial balance (refer paragraph 29).

- Review of the Quality and Finance Plan.

Following a review led by the Interim Chief Financial Officer, the savings targets proposals included in the Quality and Finance Plan for 2018/19 and 2019/20 were deemed unrealistic and not deliverable. A detailed review of the plan resulted in revised savings targets for 2018/19 and 2019/20 being proposed and agreed by the IJB (refer paragraph 47).

- Review of the IJB's process for identifying and agreeing savings.

There has been a renewed rigour in identifying and agreeing savings. Savings proposals are risk assessed. Also, the Quality and Finance Plan Programme Board meet monthly to review savings plans and identify potential savings (refer to paragraph 49).

Audit risk	Assurance procedure	Results and conclusions
<p>Medium to long-term financial planning</p> <p>The IJB has still to develop a medium to long term financial plan. Until such a plan is in place the IJB will be unable to demonstrate how it will make the required savings and deliver the key priorities within available financial resources.</p>	<ul style="list-style-type: none"> High level review of medium- and long-term financial planning. 	<p>The IJB has developed medium term financial planning arrangements based on a three-year budget outlook. Also, the budget outlook for future years has been prepared using three different scenarios - best case, mid-range and worst case (refer paragraphs 50 and 51).</p>
<p>4. Financial management</p>		
<p>Budget setting</p> <p>The IJB has yet to agree its 2018/19 budget. The IJB initially forecast that its expenditure would will exceed the offered funding by £12.2m. The plan originally agreed by the IJB identified savings of £10.6m, leaving a £1.6m budget gap, however, this position worsened as described above.</p> <p>If budgets and savings plans are not agreed on a timely basis, there is a risk that the IJB may damage relations with partner bodies and may not be able to deliver services on a sustainable and planned basis.</p>	<ul style="list-style-type: none"> Assess the adequacy of budget monitoring and agreement of funding for 2018/19 as this progress. Assessing progress of the IJB's budget setting process going into 2019/20. Review progress in recruiting a full time Chief Finance Officer for the IJB. Attend Audit Committee to assess the effectiveness of temporary arrangements. 	<p>Budget monitoring arrangements improved over the year and enabled members to assess financial performance more effectively (paragraphs 28 to 31).</p> <p>A balanced budget was agreed in 2019/20 (paragraph 42).</p> <p>A full time Chief Finance Officer was appointed from 1 July 2019 (refer paragraph 36).</p> <p>Some aspects of the Audit Committee's governance arrangements need to be improved (refer paragraph 63).</p>
<p>Financial capacity</p> <p>The IJB's Chief Finance Officer (CFO) resigned at the beginning of July 2018, and an external agency worker was brought in to cover the post but subsequently resigned at the end of November 2018. Since then, Argyll and Bute Council's Section 95 Officer has fulfilled the role, on an interim basis, in addition to their council duties. There have been some delays in the ensuing recruitment process so that this arrangement is likely to continue into June 2019.</p> <p>Given that potential candidates may be required to give several months' notice to their current employers, there is a risk that;</p>	<ul style="list-style-type: none"> Review of Finance papers presented to Audit Committee and the Board to conclude on their adequacy in enabling members to get a grip on the financial position of the IJB. We will work with the CFO (or equivalent) to understand the challenges in, and progress with, producing a timely and materially correct set of accounts supported by an adequate audit trail and working papers. 	<p>There has been a marked improvement in the range and quality of papers presented to the Board and Audit Committee since January 2019. These include more detailed analysis of expenditure and savings and provide members with a clear picture on the financial position and the risk to achieving financial balance (paragraphs 26 and 27).</p> <p>The 2018/19 unaudited set of accounts submitted to audit were of a good standard and subsequent audit work found them to be materially correct (paragraph 15).</p>

Audit risk	Assurance procedure	Results and conclusions
<ul style="list-style-type: none"> • a permanent CFO may not be in post for several months, which could disrupt routine financial monitoring and reporting to the Board. • a lack of financial capacity within the IJB may impact on the quality and timeliness of financial statements and working papers, and lead to misstatements in the annual accounts. 		
<p>5. Workforce Planning</p> <p>The IJB has developed a workforce plan for adult services, however, an organisation wide workforce plan is not yet in place.</p> <p>Without such a workforce plan there is a risk that the IJB will have difficulty in identifying and addressing future staffing and skills needs, which may impact on the achievement of its key objectives.</p>	<ul style="list-style-type: none"> • Assess progress in developing an IJB wide workforce plan. 	<p>Progress has been made in developing an overarching workforce plan which is due to go to the Board for approval in November 2019. However, management recognise that the workforce plan will need to be aligned to service and financial plans (refer paragraphs 76 and 77).</p>

Appendix 3

Summary of national performance reports 2018/19

		 2018/19 Reports	
Local government in Scotland: Challenges and performance 2018		Apr	
Councils' use of arm's-length organisations		May	 Scottish Fire and Rescue Service: an update
Scotland's colleges 2018		Jun	
		Jul	 The National Fraud Initiative in Scotland 2016/17
Forth Replacement Crossing		Aug	 Major project and procurement lessons
Children and young people's mental health		Sept	 Superfast broadband for Scotland: further progress update
NHS in Scotland 2018		Oct	
Health and social care integration: update on progress		Nov	 Local government in Scotland: Financial overview 2017/18
		Dec	
		Jan	
		Feb	
		Mar	 Local government in Scotland: Challenges and performance 2019

Reports relevant to Integration Joint Boards

[Local government in Scotland: Challenges and performance 2018](#) – April 2018

[Councils' use of arm's-length organisations](#) – May 2018

[Children and young people's mental health](#) – September 2018

[NHS in Scotland 2018](#) – October 2018

[Health and social care integration: update on progress](#) – November 2018

[Local government in Scotland: Financial overview 2017/18](#) – November 2018

[Local government in Scotland: Challenges and performance 2019](#) – March 2019

Argyll and Bute Integration Joint Board

2018/19 Annual Audit Report - Proposed

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ARGYLL AND BUTE INTEGRATION JOINT BOARD



AUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

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ARGYLL AND BUTE INTEGRATION JOINT BOARD Management Commentary

1. INTRODUCTION

The Annual Accounts contain the Financial Statements of Argyll and Bute Integration Joint Board (IJB) for the year ended 31 March 2019 and report on the performance of the IJB. Its main purpose is to demonstrate the stewardship of public funds which have been entrusted to us for the delivery of the IJB's vision and Strategic Plan. The requirements governing the format and content of local authorities' annual accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The 2018-19 Accounts have been prepared in accordance with this Code.

The Management Commentary provides an overview of the key messages in relation to the IJB's financial planning and performance for the 2018-19 financial year and how this has supported delivery of the IJB's strategic priorities. The commentary also looks forward and provides an indication of the challenges and risks which may impact upon the finances of the IJB in the future as we strive to meet the health and social care needs of the people of Argyll and Bute.

2. THE INTEGRATION JOINT BOARD (IJB)

Argyll and Bute Health and Social Care Partnership (HSCP) is responsible for the planning and delivery of all community and acute health and social care services for adults and children in Argyll and Bute. This includes services which are purchased from external providers including NHS Greater Glasgow and Clyde. The Partnership has been established as a separate legal entity from both the Council and the Health Board, with a new board of governance, the IJB which has responsibility for the planning, resourcing and overseeing the operational delivery of integrated services as identified in its Strategic Plan. This includes the services, staff and resources. The IJB was delegated resources and responsibility for service delivery from 1 April 2016.

The IJB membership comprises eight voting members with four Elected Members nominated by Argyll and Bute Council and four Board Members of NHS Highland. In addition there are non-voting appointees representing other sectors and stakeholder groups, such as the Third Sector, Independent Sector, Patients and Service Users, Carers and Staff.

Argyll and Bute is home to 88,166 people (2011 Census), covers an area of 690,946 hectares and is the second largest local authority by area in Scotland. Argyll and Bute has 23 inhabited islands, with 17% of Argyll and Bute's population living on the islands. Argyll and Bute provides a number of opportunities for those who live and work here, however we also face a number of significant challenges. The geography of scattered communities in remote and rural areas and islands presents a challenge in delivering services from the finite resources available. 73% live in "remote" or "very remote" areas. 47% live in areas in the 20% "most deprived for geographic access to services". Argyll and Bute has a higher proportion of older people than Scotland as a whole, with 11.6% aged 75+ compared to 8.5% in Scotland.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Management Commentary

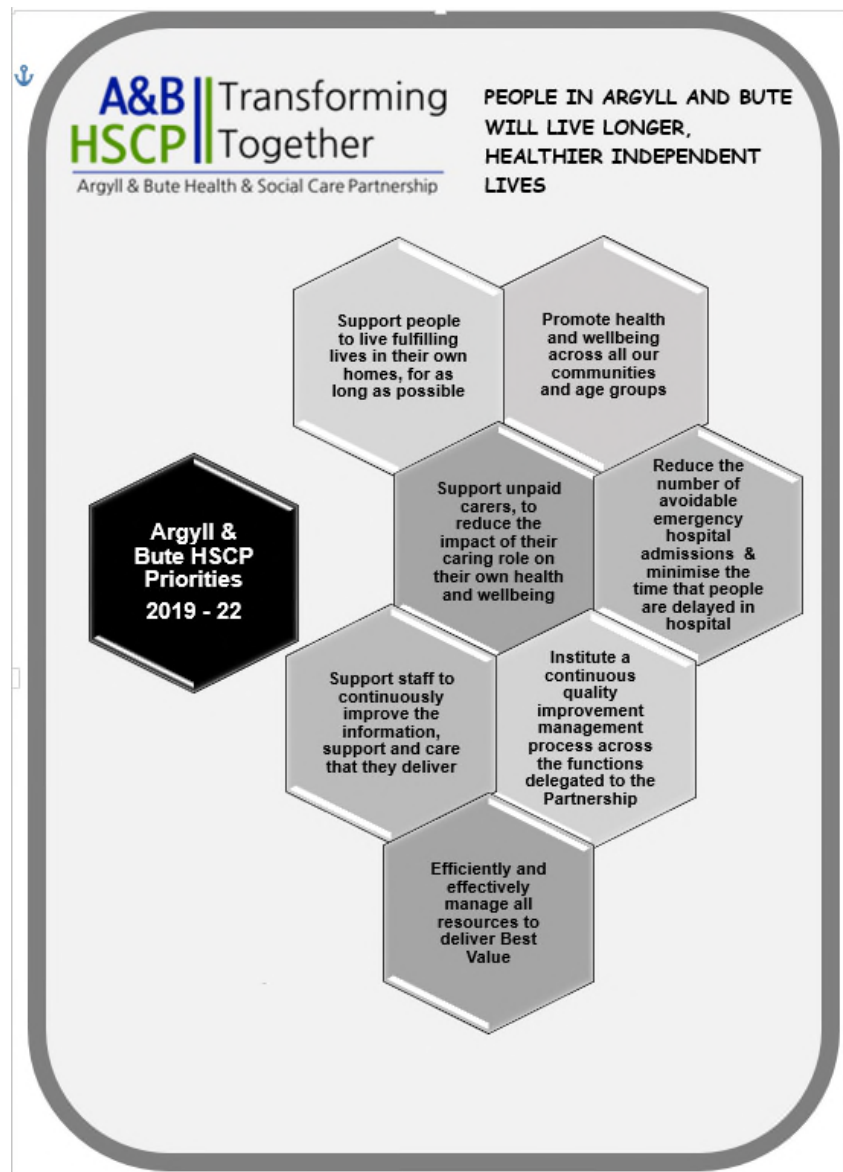
3. HEALTH AND SOCIAL CARE PARTNERSHIP STRATEGIC PLAN

The HSCP vision and priorities for health and social care in Argyll and Bute were developed for the first Strategic Plan 2016-2019 and the vision and priorities still remain current and relevant for our communities, staff partners and stakeholders. The vision in the revised plan 2019-20 to 2021-22 is noted below.

*“People in Argyll and Bute will live longer,
healthier, independent lives.”*

Argyll and Bute HSCP seven areas of focus/priorities for the next three years are:

**ARGYLL AND BUTE INTEGRATION JOINT BOARD
Management Commentary**



4. PERFORMANCE MANAGEMENT AND REPORTING

The national health and wellbeing outcomes provide a strategic framework for the planning and delivery of health and social care services. These suites of outcomes together focus on improving the experiences and quality of services for people using those services, carers and their families. These outcomes focus on improving how services are provided, as well as the difference that integrated health and social care services should make, for individuals. Currently there are 9 key National Health and Wellbeing Outcomes (NHWBOI's) and 23 sub-indicators and additional measures which form the foundation of the reporting requirement for the HSCP.

The HSCP has in place a Planning and Performance Management Framework and reporting to the Board takes place with a performance scorecard being presented on a regular basis to

ARGYLL AND BUTE INTEGRATION JOINT BOARD Management Commentary

the IJB. The HSCP continues to publish its Annual Performance Report with the 2018-19 report due to be published in 2019-20.

The IJB agreed to a review of its performance scorecard report and reporting processes and operation. This has been informed by a national review of indicators, changes to the performance targets, its new Strategic Plan, the establishment of new financial control mechanisms and feedback from the IJB and Senior Leadership Team. At this time this has seen a reduction from 102 indicators to 65 across the scorecard, removing duplicated measures.

The IJB will be receiving a presentation on the proposed new Integrated Performance Regime and supporting performance scorecard report in August 2019.

The performance for FQ1 2018-19 was reported to the IJB in September 2018, performance for FQ2 2018-19 was reported to the IJB in March 2019 and performance for FQ3 2018-19 was reported to the IJB in May 2019. The scorecard on the next page provides a snapshot of the overall performance as at the end of FQ4 2018-19. The scorecard shows that of the 65 success measures, 37 were on track.

Integrated Joint Board [IJB] Scorecard		Success Measures	65	R
		On track	37	→
Outcome 1 - People are able to improve their health	FQ4 18/19	No of indicators	14	A
		On track	7	→
Outcome 2 - People are able to live in the community	FQ4 18/19	No of indicators	17	A
		On track	13	→
Outcome 3 - People have positive service-user experiences	FQ4 18/19	No of indicators	6	A
		On track	4	→
Outcome 4 - Services are centered on quality of life	FQ4 18/19	No of indicators	9	A
		On track	5	↑
Outcome 5 - Services reduce health inequalities	FQ4 18/19	No of indicators	2	R
		On track	0	→
Outcome 6 - Unpaid carers are supported	FQ4 18/19	No of indicators	1	R
		On track	0	→
Outcome 7 - Service users are safe from harm	FQ4 18/19	No of indicators	6	R
		On track	2	→
Outcome 8 - Health and social care workers are supported	FQ4 18/19	No of indicators	4	R
		On track	1	→
Outcome 9 - Resources are used effectively in the provision of health and social care services, with	FQ4 18/19	No of indicators	6	A
		On track	5	→

Some areas where performance has met or exceeded target performance levels during 2018-19 are:

- % of adults able to look after their health very well or quite well
- Rate of emergency admissions and rate of premature mortality per 100,000 population
- Number waiting more than 12 weeks for homecare service after assessment authorised
- The % of mental health clients receiving Care in the Community
- The % of Looked After and Accommodated Children in Family Placements
- Reducing the number of External Looked After and Accommodated Children

ARGYLL AND BUTE INTEGRATION JOINT BOARD Management Commentary

- The % of MMR1 (Measles, Mumps and Rubella) uptake rates at 5 years old
- The % of people with Type 1 Diabetics with an insulin pump
- The % of Community Payback Orders cases seen without delay – (within 5 days)
- The % of Care Leavers with a Pathway Plan.

Some areas where performance hasn't met the target and are areas for improvement are:

- The % of adults supported at home who agree that their health and care services seemed to be well co-ordinated
- The number of patients with early diagnosis and management of dementia
- The % of adults supported at home who agree they are supported to live independently
- The total number of Delayed Discharge Clients from Argyll and Bute
- The falls rate per 1,000 population aged 65+
- The number of outpatient ongoing waits >12 weeks
- The % of patients on the admissions waiting lists with medical unavailability (i.e. they were too ill to attend for the scheduled procedure).

5. FINANCIAL PERFORMANCE 2018-19

Financial Outturn 2018-19

It was clear from the beginning of financial year 2018-19 that the HSCP had financial challenges. The final revenue outturn for 2017-18 was an overspend of £2.528m. The health related overspend of £1.373m was covered by the Scottish Government brokerage given to NHS Highland but the social work related overspend amounting to £1.155m has to be repaid to Argyll and Bute Council.

At the IJB meeting on 28 March 2018, when the budget for 2018-19 was considered, the Board were not able to set a balanced budget for 2018-19 and had unidentified savings of £1.6m, this was in addition to the savings of £10.954m agreed for 2018-19.

During 2018-19, both the Chief Officer and Chief Financial Officer left the organisation. This resulted in reduced focus on the pursuit of additional savings to balance the budget and on delivering the approved savings. A new Chief Officer was appointed in October 2018. The Chief Financial Officer post was covered by an interim between July 2018 and November 2018 and the Council's Head of Strategic Finance (in addition to her Council post) between December 2018 and June 2019. Enhanced budgetary control arrangements are now in place and comprehensive financial reports are now being presented to the IJB on a regular basis. Although unable to break even at the end of 2018/19, there is now greater control and transparency over the partnership's financial position.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Management Commentary

A report was presented to the IJB at the end of January 2019 advising that against a savings target of £10.954m for 2018-19, only £3.777m of savings were estimated to be achieved, resulting in a shortfall of £7.177m. Some in year savings had been made that reduced this shortfall but it was evident at that time that the Health and Social Care Partnership would not be able to deliver financial balance within 2018-19.

The forecast outturn position was reported to the IJB at each meeting throughout the financial year. The overall financial performance against budget for financial year 2018-19 was an overspend of £6.681m, with an overspend of £3.554m on health related services and an overspend of £3.127m on social work services.

The overspend for health related services took an adverse dip between February and the end of the financial year. This is mainly as a result of recognition of the disputed charging of services from NHS Greater Glasgow and Clyde (GG&C). At the end of financial year 2018-19 the dispute remained unresolved. With intervention from the Scottish Government it was agreed that the brokerage given to NHS Highland would cover the disputed costs for 2018-19 and that there would be collaborative work with other Health Boards who have an SLA with GG&C on a new funding model for 2019-20 onwards.

The table on the next page summarises the financial performance against budget for 2018-19, split across Health and Social Work related services.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Management Commentary

Service	Actual £000	Budget £000	Variance £000	% Variance
COUNCIL SERVICES:				
Chief Officer	839	(232)	(1,071)	461.6%
Service Development	385	383	(2)	-0.5%
Looked After Children	7,506	6,859	(647)	-9.4%
Child Protection	3,218	3,285	67	2.0%
Children with a Disability	802	848	46	5.4%
Criminal Justice	(35)	100	135	135.0%
Children and Families Central Management Costs	2,421	2,415	(6)	-0.2%
Older People	29,367	29,462	95	0.3%
Physical Disability	1,880	1,316	(564)	-42.9%
Learning Disability	10,874	9,446	(1,428)	-15.1%
Mental Health	1,624	1,901	277	14.6%
Adult Services Central Management Costs	463	434	(29)	-6.7%
COUNCIL SERVICES TOTAL	59,344	56,217	(3,127)	-5.6%
HEALTH SERVICES:				
Adult Services - West	53,232	50,776	(2,456)	-4.8%
Adult Services - East	29,125	28,532	(593)	-2.1%
Children & Families Services	6,201	6,656	455	6.8%
Commissioned Services - NHS GG&C	64,370	61,391	(2,979)	-4.9%
Commissioned Services - Other	4,230	3,653	(577)	-15.8%
General Medical Services	16,723	16,674	(49)	-0.3%
Community and Salaried Dental Services	3,540	3,923	383	9.8%
Other Primary Care Services	8,806	8,806	0	0.0%
Public Health	1,714	2,018	304	15.1%
Management and Corporate Services	4,905	5,210	305	5.9%
Health Board Provided Services	2,206	2,206	0	0.0%
Depreciation	2,441	2,524	83	3.3%
Estates	5,538	5,099	(439)	-8.6%
Budget Reserves	0	2,009	2,009	100.0%
HEALTH SERVICES TOTAL	203,031	199,477	(3,554)	-1.8%
GRAND TOTAL	262,375	255,694	(6,681)	-2.6%

The main service areas contributing to the overall overspend position are noted below:

- Chief Officer – The variance is a combination of the unidentified savings total, slippage on identified efficiency savings and higher than expected bad debt provision charge partially offset by additional vacancy savings, slippage on the Community Services Investment Fund expenditure and the recognition that additional funding provided for superannuation costs related to auto-enrolment were not required.
- Looked After Children - Overspend arises mainly due to the high cost of meeting demand for expensive external care home placements and slippage on efficiency savings designed to reduce this cost as well as on legal costs within the Adoption service and agency staffing costs within the Care and Reviewing Officer service. These were partially offset by underspends on the foster care, supporting young people leaving care and children's houses budgets.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Management Commentary

- Physical Disability - Overspend arises mainly due to higher than budgeted demand as well as slippage on the delivery of efficiency savings for supported living services, higher demand for residential care placements and the purchase of equipment by the Integrated Equipment Store.
- Learning Disability - Overspend arises due to a combination of higher than budgeted demand for supported living and care home services and slippage on savings developed to reduce both of these commitments partially offset by underspends in assessment and care management, respite and resource/day centres.
- Adult Services West and East - Savings not being achieved and several budget overspends, including; Psychiatric medical services - locums, Lorn and the Isles Hospital (LIH) Day Bed Unit - oncology drugs, Mull Medical Group - GP locums, LIH wards - agency nurses, LIH Laboratory - agency staffing and non-pay costs, GP prescribing.
- Commissioned Services – NHS GG&C - Savings not being achieved and increased charges for; mental health in-patient services, oncology drugs and other high cost services not included within the main patients services SLA.

It should be noted that the financial performance figures in the table above are different to those within the Comprehensive Income and Expenditure Statement due to the presentation of income between NHS Highland and Argyll and Bute Council. This income amounts to £11.273m and in the financial performance table the income and expenditure is netted off but in the Comprehensive Income and Expenditure statement the income (or funding) is included in the funding line.

Repayment of Overspend

The approved Scheme of Integration outlines what should happen in the event of an overspend at the year end:

8.2.20 Where recovery plans are unsuccessful and an overspend occurs at the financial year end, and there are insufficient reserves to meet the overspend, then the Parties will be required to make additional payments to Argyll and Bute Integrated Joint Board. Where there is a requirement for additional payments an analysis of the requirement for additional payments will be carried out to determine the extent to which they relate to either budgets delegated back to or activities managed by the Council or NHS Highland with the allocation of the additional payments being based on the outcome of this analysis. Any additional payments by the Council and NHS Highland will then be deducted from future years funding/payments.

NHS Highland and Argyll and Bute Council, in line with the Scheme of Integration, allocated additional funding to the IJB at the end of 2018-19. The health related overspend of £3.554m was covered by the Scottish Government brokerage given to NHS Highland and will not require to be repaid but the social work related overspend amounting to £3.127m needs to be repaid to Argyll and Bute Council along with the repayment of the 2017-18 overspend.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Management Commentary

As a result of the financial position during 2018-19, a request was made to the Council to defer the repayment arrangements for the 2017-18 overspend by 1 year and this was agreed by Council on 21 February 2019. A report was considered at the Council's Policy and Resources Committee on 16 May 2019 in respect of the repayment arrangements for the 2018-19 overspend and it was agreed that this be repaid over a period of three years commencing in 2020-21. Total repayments due to the Council are shown in the table below:

	2019-20 £000s	2020-21 £000s	2021-22 £000s	2022-23 £000s	Total £000s
2017-18 overspend	100	300	755		1,155
2018-19 overspend		800	1,000	1,327	3,127
Total to be repaid	100	1,100	1,751	1,327	4,282

Financial Statements

Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices. There are no statutory or presentational adjustments which affect the application of the funding received from partners, therefore the movement in the General Fund balance is solely due to the transactions shown in the Comprehensive Income and Expenditure statement.

Reconciliation of Comprehensive Income and Expenditure Statement to Financial Outturn:

The table below reconciles the surplus on the provision of services of £0.221m as noted in the Comprehensive Income and Expenditure Statement to the financial outturn position of £6.681m overspend:

	£000	£000
Surplus on Provision of Services		(221)
Remove Statutory Adjustments that don't feature in financial outturn position	0	
Movement in General Fund Balance		(221)
Other Movements:		
Earmarked Reserves released to services during 2018-19	(104)	
New Earmarked Reserves during 2018-19	325	
Additional Funding Provided by NHS Highland	3,554	
Additional Funding Provided by Argyll and Bute Council	3,127	
		6,902
Financial Outturn (Overspend)		6,681

**ARGYLL AND BUTE INTEGRATION JOINT BOARD
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Movement in Reserves Statement

This statement shows the movement in year on the Integration Joint Board’s Reserves. The IJB has one reserve, a General Fund reserve, this is a resource backed reserve which can be used to fund expenditure.

The balance on the General Fund reserve has increased by £0.221m, there was a balance of £0.104m held at 1 April 2018 and the closing balance at 31 March 2019 is £0.325m. This increase represents the net of amounts of earmarked balances used during 2018-19 and two new balances earmarked at the end of 2018-19.

A Reserves Policy was approved by the Integration Joint Board in March 2017. This outlines that the balance of reserves will normally comprise of three elements one of which is the earmarking of funds set aside for a specific purpose agreed by the Integration Joint Board. The IJB had an adverse year-end outturn position and the only earmarking relates to funding specifically provided for two projects. Further detail is provided in note 8 to the financial statements.

The overall position for reserves is noted below:

	Earmarked Reserves £000	Unallocated Reserves £000	Total £000
Opening Balance at 1 April 2018	76	28	104
Movement 2018-19	249	(28)	221
Closing Balance at 31 March 2019	325	0	325

The IJB Reserves Policy suggests a prudent level of General Fund reserve to be set at 2% of the IJB net revenue budget, this would equate to around £5.5m. Whilst this level of reserve would allow a degree of flexibility and assurance, this must be proportionate and take cognisance of the level of savings required to be delivered. Given the unprecedented economic climate in which the IJB are operating this is viewed as an aspirational level of reserves to be built up over time, recognising the tensions between prudent financial planning and budgetary constraints.

Balance Sheet

The Balance Sheet shows the value of the Integration Joint Board’s assets and liabilities as at the 31 March 2019. The Integration Joint Board does not hold fixed assets as these remain with the partner bodies. There are explanatory notes which accompany the Balance Sheet, the balances are:

**ARGYLL AND BUTE INTEGRATION JOINT BOARD
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- Short Term Debtors of £0.325m, relates to two earmarked reserves balances related to health services and recognises the amount owed to the Integration Joint Board by NHS Highland.

The net worth of the Integration Joint Board as at 31 March 2019 is £0.325m, this is supported by the General Fund reserve.

There are no provisions recognised on the Balance Sheet. There were no new provisions made during 2018-19 on behalf of the IJB. There are historic provision balances and contingent liabilities relating to services provided prior to 1 April 2016, these will be recognised as required in the partner Annual Accounts. There would be further consideration of funding requirements for the IJB where the historic funding of these financial provisions are insufficient and may affect the IJB funding arrangements.

6. FINANCIAL OUTLOOK, RISKS AND PLANS FOR THE FUTURE

Budget 2019-20

A medium term budget outlook report, covering the period 2019-20 to 2021-22 was presented to the IJB on 30 January 2019. The budget outlook was prepared using three different scenarios, best case, worst case and mid-range. As a budget outlook is based on a set of assumptions at a given point in time, it requires to be updated regularly. A revised budget outlook report was also presented to the IJB as part of the budget papers on 27 March 2019. This type of report will now be a standing item on the agenda.

As per the report on 27 March 2019, the budget gap for 2019-20 within the mid-range scenario was £6.794m. The Senior Leadership Team identified savings that would deliver a balanced budget in 2019-20. They were concerned to make sure that these savings were deliverable, not to repeat the situation in 2018-19 where many of the agreed savings were not delivered. All savings proposals identified were in line with the strategic objectives of the Health and Social Care Partnership.

Savings proposals were classified into management/operational savings (where there were no policy implications and no redundancies) and policy savings, where there were either policy or staffing implications. A summary of the savings identified is noted in the table below.

	2019-20 £000	2020-21 £000	2021-22 £000
Management/Operational Savings	5,058	5,558	6,078
Policy Savings	1,736	1,934	1,934
Total Savings	6,794	7,492	8,012

The IJB approved the 2019-20 budget proposals at their meeting on 27 March 2019 delivering a balanced budget for 2019-20. The approval of the budget proposals should provide

**ARGYLL AND BUTE INTEGRATION JOINT BOARD
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reassurance to the public, staff and stakeholders that the HSCP is determined to work within budget.

Moving into 2019-20, there needs to be robust budget monitoring and when an activity deviates from plan corrective action will have to be taken immediately to minimise any future overspends.

Medium to Longer Term Outlook

Looking into 2019-20 and beyond, it is anticipated the Scottish public sector will continue to face a very challenging short and medium term financial outlook with significant uncertainty over the scale of likely reductions in funding.

Audit Scotland publish a financial overview report each year. In the report published in November 2018, it was noted that only a third of IJBs have a medium-term financial plan, typically covering three years, and there is no evidence of longer term-financial planning. Whilst the IJB now have regular reporting of a medium term outlook, consideration will need to be given to the longer term.

The medium term outlook for the IJB identifies a significant budget gap over the next three years. The Senior Leadership Team have already identified a number of areas for review that should deliver savings in the future and the IJB endorsed that further development work should be undertaken on these areas. A high level timetable has also been created for the budget process in 2020-21. Due to the changes in personnel in 2018-19, the budget process for 2019-20 commenced too late and even although a balanced budget was reached, there was insufficient time to provide the IJB with alternative savings options and also options for approval that may take longer to implement. The table below notes the current budget gap over the next three years.

	2020-21 £000	2021-22 £000	2022-23 £000
Best Case	2,835	5,467	7,582
Mid-Range	6,403	12,521	18,074
Worst Case	9,948	19,595	28,830

The latest budget outlook report can be accessed on the following weblink:
[IJB Papers 29 May 2019](#) (see pages 213-227 for budget outlook)

Financial Risks and Challenges

A report was presented to the IJB on 27 March 2019, which introduced a process of identifying and reporting financial risks to the Board on a regular basis. It is accepted that no budget is without an element of risk, given that it's an estimate of income and expenditure at a given point in time with increasing demands and expectations on the service provided.

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Risks have been assessed as to their likelihood and estimated value, and this is summarised in the table on the next page:

Likelihood/Range	Possible	Likely	Total
<£100k	8	7	15
£100k - £300k	11	0	11
£300k - £500k	4	1	5
£500k - £1.5m	3	0	3
Total	26	8	34

The 8 risks classified as likely are noted as follows:

Health or Social Work	Identified Risk	Estimated Value £000
Health	Continued use of locum GPs in Kintyre Medical Group	<£100k
Health	Continued use of agency staff in Lorn & Islands Hospital Laboratory	<£100k
Health	Continuation of excess nurse staffing in Rothesay Victoria Hospital	<£100k
Health	Continued reliance on locum medical staff to cover shifts on the Oban out of hours rota	<£100k
Health	Continuation of excess community nurse staffing on Mull,	<£100k
Health	Introduction of further cystic fibrosis drugs.	£300k-£500k
Social Work	Potential increase in the cost of the social work management information system arising from changes in the contractual/fees arrangements between the supplier (OLM) and the HSCP.	<£100k
Social Work	Potential requirement to address property maintenance issues at a leased property in Helensburgh.	<£100k

The 3 risks classified as over £0.500m are noted as follows:

Health or Social Work	Identified Risk	Likelihood
Health	Continued use of agency medical staff in psychiatry	Possible
Health	NHS Greater Glasgow and Clyde seek to correct historic	Possible

**ARGYLL AND BUTE INTEGRATION JOINT BOARD
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	undercharging on the main patients' services SLA	
Social Work	Potential increase in the number of children and young people who need to be taken into care and supported/accommodated by the HSCP.	Possible

The financial risks will be monitored routinely and mitigating actions put in place where possible. This is not always straightforward due to Scottish Government policy directions and also the introduction of new drugs that usually come with increased cost outwith our control.

The most significant risk is the contract with NHS Greater Glasgow and Clyde (GG&C). NHS Highland has a Service Level Agreement (SLA) with NHS GG&C for services provided to Argyll and Bute residents in GG&C hospitals. The annual value of the SLA has been successfully agreed for over a decade, usually following a period of negotiation but always without the need for arbitration. However in 2018-19, an impasse has been reached with GG&C seeking payment of a higher value than that willing to be agreed to by NHS Highland (and the IJB). NHS Highland's offer was £53.1m and NHS GG&C were seeking payment of £54.3m.

At the end of financial year 2018-19 the dispute remained unresolved. With intervention from the Scottish Government it was agreed that the brokerage given to NHS Highland would cover the disputed costs for 2018-19 and that there would be collaborative work with other Health Boards who have an SLA with GG&C on a new funding model for 2019-20 onwards. This remains a significant financial risk for the IJB.

In addition to the financial risks identified for the IJB there remain wider risks that could impact on the level of resources made available to the Scottish Government. Two wider risks worth mentioning are the level of funding in relation to the increase in the employers pension contribution rate agreed by HM Treasury and the largely unquantifiable potential implications, of the UK's possible withdrawal from the European Union.

7. CONCLUSION

The Integrated Joint Board has had a number of financial challenges during 2018-19 and the final outturn position was an overspend. The operating environment going forward remains very challenging, however, the IJB approved a balanced budget for 2019-20 which should provide reassurance to the public, staff and stakeholders that the HSCP is determined to work within budget. That said, there remains a number of risks to deliver the services within the budget resource and a robust budget monitoring process needs to be in place in order that corrective action and recovery plans (where required) are put in place at the earliest opportunity.

8. ACKNOWLEDGEMENTS

We would take this opportunity to acknowledge the significant effort in producing the Annual Accounts and to record our thanks to members of the Integrated Joint Board and staff for their continued hard work and support.

**ARGYLL AND BUTE INTEGRATION JOINT BOARD
Management Commentary**

Cllr Kieron Green
Chair
25 September 2019

Joanna MacDonald
Chief Officer
25 September 2019

Judy Orr
Head of Finance & Transformation
25 September 2019

ARGYLL AND BUTE INTEGRATION JOINT BOARD Statement of Responsibilities

THE INTEGRATION JOINT BOARD'S RESPONSIBILITIES:

The Integration Joint Board is required:

- to ensure the Annual Accounts are prepared in accordance with the 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 Act 2003);
- to make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board had responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this organisation, that officer is the Chief Financial Officer;
- to manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets; and
- to approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Argyll and Bute Integration Joint Board at its meeting on 25 September 2019.

Signed on behalf of the Integration Joint Board

Cllr Kieron Green
Chair
25 September 2019

ARGYLL AND BUTE INTEGRATION JOINT BOARD Statement of Responsibilities

THE CHIEF FINANCIAL OFFICER'S RESPONSIBILITIES:

The Chief Financial Officer is responsible for the preparation of the Integration Joint Board'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 is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- complying with legislation;
- complying with the Local Authority Code of Practice (in so far as it is compatible with legislation).

The Chief Financial Officer is also required to:

- keep proper accounting records which are up to date; and
- take reasonable steps to ensure the propriety and regularity of the finances of the Integration Joint Board.

I certify that the financial statements give a true and fair view of the financial position of the Argyll and Bute Integration Joint Board as at 31 March 2019, and its income and expenditure for the year then ended.

Judy Orr
Head of Finance and Transformation
25 September 2019

ARGYLL AND BUTE INTEGRATION JOINT BOARD Annual Governance Statement

INTRODUCTION

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

SCOPE OF RESPONSIBILITY

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

In discharging these responsibilities, the IJB has put in place arrangements for governance of its affairs which includes a system of internal control. The system is based on an ongoing process designed to identify, prioritise and manage the risks facing the organisation. The system aims to manage risks efficiently, effectively and economically to achieve the organisation's policies, aims and objectives.

The IJB has a reliance on the NHS Highland and Argyll and Bute Council systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the Integration Joint Board.

The system can only provide reasonable and not absolute assurance of effectiveness.

GOVERNANCE FRAMEWORK

The Argyll and Bute IJB has been established as a separate legal entity from either Argyll and Bute Council and NHS Highland, with a separate board of governance. The IJB comprises eight voting members with four Elected Members nominated by Argyll and Bute Council and four Board members of NHS Highland. In addition there are a number of non-voting appointees representing other sectors and stakeholder groups, such as the Third Sector, Independent Sector, Patients and Service Users, Carers and Staff.

The arrangements for the operation, remit and governance of the IJB are set out in the Argyll and Bute Integration Scheme which has been prepared and approved by Argyll and Bute Council and NHS Highland.

The IJB, via a process of delegation from the Health Board and Local Authority as outlined in the Scheme of Integration has responsibility for the planning, resourcing and operational delivery of all integrated health and social care services within Argyll and Bute.

The funding available to Argyll and Bute IJB is dependent on the funding available to Argyll and Bute Council and NHS Highland and the corporate priorities of both. The IJB is therefore reliant on both partners for the resources to deliver health and social care services.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Annual Governance Statement

The main features of the governance framework in place during 2018-19 were:

- The Integration Scheme which outlines the scope and functions of services that are delegated, the clinical and care governance, financial and operational management arrangements.
- The IJB operates within an established procedural framework. The roles and responsibilities of Board members and officers are defined within Standing Orders, the Integration Scheme, Financial Regulations and Standing Financial Instructions; these are subject to regular review.
- The overarching strategic vision, mission and values of the IJB are set out in the Strategic Plan and Strategic Objectives are aligned to deliver on the National Outcomes for Adults, Older People and Children.
- Effective joint working with Health and Council partners to ensure delivery of the Strategic Objectives, through information sharing and clear lines of responsibility, with an agreed Integration Sharing Protocol in place.
- Members of the IJB subscribe to and comply with the Standing Orders and Code of Conduct and the appointed Standards Officer is responsible for advising and guiding members of the Board on issues of conduct and propriety. A register of interests is in place for all Board members and senior officers.
- Development of appropriate training, development and induction provided for all new IJB members. Performance Development and Review schemes are in place for all staff through each partner agency, the aim of which is to focus on their individual performance and development and contribution towards meeting service objectives.
- Review of the engagement strategy resulting in 4 Locality Planning Groups which will be recruited in 2019, these aim to provide a more effective mechanism for local leadership of service planning and a way for localities to influence how resources are spent in their area and allow them to contribute to the delivery of the Strategic Plan 2019-22.
- Effective scrutiny and service improvement activities are supported by the formal submission of reports, findings and recommendations by Audit Scotland, Inspectorates and the Internal Audit service.
- The decision making structure whereby the committees of the IJB have Terms of Reference agreed by the Integration Joint Board, these include the Clinical and Care Governance Committee, Audit Committee, Quality and Finance Plan Programme Board, Strategic Planning Group and Locality Planning Groups.
- The work and outputs from committees is reported to the IJB, for example the minutes of meetings and highlight reports for Clinical and Care Governance and Staff Governance.
- The Planning and Performance Management Framework focusses on embedding a performance management culture throughout the organisation, regular reporting to the Board takes place with a performance scorecard being presented on a regular basis, the Integration Joint Board will also publish a further Annual Performance Report following the second year of integration.
- Reliance on the procedures, processes, policies and operational systems of Argyll and Bute Council and NHS Highland where these are operationally delegated. The IJB key

**ARGYLL AND BUTE INTEGRATION JOINT BOARD
Annual Governance Statement**

governance documents are subject to periodic review with assigned lead officers and approval routes.

- The legislative framework requires the Chief Officer to be a single point of overall strategic and operational advice to the IJB and to be a member of the Senior Management Teams of Argyll and Bute Council and NHS Highland.

THE SYSTEM OF INTERNAL FINANCIAL CONTROL

The governance framework described operates on the foundation of internal controls. The system of internal financial control is based on a framework of regular management and financial information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the IJB. During 2018-19 this included the following:

- Financial Regulations and guidance relating to financial processes and procedures.
- Formalised budget setting process, which includes the updating of the budget outlook and a process for monitoring of the Quality and Finance Plan and identifying new savings to balance the budget.
- Regular review of periodic and annual financial reports that indicate financial performance against forecasts.
- Setting targets to measure financial and other performance.
- Formal project management disciplines.
- Regular Quality and Finance Plan Programme Board meetings to provide scrutiny of the financial position and progress with service redesign.
- An effective Internal Audit function.
- Development of initial integrated financial reporting and implementation of a financial risk register.

The system of internal financial control can provide only reasonable and not absolute assurance and is designed to manage risk to a reasonable level. Responsibility for maintaining and operating an effective system of internal financial control rests with the Chief Financial Officer. The IJB’s financial management arrangements conform to the governance requirements of the CIPFA statement: ‘The Role of the Chief Financial Officer in Local Government (2010)’.

UPDATE ON GOVERNANCE ISSUES PREVIOUSLY REPORTED

The 2017-18 Annual Governance Statement identified a number of areas for further development. An update on progress with each area is provided below:

Planned Action	Progress Update
A detailed workforce plan will be developed demonstrating how this supports the Strategic Plan, this will also link to support activities such as training and recruitment and align to	The workforce plan was presented to the IJB for approval in August 2018, this plan focused on Adult Services, the next iteration of the Plan in 2019 will incorporate all other

**ARGYLL AND BUTE INTEGRATION JOINT BOARD
Annual Governance Statement**

<p>the shift of the workforce from institutional to community based settings.</p>	<p>HSCP services and seeks to incorporate our developing relationship with also the third and independent sectors through strategic commissioning.</p>
<p>A local code of governance will be developed which will describe and define the main features of governance for the Integration Joint Board, in practice currently there are a number of local codes or documents.</p>	<p>This work was commenced in early 2019 based on initial review of committee terms of reference and stimulating the requirement for a full code of corporate governance.</p>
<p>An action plan to improve integrated budget monitoring will be presented to the IJB Audit Committee in June 2017.</p>	<p>The interim Chief Financial Officer progressed to a suite of financial reports presented to the IJB with a corresponding financial risk register. Work is still required to further improve integrated budget monitoring.</p>
<p>Risk management will be subject to an Internal Audit review and improvements during 2017-18. There is a planned development session with the Integration Joint Board, one of the outputs being the development of an agreed risk appetite. These actions will ensure risk management is embedded in the culture of the organisation.</p>	<p>The risk management strategy still requires to be reviewed and this will be tasked to the Internal Audit team to benchmark against best practice in Health and Social Care Partnerships. A framework for reporting citing both Audit Committee and IJB will be proposed to secure and embed risk management in the culture of the organisation.</p>
<p>Formalise the approach to sharing information across the IJB Audit Committee and the Argyll and Bute Council and NHS Highland Audit Committees to better co-ordinate assurance activity between the partners.</p>	<p>There have been changes in membership of the Audit Committees of the Council and the IJB. The IJB Audit Committee now includes membership from both the Argyll and Bute Council and NHS Highland Audit Committees.</p>
<p>Continuing development of performance management and performance scrutiny aligned with the Strategic Plan primary objectives and revised National Health and Wellbeing Outcome indicators.</p>	<p>Presentation to the IJB of proposed Integrated Performance Regime for the HSCP in scheduled for August 2019 with roll out subject to approval thereafter.</p>
<p>Further develop the capacity and capability of Locality Planning Groups to ensure members have the support and capability to use and interpret data to facilitate the implementation of Strategic Plan objectives at locality level.</p>	<p>A renewed Engagement Strategy has been developed and approved. The 9 Locality Planning Groups will be reduced to 4 area based groups and this requires to be implemented and embedded in 2019-20 to support the delivery of the Strategic plan 2019-22.</p>

**ARGYLL AND BUTE INTEGRATION JOINT BOARD
Annual Governance Statement**

<p>Roll out of communications and engagement toolkit to localities to ensure they are appropriately supported to facilitate the requirement to support the extensive programme of service re-design over the next two years, this is accompanied by additional investment in dedicated communications resource in 2017-18.</p>	<p>Communications and Engagement Strategies and assurance frameworks are now in place and a report was taken to the Audit Committee to ensure consistent approach and a substantial base on which to engage, inform and consult on service changes.</p>
<p>Further work on assurance mapping to ensure coverage for the second and third lines of defence on the move to the “business as usual” stage of the organisation.</p>	<p>Support for the development of governance is now in place. Joint partnership working is progressing to support the development of the governance structures.</p>
<p>Argyll and Bute Council have requested a review of the Integration Scheme with a particular focus on risk sharing arrangements, this review will be led by Argyll and Bute Council in partnership with NHS Highland.</p>	<p>In February 2018 the Council agreed to pursue a formal review of Argyll and Bute’s full Health and Social Care Integration Scheme to ensure it continues to meet Scottish Government policy expectations, and to consider amending the provisions relating to writing back budget underspends/overspends to parent organisations. In addition changes are required to reflect GDPR. Initial proposals were drawn up however, in February 2019, the NHS Highland Director advised that NHS are unlikely to agree to the changes proposed relating to the change in risk transfer. There is also an emerging possibility of NHS coming forward with proposals which would seek to look at, and potentially change, the scope/context of NHS services included within the Scheme. It has been agreed that all of the matters which may require to be dealt with in terms of a review of the Scheme, will be dealt with as a full review to commence as soon as clarity of all of the topics to be included is achieved and completed (to include approval by the Scottish Government) by 26 June 2020.</p>
<p>2018-19 will be the final year of the current Strategic Planning period and the IJB are required to consult and engage on the next three year Strategic Plan, this will require to be agreed by Argyll and Bute Council and NHS Highland.</p>	<p>The revised Strategic Plan covering the period 2019-20 to 2021-22 was endorsed and approved by the IJB on 27 March 2019. It takes accounts of statutory requirements and the outcomes of the public, stakeholder and staff engagement and formal consultation.</p>

**ARGYLL AND BUTE INTEGRATION JOINT BOARD
Annual Governance Statement**

<p>Development programme for IJB members to be established, informed by a self-evaluation process, this will be supported by the Local Government Improvement Service.</p>	<p>Initial induction undertaken by the Improvement Service for IJB. Further induction and development programme pending completion. Annual self-evaluation will be embedded through the development of the Code of Corporate Governance in 2019.</p>
<p>Establish and develop the Transforming Together approach to the delivery of service change with a focus on the development of strategy and policy documents to underpin the service changes.</p>	<p>Implementation of the transformation board, identified workstreams and project monitoring. Some gains have been made in planning and research. Further scoping required in rural services redesign. The partnership has identified the requirement for a formal transformational role within the senior leadership team aligned to finance.</p>
<p>Review the use of Directions to ensure decisions and delegations from the IJB are clearly communicated to partners and to ensure their use reflects best practice.</p>	<p>There has been some progress in the understanding of the value in providing clear direction to partners and in understanding and discharging the roles and responsibilities of the IJB and officers. This will continue to be strengthened throughout 2019-20 and is a clear focus of both the Chair and Chief Officer.</p>
<p>The IJB Improvement Plan outlines a number of areas for improvement to partnership working including key partners from the HSCP, the Scottish Government, Argyll and Bute Council, NHS Highland and the IJB. Actions include for example collaborative leadership meetings, asset mapping, revised engagement strategy, support for Locality Planning Groups and HSCP branding and identity.</p>	<p>Collaborative leadership meetings are implemented. Asset mapping is being progressed as part of the progression of colocation and the potential for joint planning. This will continue through 2019-20. The approved Engagement Strategy has reconfigured the Locality Planning Groups to focus on the four locality areas enabling better resourcing by HSCP staff and a structured remit for the groups. A brand for the HSCP has been developed in house. This will be deployed over the course of 2019 addressing particular needs in each business area and ensuring compliance with statutory requirements.</p>

INTERNAL AUDIT

The IJB are required to put in place adequate and proportionate internal audit arrangements to provide independent assurance on risk management, corporate governance and the system of internal control. The internal auditors of the IJB for 2018/19 were Scott-Moncrieff.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Annual Governance Statement

The IJB complies with “The Role of the Head of Internal Audit in Public Organisations” (CIPFA) and operates in accordance with “Public Sector Internal Audit Standards” (CIPFA). The Chief Internal Auditor reports directly to the IJB Audit Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair of the IJB Audit Committee on any matter. The annual programme of internal audit work is based on a strategic risk assessment, and is approved by the IJB Audit Committee.

The role of the IJB Audit Committee is to provide the IJB with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. Membership of the IJB Audit Committee includes six members of the IJB and professional advisors. The Audit Plan was agreed at the Audit Committee meeting in June 2018. The risk based audits carried out during 2018-19 included:

- Impact of new legislation
- Sustainability of Commissioned Providers
- Compliance with the Scheme of Integration

The IJB Audit Committee receive an update on progress with individual recommendations and management actions at each meeting.

Internal Audit delivered a risk management development session to IJB members in March 2018. The purpose of the session was to improve awareness of risk management for Board members, to further develop the Strategic Risk Register and also to determine the risk appetite of the Board. The interactive session was well received by the Board and following this the updated Strategic Risk Register and risk appetite were approved by the Board. Regular risk reporting to both the Audit Committee and IJB has now been proposed to support the business of the IJB supported by the auditor.

The Chief Internal Auditor provides the Audit Committee with an annual report on internal audit activity for the Integration Joint Board. The annual report includes an independent opinion on the adequacy and effectiveness of the systems of governance and internal control. The report for 2018-19 concludes that Argyll and Bute Integration Joint Board has an adequate and effective framework of governance, risk management and control.

BEST VALUE

The IJB has a statutory duty to provide best value as a designated body under section 106 of the Local Government (Scotland) Act 1973. The Annual Performance Report 2018/19 approved by the IJB on 7 August 2019 sets out how it fulfilled its obligations for best value in that year.

REVIEW OF EFFECTIVENESS

The IJB places reliance on the procedures, processes, policies and operational systems of Argyll and Bute Council and NHS Highland. The IJB operates within an established procedural framework and the partner organisations provide assurance over the effectiveness of their systems of internal control.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Annual Governance Statement

The IJB has responsibility for conducting, at least annually, a review of the effectiveness of the governance arrangements including the system of internal financial control. This is informed by:

- The work of officers within the IJB
- The work of Internal Audit as described above
- The work of External Audit
- External review and inspection reports
- The compliance with statutory guidance issued for the integration of services
- Recommendations from the Audit Committee.

Internal Audit have planned a formal review of Corporate Governance in 2019-20 pending the completion of the governance review.

The IJB Visible Changes Improvement Plan outlines a number of areas for improvement to partnership working including key partners from the HSCP, the Scottish Government, Argyll and Bute Council, NHS Highland and the IJB. Actions include for example collaborative leadership meetings, asset mapping, revised engagement strategy, support for Locality Planning Groups and HSCP branding and identity.

2018-19 was the final year of the current Strategic Planning period and the IJB have consulted and engaged on delivering the next three year Strategic Plan

FURTHER ACTIONS

The review of governance and internal control has identified the following actions for 2019-20 that will assist with the further strengthening of the corporate governance arrangements:

- The review of the Integration Scheme is in place with a particular focus on risk sharing arrangements, this review will be led by Argyll and Bute Council in partnership with NHS Highland by June 2020.
- Conclusion on the review of corporate governance and risk reporting arrangement and support from internal audit to ensure embedding change.
- Seek approval from IJB and subsequent deployment of the code of corporate governance implementing annual performance reviews.
- Development programme for IJB members will be deployed and embedded.
- A self-evaluation process for IJB members will be implemented to ensure IJB members are receiving the support required to undertake the role.
- Review the use of Directions to ensure decisions and delegations from the IJB are clearly communicated to partners and to ensure their use reflects best practice.
- Annual review of the Visible Changes Improvement Plan for effective short term improvement planning.
- Increased monitoring of the delivery of agreed savings through increasing the frequency of meetings of the Quality and Finance Programme Board to monthly, and more detailed scrutiny of the actions being taken to deliver the savings.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Annual Governance Statement

CONCLUSION AND OPINION ON ASSURANCE

Significant progress has been made in the first three years of the operation of the Integration Joint Board to ensure appropriate governance and information sharing arrangements are in place, further improvement and development of governance arrangements is ongoing to safeguard the future success of the Partnership.

While recognising that improvements are required it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Argyll and Bute IJB's systems of governance.

Cllr Kieron Green
Chair
25 September 2019

Joanna MacDonald
Chief Officer
25 September 2019

ARGYLL AND BUTE INTEGRATION JOINT BOARD Remuneration Report

1. INTRODUCTION

The Local Authority Accounts (Scotland) Amendment Regulations 2014 (SSI No.2014/200) require local authorities and IJBs in Scotland to prepare a Remuneration Report as part of the annual statutory accounts.

The information disclosed in the tables in this Remuneration Report is subject to external audit. The explanatory text in the Remuneration Report is reviewed by external auditors to ensure it is consistent with the Financial Statements.

2. INTEGRATION JOINT BOARD

The IJB comprises eight voting members appointed in equal numbers by the Health Board and Council. The partners appoint a Chair and Vice Chair in accordance with the Integration Scheme and the Public Bodies (Joint Working) (Integration Joint Boards)(Scotland) Order 2014. Article 4 of the Order provides for the Chair to be appointed by NHS Highland or Argyll and Bute Council from among the voting members nominated by NHS Highland and the Council. The Vice Chair is appointed by the constituent authority who did not appoint the Chair.

The NHS Board and the Council have responsibility for these appointments on an alternating basis and the NHS Board and the Council may change the person appointed by them as Chair or Vice Chair during an appointing period.

Robin Creelman completed his tenure as Chair on 31 March 2019. The current Vice Chair and council Nominated Chair, Councillor Kieron Green, will take up the office of Chair for the two year period from 1 April 2019 to 31 March 2021. NHS Highland appointee Sarah Compton-Bishop will take up the position of Vice Chair on 1 April 2019 to 31 March 2021.

In addition there are professional advisors and stakeholder members who are non-voting members of the Integration Joint Board.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the Integration Joint Board. The IJB does not reimburse the relevant partner organisations for any voting board members costs borne by the partner. The details of the Chair and Vice Chair appointments are shown below:

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

3. 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.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Remuneration Report

Under Section 10 of the Public Bodies (Joint Working)(Scotland) Act 2014 a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB. The current Chief Officer is regarded as an employee of the IJB although the contract of employment is with Argyll and Bute Council. Christina West was Chief Officer until 30 September 2018. To allow for a period of handover, Joanna MacDonald was seconded from NHS Highland on 1 September 2018 to work alongside Christina prior to her leaving date. Joanna MacDonald secured the permanent position as Chief Officer from 1 October 2018. The tables that follow include the cost for Joanna MacDonald from 1 October 2018, when she was in the statutory post, i.e. not including the handover period.

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.

Caroline White was in the role of Chief Financial Officer until 15 July 2018. Lesley MacLeod was contracted as the interim Chief Financial Officer from 16 July 2018 until 30 November 2018. Kirsty Flanagan who is Argyll and Bute Council's Section 95 Officer covered both her role within Argyll and Bute Council and the IJBs Chief Financial Officer from 1 December 2018. Kirsty Flanagan's salary is disclosed within Argyll and Bute Council Annual Accounts and no recharge was made to the IJB.

The following table sets out the remuneration disclosures for 2018-19 for senior officers:

Total 2017-18	Senior Officer	Salary (Including Fees and Allowances)	Taxable Expenses	Total 2018-19
£		£	£	£
97,989	Chief Officer – Christina West (up to 30/09/2018) <i>(Full Year Equivalent)</i>	48,729 <i>(97,458)</i>	-	48,729 <i>(97,458)</i>
-	Chief Officer – Joanna MacDonald (from 01/10/2018) - See Note 1 <i>(Full Year Equivalent)</i>	50,665 <i>(101,331)</i>	-	50,665 <i>(101,331)</i>
50,212	Chief Financial Officer – Caroline White (up to 15/07/2018)	14,885	-	14,885
-	Chief Financial Officer – Lesley MacLeod (16/07/2018 to 30/11/2018)	36,302	-	36,302
-	Chief Financial Officer – Kirsty Flanagan (from 01/12/2018) – See Note 2	*	-	*
148,201	Total	150,581	-	150,581

Note 1 – The information is provided for Joanna MacDonald after she took up the statutory post as Chief Officer on 1 October 2018.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Remuneration Report

Note 2 - Kirsty Flanagan was remunerated separately by Argyll and Bute Council for her post as Head of Strategic Finance. No recharge was made to the IJB.

4. PENSION BENEFITS

In respect of officers pension benefits the statutory responsibility for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pension liability reflected on the IJB balance sheet for the Chief Officer or any other officers. The IJB however has a 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 Chief Officer is a member of the Local Government Pension Scheme (LGPS), costs for the pension scheme contributions and accrued pension entitlements are shown in the table below:

2017-18			2018-19	
In-year Pension Contributions £	Accrued Pension Benefits £		In-year Pension Contributions £	Accrued Pension Benefits £
18,912	6,692	Chief Officer – Christina West (up to 30/09/2018)	9,405	7,771
-	-	Chief Officer – Joanna MacDonald (from 01/10/2018) – See Note 1	9,565	945
-	-	Chief Financial Officer – Caroline (up to 15/07/2018)	-	-
-	-	Chief Financial Officer – Lesley MacLeod (16/07/2018 to 30/11/2018)	-	-
-	-	Chief Financial Officer – Kirsty Flanagan (from 01/12/2018) – See Note 2	-	-

Note 1 – The information is provided for Joanna MacDonald after she took up the statutory post of Chief Officer on 1 October 2018.

Note 2 - Kirsty Flanagan was remunerated separately by Argyll and Bute Council for her post as Head of Strategic Finance. No recharge was made to the IJB.

5. DISCLOSURE BY PAY BANDS

Pay Band information is not separately provided as all staff pay information has been disclosed in the information above.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Remuneration Report

6. EXIT PACKAGES

There were no exit packages during 2018-19.

Cllr Kieron Green
Chair
25 September 2019

Joanna MacDonald
Chief Officer
25 September 2019

ARGYLL AND BUTE INTEGRATION JOINT BOARD Financial Statements

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

2017-18 Net Expenditure £000		2018-19 Net Expenditure £000
136,025	Adult Care	137,828
1,028	Alcohol and Drugs Partnership	-
695	Chief Officer	839
19,112	Children and Families	20,123
3,652	Community and Dental Services	3,540
-	Integrated Care Fund	
1,293	Lead Nurse	1,399
1,114	Public Health	1,714
3,493	Strategic Planning and Performance	2,373
5,352	Estates	5,538
2,502	Depreciation	2,441
16,010	General Medical Services	16,723
59,972	Greater Glasgow & Clyde Commissioned Services	64,370
(1,268)	Income – Commissioning and Central	(1,459)
4,533	Management and Corporate Services	5,183
8,254	NCL Primary Care Services	8,806
3,300	Other Commissioned Services	4,230
265,067	Cost of Services	273,648
(264,692)	Taxation and Non-Specific Grant Income (note 4)	(273,869)
375	(Surplus) or Deficit on Provision of Services	(221)
375	Total Comprehensive Income and Expenditure	(221)

The IJB's Comprehensive Income and Expenditure Statement shows the net cost of Partners providing directed services. It does not separately identify income received from service users as this remains the statutory responsibility of the Partners.

The information in the management commentary provides a more detailed analysis of the expenditure which is consistent with the management reporting to the IJB during the course of 2018-19. There are no statutory or presentation adjustments which affect the Integration Joint Board's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently an Expenditure and Funding Analysis is not provided in these annual accounts.

**ARGYLL AND BUTE INTEGRATION JOINT BOARD
Financial Statements**

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the IJB 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	Unusable Reserves: Employee Statutory Adjustment Account	Total Reserves
	£000	£000	£000
Opening Balance at 31 March 2018	(104)	0	(104)
(Surplus) / Deficit on Provision of Services	(221)	0	(221)
(Increase) / Decrease in Year 2018-19	(221)	0	(221)
Closing Balance at 31 March 2019	(325)	0	(325)

Movements in Reserves During 2017-18:	General Fund Balance	Unusable Reserves: Employee Statutory Adjustment Account	Total Reserves
	£000	£000	£000
Opening Balance at 31 March 2017	(479)	0	(479)
(Surplus) / Deficit on Provision of Services	375	0	375
(Increase) or Decrease in Year 2017-18	375	0	375
Closing Balance at 31 March 2018	(104)	0	(104)

ARGYLL AND BUTE INTEGRATION JOINT BOARD
Financial Statements

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		Note	31 March 2019 £'000
104	Current Assets:		
	Short Term Debtors	5	325
0	Current Liabilities:		
	Short Term Creditors	6	0
0	Long-term Liabilities:		
	Provisions	10	0
104	Net Assets		325
104	Usable Reserve: General Fund	8	325
104	Total Reserves		325

The unaudited accounts were authorised for issue on 26 June 2019 and the audited accounts were authorised for issue on 25 September 2019.

Judy Orr
Head of Finance and Transformation
25 September 2019

ARGYLL AND BUTE INTEGRATION JOINT BOARD

Notes to the Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 General Principles

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

The Integration Joint Board 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 Authorities 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 the Integration Joint Board will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

1.2 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the Integration Joint Board.
- Income is recognised when the Integration Joint Board has a right to the income, for instance by meeting any terms and conditions required to earn 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.

For the Integration Joint Board annual accounts a debtor and/or creditor will be recorded where the partner contributions differ from the actual net expenditure in year, this allows any surplus or deficit on the provision of services to be transferred to the reserves held by the Integration Joint Board. Where any in-year overspend exceeds reserves available the partners will make additional in-year payments, in this instance a creditor will not be recognised as future funding would be adjusted to reflect any future repayment.

1.3 Offsetting of Debtors and Creditors

ARGYLL AND BUTE INTEGRATION JOINT BOARD

Notes to the Financial Statements

The Integration Joint Board does not hold cash and cash equivalents. Instead the funding partners utilise, as directed by the Integration Joint Board, the amount of funding due to the Integration Joint Board to pay for services.

The Integration Joint Board and the funding partners have confirmed that there is a 'right of offset', and that there is an intention to allow settlement of balances to be undertaken on a net basis. On this basis the Integration Joint Board's financial statements present the balances due to and from the funding partners on a net basis rather than as separate creditors and debtors.

1.4 Funding

The Integration Joint Board is primarily funded through funding contributions from the statutory funding partners, Argyll and Bute Council and NHS Highland. Expenditure is incurred as the Integration Joint Board commissions specified health and social care services from the funding partners for the benefit of service recipients in Argyll and Bute.

1.5 Cash and Cash Equivalents

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

1.6 Employee Benefits

The Integration Joint Board 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 Integration Joint Board therefore does not present a Pensions Liability on its Balance Sheet.

The Integration Joint Board has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. Where material the Chief Officer's absence entitlement at 31 March is accrued, for example in relation to annual leave earned but not yet taken.

1.7 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

ARGYLL AND BUTE INTEGRATION JOINT BOARD

Notes to the Financial Statements

estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the Integration Joint Board'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 Integration Joint Board's Balance Sheet, but is disclosed in a note only if it is probable to arise and can be reliably measured.

Where NHS Highland or Argyll and Bute Council recognise provisions, contingent liabilities or contingent assets in relation to services included in the Integration Scheme these will be disclosed in the Integration Joint Board's Annual Accounts.

1.8 Reserves

The Integration Joint Board's reserves are classified as either Usable or Unusable Reserves. There is a Reserves Policy in place which details the nature and use of reserves.

The Integration Joint Board'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 Integration Joint Board can use in later years to support service provision.

The Integration Joint Board'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.

1.9 Indemnity Insurance

The Integration Joint Board has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Highland and Argyll and Bute Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the Integration Joint Board does not have any 'shared risk' exposure from participation in the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The Integration Joint Board's 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 Integration Joint Board's Balance Sheet.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Notes to the Financial Statements

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.

1.10 VAT Status

The Integration Joint Board is a non-taxable person and does not charge or recover VAT on its functions.

2. EVENTS AFTER THE REPORTING PERIOD

The Annual Accounts were authorised for issue on 25 September 2019. Events taking place after this date are not reflected in the financial statements or notes.

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Annual Accounts are adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – The Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material impact disclosure is made in the notes of the nature of the events and their estimated financial effect.

There are no events to report after the reporting period end.

3. EXPENDITURE AND INCOME ANALYSIS BY NATURE

31 March 2018 £'000		31 March 2019 £'000
	<i>Services Commissioned from Argyll and Bute Council and NHS Highland:</i>	
84,917	Employee Costs	86,636
8,565	Premises Costs	8,946
12,655	Supplies and Services	11,431
3,729	Transport Related Costs	3,439
124,049	Third Party Payments	131,411
(13,708)	Income	(14,328)
44,651	Primary Care Services	45,895
	<i>Other:</i>	
185	Other IJB Operating Expenditure	193

ARGYLL AND BUTE INTEGRATION JOINT BOARD
Notes to the Financial Statements

24	Fees payable to Audit Scotland - External Audit Fees	25
(264,692)	Partners Funding Contributions and Non-Specific Grant Income	(273,869)
375	(Surplus) or Deficit on the Provision of Services	(221)

Audit Scotland did not receive any fees for non-audit work.

4. TAXATION AND NON-SPECIFIC GRANT INCOME

The following taxation and non-specific grant income was recognised in the Comprehensive Income and Expenditure Statement:

31 March 2018 £'000		31 March 2019 £'000
57,579	Funding Contribution from Argyll and Bute Council	59,344
207,113	Funding Contribution from NHS Highland	214,525
264,692	Taxation and Non-specific Grant Income	273,869

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

5. DEBTORS

31 March 2018 £'000		31 March 2019 £'000
104	NHS Highland	325
-	Argyll and Bute Council	-
104	Total Debtors	325

Amounts owed by the funding partners are stated on a net basis. Debtor and Creditor balances recognised by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the Integration Joint Board.

6. CREDITORS

31 March 2018 £'000		31 March 2019 £'000
-	NHS Highland	-
-	Argyll and Bute Council	-
-	Total Creditors	-

Amounts owed to the funding partners are stated on a net basis. Debtor and Creditor balances recognised by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the Integration Joint Board.

ARGYLL AND BUTE INTEGRATION JOINT BOARD
Notes to the Financial Statements

7. RELATED PARTY TRANSACTIONS

The Integration Joint Board has related party relationships with NHS Highland and Argyll and Bute Council. In particular the nature of the partnership means that the Integration Joint Board may influence, and be influenced by, its partners. The following transactions and balances included in the Integration Joint Board's accounts are presented to provide additional information on the relationships.

Transactions with NHS Highland:

2017-18 £000		2018-19 £000
(207,113)	Funding Contributions received from NHS Highland	(214,525)
196,072	Expenditure on Services Provided by NHS Highland	203,031
(11,041)	Net Transactions with NHS Highland	(11,494)

There are key management personnel employed by NHS Highland, these costs are included in the expenditure on services provided. The non-voting Board members employed by NHS Highland include the Lead Nurse, Clinical Director for Argyll and Bute, Public Health Specialist, Lead Allied Health Professional, Lead Pharmacist, Staff Representative and representatives from primary care and medical services. Details of the remuneration, where required, is provided in the Remuneration Report.

Transactions with Argyll and Bute Council

2017-18 £000		2018-19 £000
(57,579)	Funding Contributions received from Argyll and Bute Council	(59,344)
68,995	Expenditure on Services Provided by Argyll and Bute Council	70,617
11,416	Net Transactions with Argyll and Bute Council	11,273

There are key management personnel employed by Argyll and Bute Council, these costs are included in the expenditure on services provided. The non-voting Board members employed by Argyll and Bute Council include the Chief Officer, Chief Financial Officer, Chief Social Work Officer and a Staff Representative. Details of the remuneration, where required, is provided in the Remuneration Report.

ARGYLL AND BUTE INTEGRATION JOINT BOARD
Notes to the Financial Statements

Support services are not included in the delegations from Argyll and Bute Council. These include services such as human resources, financial services, information technology and accommodation. These are provided free of charge as ‘services in kind’ and these costs are therefore not included in the expenditure of the Integration Joint Board.

8. USABLE RESERVE: GENERAL FUND

The Integration Joint Board holds a balance on the General Fund which will normally comprise one of three elements:

1. Funds that are earmarked or set aside for specific purposes. In Scotland, under Local Government rules, earmarked reserves are accounted for separately but remain legally part of the General Fund. The identification of earmarked reserves may include:
 - future use of funds for a specific purpose, as agreed by the Integration Joint Board; or
 - reserves for unspent revenue grants or contributions.
2. Funds which are not earmarked for specific purposes, but are set aside to deal with unexpected events or emergencies; and
3. Funds held in excess of the target level of reserves and the identified earmarked sums. Reserves of this nature can be spent or earmarked at the discretion of the Integration Joint Board.

The table below shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned expenditure and the amount held as a general contingency.

2017-18		2018-19		
Balance at 31 March 2018 £000		Transfers Out £000	Transfers In £000	Balance at 31 March 2019 £000
31	Mental Health Fund	(31)		0
45	Primary Care Transformation Fund	(45)	208	208
0	Technology Enabled Care		117	117
76	Total Earmarked			325
28	Contingency	(28)		0
104	General Fund	(104)	325	325

9. UNUSABLE RESERVE: EMPLOYEE STATUTORY ADJUSTMENT ACCOUNT

ARGYLL AND BUTE INTEGRATION JOINT BOARD

Notes to the Financial Statements

The Integration Joint Board's only Unusable Reserve is the Employee Statutory Adjustment Account. There is no balance for the Chief Officer's absence entitlement as at 31 March 2019 recognised in the reserve for annual leave earned but not yet taken as the amount is not material.

10. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no provisions recognised on the Balance Sheet as at 31 March 2019. There were no new provisions made during 2018-19 on behalf of the Integration Joint Board. There are historic provision balances and contingent liabilities relating to services provided prior to 1 April 2016, these will be recognised as required in the Annual Accounts of Argyll and Bute Council and NHS Highland. There would be further consideration of funding requirements for the Integration Joint Board where the historic funding of these financial provisions are insufficient and may affect the Integration Joint Board's funding arrangements in the future.

There are no identified contingent liabilities or contingent assets as at 31 March 2019 for the Integration Joint Board.

11. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income. There was an immaterial amount of non-recoverable VAT incurred by the Integration Joint Board during 2018-19

12. ACCOUNTING STANDARDS ISSUED NOT YET ADOPTED

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The IJB considers that there are no such standards which would have a significant impact on the 2018-19 Annual Accounts.

Independent auditor's report to the members of Argyll and Bute Integration Joint Board and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

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

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2018/19 Code of the state of affairs of the Argyll and Bute Integration Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 7 January 2019, and this is the first year of my appointment. I am independent of the Argyll and Bute Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Argyll and Bute Integration Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Head of Finance and Transformation has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Argyll and Bute Integration Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

I have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Head of Finance and Transformation and Argyll and Bute Integration Joint Board Audit Committee for the financial statements

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

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

The Audit Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Other information in the annual accounts

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

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

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

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

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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

John Cornett FCPFA
Audit Director
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

September 2019

Argyll and Bute Integration Joint Board Audit Committee

Those charged with Governance
Argyll and Bute Integration Joint Board

18 September 2019

Argyll and Bute Integration Joint Board Audit of 2018/19 annual accounts

Independent auditor's report

1. Our audit work on the 2018/19 annual accounts is now substantially complete. Subject to the receipt of a revised set of annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 27 September 2019 (the proposed report is attached at [Appendix A](#)).

Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Argyll and Bute Integration Joint Board's Audit Committee consideration our proposed annual report on the 2018/19 audit. The section headed "Significant findings from the audit in accordance with ISA 260" sets out the issues identified in respect of the annual accounts.
3. The report also sets out conclusions from our consideration of the four audit dimensions that frame the wider scope of public audit as set out in the Code of Audit Practice.
4. This report will be issued in final form after the annual accounts have been certified.

Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, other than those of a trivial nature and request that these misstatements be corrected.
6. We have no unadjusted misstatements to be corrected.

Fraud, subsequent events and compliance with laws and regulations

7. In presenting this report to the Argyll and Bute Integration Joint Board's Audit Committee we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

Representations from Section 95 Officer

8. As part of the completion of our audit, we are seeking written representations from the Head of Finance and Transformation on aspects of the annual accounts, including the judgements and estimates made.
9. A draft letter of representation is attached at **Appendix B**. This should be signed and returned to us by the Head of Finance and Transformation with the signed annual accounts prior to the independent auditor's report being certified.

APPENDIX A: Proposed Independent Auditor's Report

Independent auditor's report to the members of Argyll and Bute Integration Joint Board and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

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

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2018/19 Code of the state of affairs of the Argyll and Bute Integration Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 7 January 2019, and this is the first year of my appointment. I am independent of the Argyll and Bute Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Argyll and Bute Integration Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

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

- the Head of Finance and Transformation has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Argyll and Bute Integration Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

I have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Head of Finance and Transformation and Argyll and Bute Integration Joint Board Audit Committee for the financial statements

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

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

The Audit Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Other information in the annual accounts

The Head of Finance and Transformation is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the

audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

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

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

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

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

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

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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

John Cornett FCPFA
Audit Director
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

September 2019

APPENDIX B: Letter of Representation (ISA 580)

John Cornett
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

Dear John

Argyll and Bute Integration Joint Board Annual Accounts 2018/19

1. This representation letter is provided in connection with your audit of the annual accounts of Argyll and Bute Integration Joint Board for the year ended 31 March 2019 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.
2. I confirm to the best of my knowledge and belief, and having made appropriate enquiries of the Argyll and Bute Integration Joint Board's Audit Committee, the following representations given to you in connection with your audit of Argyll and Bute Integration Joint Board's annual accounts for the year ended 31 March 2019.

General

3. Argyll and Bute Integration Joint Board and I have fulfilled our statutory responsibilities for the preparation of the 2018/19 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by Argyll and Bute Integration Joint Board have been recorded in the accounting records and are properly reflected in the financial statements.
4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

Financial Reporting Framework

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (2018/19 accounting code), and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.
6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the Argyll and Bute Integration Joint Board at 31 March 2019 and the transactions for 2018/19.

Accounting Policies & Estimates

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2018/19 accounting code where applicable. Where the code does not specifically apply I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to Argyll and Bute Integration Joint Board circumstances and have been consistently applied.
8. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

9. I have assessed Argyll and Bute Integration Joint Board's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Argyll and Bute Integration Joint Board's ability to continue as a going concern.

Liabilities

10. All liabilities at 31 March 2019 of which I am aware have been recognised in the annual accounts.

Fraud

11. I have provided you with all information in relation to:
 - my assessment of the risk that the financial statements may be materially misstated because of fraud
 - any allegations of fraud or suspected fraud affecting the financial statements
 - fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

12. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

13. All material transactions with related parties have been disclosed in the financial statements in accordance with the 2018/19 accounting code. I have made available to you the identity of all the Argyll and Bute Integration Joint Board's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

14. The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Amendment Regulations 2014, and all required information of which I am aware has been provided to you.

Management commentary

15. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

Corporate Governance

16. I confirm that the Argyll and Bute Integration Joint Board has undertaken a review of the system of internal control during 2018/19 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.
17. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2019, which require to be reflected.

Events Subsequent to the Date of the Balance Sheet

18. All events subsequent to 31 March 2019 for which the 2018/19 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Judy Orr
Head of Finance and Transformation
Argyll and Bute Integration Joint Board

25 September 2019

Integration Joint Board

Agenda item: 5.4ii

Date of Meeting: 25 September 2019

Title of Report: Budget Monitoring as at 31 July 2019

Presented by: Judy Orr, Head of Finance and Transformation

The Integration Joint Board is asked to:

- Note the forecast outturn position for 2019-20 is a forecast overspend of £2.137m as at 31 July 2019 and that there is a year to date overspend of £0.435m as at the same date.

1. EXECUTIVE SUMMARY

- 1.1 This report provides a summary of the financial position of the Health and Social Care Partnership as at 31 July 2019.
- 1.2 There is a year to date overspend of £0.435m as at 31 July 2019. This consists of an overspend of £0.933m within Social Work delivered services offset by a year to date underspend of £0.498m within Health.
- 1.3 The forecast outturn position for 2019-20 is a forecast overspend of £2.137m. This consists of an overspend of £1.932m within Social Work delivered services and an overspend of £0.205m within Health.

2. INTRODUCTION

- 2.1 This report provides a summary of the financial position of the Health and Social Care Partnership as at 31 July 2019. Information is provided on both the year to date position and the forecast outturn position and is summarised at a service/activity level.

3. DETAIL OF REPORT

3.1 Year to Date Reporting within Partner Organisations

- 3.1.1 In terms of the year to date position, it should be noted that on an overall Health and Social Care Partnership basis, the year to date figures may not directly link to the forecast outturn position. This is because the Council does not undertake accrual accounting and there may be a delay in receiving invoices.

- 3.1.2 Health undertake high level monthly accrual accounting which means that expenditure and income adjustments are made at the end of each month to align expenditure and income to the correct month. There should be a correlation in the year to date position and the forecast outturn position.
- 3.1.3 Currently we have to accept that the Health and Social Care Partnership finances are recorded across two different organisations with differing financial reporting procedures. However, both parts of the organisation produce the financial forecasts on a similar basis.

3.2 Year to Date Position as at 31 July 2019

- 3.2.1 There is a year to date overspend of £0.435m as at 31 July 2019. This consists of an overspend of £0.933m within Social Work delivered services offset by a year to date underspend of £0.498m within Health. Further information is provided within Appendix 1.
- 3.2.2 Within Health delivered services the underspend is mainly due to successful appeal of rateable values following the last revaluation, rebates received, and vacancy savings. There are overspends on Adult Services linked to savings not being achieved in addition to increased costs for agency/locum staff and GP prescribing. There is also an overspend as we have not yet met our target for slippage on budget reserves which includes one-off in year allocations.
- 3.2.3 Within Social Work the overspends are mainly on Learning Disability Joint Residential and Supported Living, and Physical Disability Supported Living arising due to service demands. Within Learning Disability, the variance is caused by both a failure to deliver planned savings along with spend above budgeted levels. There are some offsetting underspends on Children & Families central management costs and Child Protection due to staffing underspends and some slippage on expenditure, and underspends on Adult Services Central management costs due to phasing and reduced demand.
- 3.2.4 There has been considerable movement from the position at the end of June which was an underspend of £0.059m. This is mainly on Social Work where the overspend has increased by £633k. Efforts have been made in July to phase budgets more closely in line with historic patterns of expenditure and expected trends, and to increase the correlation with the forecast. On Health, the underspend has increased by £137m and continues the trend experienced in the first quarter. The main cause is the revised tariffs for out of area patients. In addition, we've had a mental health long stay patient from out of our area which accounts for £60k of the in month movement and which is unusual.

3.3 Forecast Outturn Position as at 31 July 2019

- 3.3.1 The forecast outturn position for 2019-20 is a forecast overspend of £2.137m. This consists of an overspend of £1.932m within Social Work delivered services and a forecast overspend of £0.205m within Health. Further information is provided within Appendix 2.

- 3.3.2 Within Health delivered services the forecast overspend is £0.205m. The overspend is mainly linked to savings not being achieved in addition to increased costs for oncology drugs, pharmacy costs, patient referrals, and agency/locum staff. The overspend has been offset to an extent by vacancy savings and also prior year non-recurring rates rebates, and additional income following implementation of the new tariffs. This is an improvement in the position reported last month of £295k. It is expected that this overspend should be containable through on-going grip and control of expenditure during the remainder of the financial year, so no new savings were proposed in the recovery plan for Health.
- 3.3.3 Within Social Work the forecast overspend is £1.932m. This is an improvement of £374k on the position at the end of month 3. Over the remaining 8 months of the year, concerted efforts will continue to be made in order to deliver an outturn which is considerably closer to a balanced budget. Updated forecasts will be prepared each month so that progress can be tracked.
- 3.3.4 It should be noted that vacancy savings were reported as a separate line at the end of June as a late adjustment to the forecast. This month, they are included under Chief Officer, hence the large movement in that line from a negative to a positive variance. The other significant improvements are in relation to Learning Disability where the forecast overspend has reduced by £176k, Older People overspend reduced by £117k, and Physical Disability by £49k.
- 3.3.5 The biggest single area of Social Work overspend is on Learning Disability where there has been a failure to deliver anticipated savings so far, along with higher than budgeted demand. This links closely with the year to date position. Again both are affected by the same factors. The next two largest areas of forecast overspend are Physical Disability and Older People.
- 3.3.6 The most significant risk affecting the forecast outturn position for Health is the SLA for Greater Glasgow and Clyde. The IJB made a decision to reject the increase and the forecast outturn reflects this position. If this position is not accepted by Greater Glasgow and Clyde then there is a risk that the outturn overspend could increase by £2m to £3m.

3.4 Savings Delivery

- 3.4.1 As at end of July £4.557m of the target £9.823m savings have been delivered – 46% of the total. This has increased by just £104k in the last month. At this stage of the year, we are forecasting to deliver £7.6m of the savings in total by the year end – 77% of the total – little changed from the position at the end of June. Further information is provided at Appendix 3.
- 3.4.2 The shortfall for Social Work is £1.26m which is an increase from the position at end of June reflecting some increased slippage. We are no longer forecasting to deliver any saving on “1819-14 redesign of children’s residential placements” as we are forecasting an overspend in this area. We are also recognising some further slippage on the delivery of the

children's and families restructure which is about to be presented to Staff Liaison Group in August.

- 3.4.3 The shortfall for Health is very similar to the position at end of June at £0.98m. As previously indicated, the main risk relates to delivery of the new savings agreed for 2019/20 where actions are still underway. The Health savings are being tracked through the Project management Office approach co-ordinated by NHS-Highland which includes greater visibility of progress against agreed milestones. This approach is now in the process of being rolled out to Social Work savings through the Finance team.
- 3.4.4 The new Social Work savings agreed as part of the Financial Recovery Plan by IJB on 7 August will be included in future reporting on savings from the end of August. It is clear that the failure to deliver on all savings (overall shortfall of £2.242m predicted) is the key driver in the forecast outturn overspend of £2.137m.
- 3.4.5 An action tracker for undelivered savings has been developed. This records actions completed for each saving to 23rd August, and actions planned over the next 4 weeks. This is attached at Appendix 3b. Where the full amount of the savings is not being forecast to be delivered by the year end, it also records the reason for the shortfall, and what further actions are being taken to recover from the forecast shortfall which may involve alternative actions in the short term. The intention is to update this regularly and present to each meeting of the Quality and Finance Programme Board to allow full scrutiny of undelivered savings.
- 3.4.6 This appendix also includes the new savings of £700k agreed as part of the Financial Recovery Plan on 7 August 201. It should be noted that these are not included in the forecast outturn as at end of July for obvious reasons. However, given the timing of the meeting on 10 September, the opportunity has been taken to present an updated position. The forecast in this appendix is much more accurate and no longer incorporates an estimate of an average 50% delivery. Although the new savings are now included, along with the increased accuracy of forecasting, overall the improvement in delivery of all savings has only increased by £62k. This is mainly caused by increased slippage in the delivery of many of the savings and explanations for each are provided.
- 3.4.7 As a result, it is anticipated that further recovery plan actions will be required and a separate report of these further proposals is provided for consideration and discussion.

4. RELEVANT DATA AND INDICATORS

- 4.1 Information is derived from the financial systems of NHS Highland and Argyll and Bute Council.

5. CONTRIBUTION TO STRATEGIC PRIORITIES

- 5.1 The Integrated Joint Board has a responsibility to set a budget which is aligned to the delivery of the Strategic Plan and to ensure the financial decisions are in line with priorities and promote quality service delivery.

This needs to be considered when options are developed to balance the budget.

6. GOVERNANCE IMPLICATIONS

6.1 Financial Impact – The forecast outturn position for 2019-20 is a forecast overspend of £2.137m as at 31 July 2019. A financial recovery plan was agreed by IJB on 7 August 2019 and this is being progressed. The new savings agreed at that meeting will be tracked in future budget monitoring reports.

6.2 Staff Governance – None directly from this report but there is a strong link between HR and delivering financial balance.

6.3 Clinical Governance - None

7. EQUALITY AND DIVERSITY IMPLICATIONS

7.1 None directly from this report but any proposals to address the estimated budget gap will need to consider equalities.

8. RISK ASSESSMENT

8.1 There are a number of financial risks which are worth highlighting:

- We are accounting for costs relating to services provided by NHS Greater Glasgow & Clyde as generally in line with budget. There is a significant risk associated with this approach as we are aware that NHS GG&C is likely to seek a substantially higher payment than we are willing to offer. The scale of this risk could be in the region of £3m.
- NHS GG&C are requesting a £1.3m payment in respect of waiting times activity for 19/20. Funding has not been received from NHS Highland for waiting times activity out with Argyll and Bute and we have advised NHS GG&C that we are unable to agree to their request.
- The value of Paid As If At Work payments in respect of overtime and excess hours is unknown at present and is not accounted for in the forecast position
- A fair share of the allocation for the employer's superannuation increase is expected. However, the risk of a potential shortfall in this funding should be noted.

9. PUBLIC AND USER INVOLVEMENT AND ENGAGEMENT

9.1 None directly from this report but any proposals to address the estimated budget gap will need to take into consideration local stakeholder and community engagement.

10. CONCLUSIONS

10.1 This report provides a summary of the financial position of the Health and Social Care Partnership as at 31 July 2019. The forecast outturn position

for 2019-20 is a forecast overspend of £2.137m. A financial recovery plan to return the H&SCP to a breakeven position was agreed by IJB on 7 August 2019. It is pleasing to see that the position at end of July has improved by £669k from that forecasted at end of June and this is in line with the anticipated position as reported to the IJB on 7 August.

- 10.2 The Strategic Leadership Team continues to meet on a regular basis to gain grip and control of the financial position. It is hoped the financial position will improve over the remaining months of this financial year.

11. DIRECTIONS

Directions required to Council, NHS Board or both.	Directions to:	tick
	No Directions required	√
	Argyll & Bute Council	
	NHS Highland Health Board	
	Argyll & Bute Council and NHS Highland Health Board	

APPENDICES:

Appendix 1 – Year to Date Position as at 31 July 2019

Appendix 2 – Forecast Outturn for 2019-20 as at 31 July 2019

Appendix 3a – Savings achieved and forecast as at 31 July 2019

Appendix 3b – Unachieved savings action tracker

Reporting Criteria: +/- £50k or +/- 10%

For information:

The Council don't do monthly based accrual accounting, whereas Health do.

On the Council side, there may be a mismatch between year to date actual and budgets, due to timing differences as to when invoices are paid.

Health do monthly based accrual accounting, therefore, you should see a correlation in the year to date position and the year end outturn position.

Service	Actual £000	Budget £000	Variance £000	% Variance	Explanation
COUNCIL SERVICES:					
Chief Officer	235	246	11	4.5%	The YTD variance is outwith reporting criteria.
Children and Families Central Management Costs	658	793	135	17.0%	The YTD underspend is mainly due to staffing underspends in the admin teams, a delayed payment for rental charges at MAHICC, and an underspend on third party payments partially offset by slippage on the delivery of agreed savings (£16k).
Child Protection	871	1,033	162	15.7%	The YTD underspend is mainly due to underspends in staffing, travel and supplies and services costs in the Children and Families area teams and lower than expected demand for contact and welfare services. The YTD staffing underspend arises due to the delay in processing vacancy savings which are expected to be addressed during the August period.
Children with a Disability	279	285	6	2.1%	The YTD variance is outwith reporting criteria.
Criminal Justice	57	78	21	26.9%	The YTD underspend is mainly due to underspends on staffing, as well as higher than expected YTD income receipts partially offset by overspends on third party payments.
Looked after children	2,304	2,157	(147)	-6.8%	The YTD overspend is mainly due to overspends on premises costs due to safety maintenance work at Shellach View, third party payments arising due to service demand for residential placements and slippage on the delivery of agreed savings (£67k).
Adult Services Central Management Costs	85	247	162	65.6%	The YTD underspend is mainly related to the phasing of additional funding related to switching the sleepover charge rate to being based on the Scottish Living Wage and demand for services for young adults partially offset by slippage on the delivery of agreed savings (£13k).
Learning Disability	4,387	3,758	(629)	-16.7%	The YTD overspend is mainly due to the YTD slippage on the delivery of agreed savings (£278k) and overspends on third party payments arising due to service demand in supported living and residential care services.
Mental Health	793	813	20	2.5%	The YTD variance is outwith reporting criteria.
Older People	9,821	9,351	(470)	-5.0%	The YTD overspend is mainly due to overspends on staffing in homecare and the HSCP residential homes, third party payments in care home placements and slippage on agreed savings (£219k) partially offset by higher than budgeted income in home care.
Physical Disability	804	603	(201)	(33.3%)	The YTD overspend is mainly due to overspends on third party payments in supported living and residential care services and adaptations arising due to service demand and lower than expected income from fees and charges.
Strategic Planning & Performance	127	124	(3)	-2.4%	The YTD variance is outwith reporting criteria.
COUNCIL SERVICES TOTAL	20,421	19,488	(933)	(4.8%)	

ARGYLL AND BUTE HEALTH AND SOCIAL CARE PARTNERSHIP
REVENUE BUDGET MONITORING SUMMARY - YEAR TO DATE POSITION AS AT 31 JULY 2019

APPENDIX 1

Reporting Criteria: +/- £50k or +/- 10%

For information:

The Council don't do monthly based accrual accounting, whereas Health do.

On the Council side, there may be a mismatch between year to date actual and budgets, due to timing differences as to when invoices are paid.

Health do monthly based accrual accounting, therefore, you should see a correlation in the year to date position and the year end outturn position.

Service	Actual £000	Budget £000	Variance £000	% Variance	Explanation
HEALTH SERVICES:					
Adult Services - West	18,410	17,940	(470)	-2.6%	Savings not being achieved and several budget overspends, including: Psychiatric medical services - locums, LIH Day Bed Unit - oncology drugs, Mull Medical Group - GP locums, LIH wards - agency nurses, LIH Laboratory - agency staffing and non pay costs, GP prescribing, LIH medical staffing, Flu vaccine costs, mobile CT scanner costs
Adult Services - East	9,932	9,908	(24)	-0.2%	Outwith reporting criteria.
Children & Families Services	2,293	2,332	39	1.7%	Outwith reporting criteria.
Commissioned Services - NHS GG&C	21,163	21,164	1	0.0%	Outwith reporting criteria.
Commissioned Services - Other	1,151	1,282	131	10.2%	Underspend due to no current admissions to private sector eating disorder units and low activity on Scottish Board's cost per case treatments (not all reports received)
General Medical Services	5,541	5,633	92	1.6%	Prior year non-recurring rates rebates
Community and Salaried Dental Services	1,084	1,325	241	18.2%	Mainly due to vacancies
Other Primary Care Services	3,262	3,262	0	0.0%	Outwith reporting criteria.
Public Health	539	618	79	12.9%	Vacancies and slippage on in year allocations
Lead Nurse	463	526	63	12.1%	Vacancies
Management Service	705	905	200	22.1%	Non-recurring prescribing rebate and vacancies
Planning & Performance	617	617	(0)	0.0%	Outwith reporting criteria.
Depreciation	814	837	24	2.8%	Outwith reporting criteria.
Income	(702)	(511)	191	-37.5%	Revised tariffs implemented for 19/20.
Estates	1,664	1,785	121	6.8%	Prior year non-recurring rates rebates
People & Change	184	193	9	4.7%	Outwith reporting criteria.
Budget Reserves	0	(200)	(200)	100.0%	Uncertainty over the value of SG allocations
HEALTH SERVICES TOTAL	67,119	67,618	498	0.7%	
GRAND TOTAL	87,540	87,106	(435)	(0.5%)	

REVENUE BUDGET MONITORING FORECAST OUTTURN - AS AT 31 JULY 2019

Reporting Criteria: +/- £50k or +/- 10%

Service	Annual Budget £000	Forecast Outturn £000	Variance £000	% Variance	Explanation
COUNCIL SERVICES:					
Chief Officer	221	(27)	248	112.2%	The forecast underspend arises due to the forecast over recovery of vacancy savings (£209k) and third party payments partially offset by slippage on agreed savings (£149k)
Children and Families Central Management Costs	2,571	2,655	(84)	(3.3%)	The forecast overspend arises mainly due to slippage on agreed savings (£120k).
Child Protection	3,434	3,336	98	2.9%	The forecast underspend arises mainly due to lower than anticipated service demand for contact and welfare services.
Children with a Disability	863	819	44	5.1%	The forecast variance is outwith reporting criteria.
Criminal Justice	124	113	11	8.9%	The forecast variance is outwith reporting criteria.
Looked after children	7,020	7,123	(103)	(1.5%)	The forecast overspend arises due to demand and slippage on agreed savings in residential placements (£200k) partially offset by underspends in fostering arising due to lower than budgeted service demand.
Adult Services Central Management Costs	803	466	337	42.0%	The forecast underspend reflects an adjustment for cost and demand pressure funding held centrally in Adult Services for growth in demand for younger adult services and the impact of the switch to a sleepover cost rate based on the Scottish Living Wage. These are partially offset by slippage on the delivery of agreed savings (£21k).
Learning Disability	10,001	11,092	(1,091)	(10.9%)	The forecast overspend reflects higher than budgeted demand for services and slippage on agreed savings (£407k).
Mental Health	1,989	1,909	80	4.0%	The forecast underspend arises due to lower than budgeted demand for residential care, community support and supported living services.
Older People	29,919	30,565	(646)	(2.2%)	The forecast overspend reflects higher than budgeted demand for care home placements and homecare and slippage on agreed savings (£328k) partially offset by higher than expected income from care home fees in the HSCP residential units.
Physical Disability	1,362	2,191	(829)	(60.9%)	The forecast overspend reflects higher than budgeted demand for service and slippage on agreed savings (£14k).

Strategic Planning & Performance	421	418	3	0.7%	The forecast variance is outwith reporting criteria.
COUNCIL SERVICES TOTAL	58,728	60,660	(1,932)	(3.3%)	
HEALTH SERVICES:					
Adult Services - West	53,380	54,589	(1,209)	(2.2%)	Savings not being achieved and several budget overspends, including; Psychiatric medical services - locums, LIH Day Bed Unit - oncology drugs, Mull Medical Group - GP locums, LIH wards - agency nurses, LIH Laboratory - agency staffing and non pay costs, GP prescribing, LIH medical staffing, Flu vaccine costs
Adult Services - East	29,798	29,900	(102)	(0.3%)	Savings not being achieved and budget overspends on GP prescribing
Children & Families Services	7,000	6,925	75	1.1%	Mainly due to vacancies
Commissioned Services - NHS GG&C	63,491	63,741	(250)	(0.4%)	Cost of new expensive drugs for Cystic Fibrosis
Commissioned Services - Other	3,844	3,794	50	1.3%	Outwith reporting criteria.
General Medical Services	17,284	17,144	140	0.8%	Prior year non-recurring rates rebates
Community and Salaried Dental Services	3,975	3,769	206	5.5%	Mainly due to vacancies
Other Primary Care Services	9,600	9,600	0	0.0%	Outwith reporting criteria.
Public Health	1,881	1,811	70	3.9%	Mainly due to vacancies
Lead Nurse	1,492	1,462	30	2.1%	Outwith reporting criteria.
Management Service	2,707	2,417	290	12.0%	Mainly due to vacancies
Planning & Performance	2,191	2,171	20	0.9%	Outwith reporting criteria.
Depreciation	2,512	2,478	34	1.4%	Outwith reporting criteria.
Income	(1,533)	(1,833)	300	(16.4%)	Revised tariffs implemented for 19/20.
Estates	5,328	5,198	130	2.5%	Prior year non-recurring rates rebates
People & Change	579	568	11	1.9%	Outwith reporting criteria.
Budget Reserves	1,799	1,799	0	0.0%	Outwith reporting criteria.
HEALTH SERVICES TOTAL	205,328	205,533	(205)	(0.1%)	
GRAND TOTAL	264,056	266,193	(2,137)	(0.8%)	

ARGYLL & BUTE SOCIAL WORK SAVINGS PLAN 2019/20

Ref.	Savings Description	Manager	Year to 31 July 2019				Full Year Forecast			
			Target	Achieved	Unachieved	%	Achievement	Shortfall	%	
			£' 000	£' 000	£' 000	Achieved	£' 000	£' 000	Achieved	
1819-7	Thomson Court	Jane Williams	10	0	10	0%	5	5	50%	
1819-8	Assessment and Care Management	Jim Littlejohn/Donald Watt	42	0	42	0%	21	21	50%	
1819-14	Redesign of Internal and External Childrens Residential Placements	Pamela Hoey	200	0	200	0%	0	200	0%	Reduced - over-spend forecasted and children's homes currently full
1819-15	Children and Families Management Structure	Alex Taylor	150	0	150	0%	30	120	20%	Reduced - slippage on implementation
1819-17	School Hostels review of Catering, Cleaning and Income Generation	Alex Taylor	60	60	0	100%	60	0	100%	
1819-19	Review and Redesign of Physical Disability Services	Jim Littlejohn/Donald Watt	28	0	28	0%	14	14	50%	
1819-19	Review and Redesign of Learning Disability Services - Sleepovers and Technology Argyll Wide	Jim Littlejohn/Donald Watt	299	0	299	0%	149	150	50%	
1819-19	Review and Redesign of Learning Disability Services - Packages of Care Cowal	Alison McKerracher	125	0	125	0%	62	63	50%	
1819-19	Review and Redesign of Learning Disability Services - Packages of Care Helensburgh	Linda Skrastin	152	0	152	0%	76	76	50%	
1819-19	Review and Redesign of Learning Disability Resource Centres	Jim Littlejohn/Donald Watt	36	36	0	100%	36	0	100%	Fully achieved
1819-19	Review and Redesign of Learning Disability Rothesay Resource Centre	Jane Williams	14	0	14	0%	7	7	50%	
1819-19	Review and Redesign of Learning Disability Assist Cowal Resource Centre	Jayne Lawrence Winch	30	0	30	0%	15	15	50%	
1819-19	Review of Ext Residential Learning Disability Placements	Jim Littlejohn/Donald Watt	194	0	194	0%	97	97	50%	
1819-22	Adult Care West - Restructure of Neighbourhood Teams (SW & Health)	Donald Watt	250	0	250	0%	125	125	50%	
1819-25	Older People Day/Resource Centre - Address high levels of management - consolidate opening hours - shared resource	Jim Littlejohn/Donald Watt	212	0	212	0%	106	106	50%	
1819-31	Integrate HSCP Admin, digital Tech and Central Appoint System	Stephen Whiston	125	0	125	0%	63	63	50%	
1819-33	Catering, Cleaning and other Ancillary Services	Stephen Whiston	100	30	70	30%	65	35	65%	
1819-40	SLA and Grants operate within allocation	Brian Reid	23	0	23	0%	0	23	0%	Unachievable
1819-41	Criminal Justice - Manage Service within SG Grant Allocation	Shona Williams	20	20	0	100%	20	0	100%	
1819-42	Contract Management reducing payments to Commissioned External providers	Jim Littlejohn/Donald Watt	33	0	33	0%	17	16	52%	
1819-45	Review Care Management - consistent application of Priority of Need Framework	Jim Littlejohn/Donald Watt	107	107	0	100%	107	0	100%	
1819-46	Adopt a Single Community Team Approach to undertaking Assessment and Care Management	Jim Littlejohn/Donald Watt	120	0	120	0%	60	60	50%	
1819-47	Withdrawal of Lunch Club and Meals on Wheels	Jim Littlejohn/Donald Watt	31	0	31	0%	16	15	52%	
1819-49	Amend Non-Residential Charging Policy	Jim Littlejohn	113	113	0	100%	113	0	100%	
1920-10	Increase Workforce Vacancy Savings	David Forshaw	156	156	0	100%	156	0	100%	
1920-13	Right-size External Care Home Budget	Jim Littlejohn	400	400	0	100%	400	0	100%	
1920-14	Amend Charging Order Income Budget	David Forshaw	120	120	0	100%	120	0	100%	
1920-15	Right-size Children & Families Budgets in line with tighter control CRP	Mark Lines	100	100	0	100%	100	0	100%	
1920-16	Criminal Justice - Manage Service within SG Grant Allocation	Shona Williams	20	20	0	100%	20	0	100%	
1920-18	Right-size Non-Residential Income Budgets	David Forshaw	160	160	0	100%	160	0	100%	
1920-19	Right-size budget for external care home placements (mental health) – in line with spend.	Jim Littlejohn/Donald Watt	154	154	0	100%	154	0	100%	
1920-20	Recovery of unused funds from clients who receive Direct Payments.	David Forshaw	40	40	0	100%	40	0	100%	
1920-21	Right-size income budget for clients in residential homes.	David Forshaw	29	29	0	100%	29	0	100%	
1920-33	Review of management structure	Joanna Macdonald	102	0	102	0%	51	51	50%	
1920-37	Permanently close the moth-balled dementia day service based at Ardfenaig Bungalow, Ardrishaig. Dementia Day Services.	Donald Watt	71	71	0	100%	71	0	100%	

ARGYLL & BUTE SOCIAL WORK SAVINGS PLAN 2019/20

Ref.	Savings Description	Manager	Target £' 000	Year to 31 July 2019			Full Year Forecast		
				Achieved £' 000	Unachieved £' 000	% Achieved	Achievement £' 000	Shortfall £' 000	% Achieved
Totals			3,826	1,616	2,210	42%	2,565	1,262	67%

ARGYLL & BUTE HEALTH SAVINGS PLAN 2019/20

Ref.	Savings Description	Manager	Target £' 000	Year to 31st July 2019			Full Year Forecast		
				Achieved £' 000	Unachieved £' 000	% Achieved	Achievement £' 000	Shortfall £' 000	% Achieved
1819-4	Closure of West House / Argyll & Bute Hospital site	David Ross	120	0	120	0%	120	0	100%
1819-5	Closure of Aros (running costs)	Sandy Wilkie	40	0	40	0%	40	0	100%
1819-10	Medical Physics department - HAU109	Caroline Henderson	2	0	2	0%	2	0	100%
1819-16	Children & Families services staffing	Alex Taylor	50	0	50	0%	50	0	100%
1819-30	Admin pays - Lochgilphead	Donald Watt	5	5	0	100%	5	0	100%
1819-32	Domestic services - Argyll & Bute wide	?	25	0	25	0%	10	15	40%
1819-32	Portering services - Argyll & Bute wide	?	5	0	5	0%	0	5	0%
1819-44	Advanced Nurse Practitioners - Oban	Caroline Henderson	14	0	14	0%	0	14	0%
1819-48	Value Management Structure for AHPs	Linda Currie	10	0	10	0%	0	10	0%
1819-53	Vehicle Fleet Services	Stephen Whiston	40	22	18	55%	40	0	100%
1819-54	OLI efficiency target - 1% target	Lorraine Paterson	11	9	2	84%	11	0	100%
1819-55	Lead Nurse	Liz Higgins	5	0	5	0%	5	0	100%
	Reduction to Investment Fund	-	247	247	0	100%	247	0	100%
1920-0	Complex care packages funded via NHS Highland	Liz Higgins	400	400	0	100%	400	0	100%
1920-1	Provision of drugs for Hepatitis C (GGC)	Stephen Whiston	40	40	0	100%	40	0	100%
1920-2	Income from patients services etc	Stephen Whiston	100	0	100	0%	100	0	100%
1920-3	Health Promotion Discretionary Budgets	Alison McGrory	100	46	54	46%	46	54	46%
1920-4	Review of Service Contracts	Lorraine Paterson	100	0	100	0%	0	100	0%
1920-5	Flight costs for patients attending appointments	Lorraine Paterson	100	87	13	87%	100	0	100%
1920-6	Ferry ticket costs for staff and patients	Lorraine Paterson	25	0	25	0%	0	25	0%
1920-7	Accommodation and subsistence costs for staff	George Morrison	50	0	50	0%	0	50	0%
1920-8	GP Prescribing	Fiona Thomson	500	67	433	13%	500	0	100%
1920-9	Workforce vacancy savings	George Morrison	750	750	0	100%	750	0	100%
1920-11	Slippage on SG in-year allocations and budget reserves	George Morrison	1,000	0	1,000	0%	1,000	0	100%
1920-12	Remove reprovision reserve	George Morrison	500	500	0	100%	500	0	100%
1920-17	Knapdale Ward	Donald Watt	115	115	0	100%	115	0	100%
1920-22	Dunoon Medical Services	Rebecca Heliwell	100	0	100	0%	0	100	0%
1920-30	Alcohol and Drugs Partnership Funding	Sandra Cairney	138	138	0	100%	138	0	100%
1920-31	Review of SLAs with GGC	Stephen Whiston	345	19	326	6%	67	278	19%
1920-32	Review of management structure	Joanna MacDonald	200	0	200	0%	0	200	0%
1920-34a	Integrated Care Fund - OLI	Lorraine Paterson	23	23	0	100%	23	0	100%
1920-34b	Integrated Care Fund - MAKI	Donald Watt	25	25	0	100%	25	0	100%
1920-34c	Integrated Care Fund - C&B	Alison McKerracher	28	0	28	0%	28	0	100%
1920-34d	Integrated Care Fund - H&L	Jim Littlejohn	24	24	0	100%	24	0	100%
1920-35	Bed reduction savings : Dunoon	Alison McKerracher	150	0	150	0%	150	0	100%
1920-36	Mental Health Bridging Funding	-	300	300	0	100%	300	0	100%
1920-38a	LIH Theatre nurse staffing - HAK112	Caroline Henderson	60	22	38	37%	22	38	37%
1920-38b	Lorn & Islands Hospital staffing	Lorraine Paterson	200	52	148	26%	109	91	55%
1920-39	Learning Disabilities	Nikki Gillespie	50	50	0	100%	50	0	100%
Totals			5,997	2,941	3,056	49%	5,017	980	84%

forecast increased

forecast reduced

 savings declared but forecast reduced
 savings declared and forecast increased

ARGYLL & BUTE HSCP TOTAL SAVINGS PLAN 2019/20

9,823	4,557	5,266	46%	7,581	2,242	77%
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ARGYLL & BUTE SOCIAL WORK SAVINGS PLAN 2019/20

Ref.	Unachieved Savings Description	Manager	Updated			Actions completed to 23rd August	Actions planned for next 4 weeks	What planned actions will achieve	Why there is a forecast shortfall in the saving?	What are we doing to recover from forecast shortfall
			Target £' 000	Achieved £' 000	Forecast £' 000					
1819-7	Thomson Court	Jane Williams	10	0	0	temporary manager appointed for 6 months so saving not achievable for that time period	None		Original plans to deliver change in staffing not achievable this year	Not yet identified
1819-8/46	Assessment and Care Management - Adopt a Single Community Team Approach	Jim Littlejohn/Donald Watt	162	0	0	no detailed plan for staff savings yet through integration of teams	Being progressed as part of Transforming Together workstream and ACRG		Original plans to deliver change in staffing not achievable this year	Not yet identified
1819-14	Redesign of Internal and External Childrens Residential Placements	Alex Taylor	200	0	0	Service reviews, adoption, CARO all completed to create capacity. However budget is volatile. 2 external placements have recently returned and 1 moved to foster care placement. Core & cluster unit in Helensburgh now available and being used. Reduced overspend	ongoing reviews of external care placements in place. Continuing to work to prevent further external placements.	still uncertain if saving will be definitely achieved	Change in demand	Not yet identified
1819-15	Children and Families Management Structure	Alex Taylor	150	0	0	Plan presented to Staff Liaison on 23rd Aug 2019.	Agreed to take the plan to the next stage and agree JDs and joint HR process. Aim to implement as of 1 April 2020. Considering alternatives to make up for shortfall		Lengthy and Difficult HR processes	Not yet identified
1819-19	Review and Redesign of Physical Disability Services	Jim Littlejohn/Donald Watt	28	0	14	On going case reviews being undertaken	Detailed plan to be developed. Assessing level of progress with of case reviews		Lack of progress with case reviews	Not yet identified
1819-19	Review and Redesign of Learning Disability Services - Sleepovers and Technology Argyll Wide; Rothesay Resource Centre, Assist Cowal Centre, External residential placements, packages of care	Jim Littlejohn/Donald Watt	814	0	0	1. on-going review and reduction of sleepovers from 90 to 80. 2. Helensburgh LD Services are projecting an overspend of £128,003. Savings are being made but as the budget is still in deficit unable to demonstrate progress. Two separate savings totalling £100k 3. Interim Manager Struan in-patients following retiral	1. Proposal for SIO for learning disability being prepared to increase focus on delivering these savings and increasing use of core and cluster facilities. 2. Targeted review of Priority 3 clients and SDS clients planned 3. Joint campus of ASSIST/Struan Day services proposed. Aiming 1 campus manager as a result of co-location and resource sharing.	Unlikely to deliver any of these savings targets this year	Lack of targeted suitably skilled resource on LD services	Not yet identified
1819-22	Adult Care West - Restructure of Neighbourhood Teams (SW & Health)	Donald Watt	250	0	50	Kintyre area re-design planned and will deliver £71k p.a. saving but only part for this year.	Mid Argyll and Oban staff re-designs progressing. Proposed model to go to Transformation Board 3 Sept, then to go to SLT for consideration, following success in Kintyre.	£50k max to be achieved	not being implemented till late in year	Not yet identified
1819-25	Older People Day/Resource Centre - Address high levels of management - consolidate opening hours - shared resource	Jim Littlejohn/Donald Watt	212	0	0	Not yet agreed change of duties to campus management. Interim managers appointed. Each service requires own management at present	Looking at Struan Lodge campus as a proof of concept and developing proposal for this	Unlikely to achieve any of the saving this year	Delay in progressing restructuring	Not yet identified
1819-31	Integrate HSCP Admin, digital Tech and Central Appoint System	Alex / Jim / Donald	125	0	62	Project was shelved and re-assigned to individual Heads. Admin reviewed for Social Work - no further plans at present. £20k to be declared in August Ongoing review through workforce monitoring	Planning to use NDL mobile next year and further extend use of CareFirst to make admin more efficient. Electronic patient records will improve for future		Previous admin review was closed without delivering planned savings	Not yet identified
1819-33	Catering, Cleaning and other Ancillary Services	Jim Littlejohn/Donald Watt	100	30	65	Catering review on shared services basis is continuing with Council. On-going grip and control for all purchases	1. Options appraisal to be completed on catering by mid September 2. Procurement Team to be requested to carry out spend analysis on food items		Progress on shared services slower than anticipated	Confident that these savings will be delivered longer term
1819-40	SLA and Grants operate within allocation	Alex Taylor	23	0	0	Have met with some SLA providers	Reviews will commence of SLAs - to complete over the Autumn - in conjunction of review of children with disability	Unlikely to achieve saving	Delays in reviewing SLA, and difficulties anticipated in reducing costs	Not yet identified
1819-42	Contract Management reducing payments to Commissioned External providers	Jim Littlejohn/Donald Watt	33	0	17	List of all SLAs prepared and circulated to SLT Inflationary uplifts challenged	Reviews of SLAs will be scheduled and external providers to be asked to provide savings. Review usage of specific contracts related to dementia services / community resilience		Delays in reviewing SLA, and difficulties anticipated in reducing costs	Not yet identified
1819-47	Withdrawal of Lunch Club and Meals on Wheels	Jim Littlejohn/Donald Watt	31	0	31	Savings achieved but not yet posted to ledger	Finance to declare the savings		N/A	N/A
1920-33	Review of management structure	Joanna Macdonald	102	0	51	Structure finalised and out to consultation	Vacant posts to be declared as savings on Islay and Mull		Delay in progressing restructuring	Vacancy savings being accrued meantime

Ref.	Unachieved Savings Description	Manager	Target	Achieved	Forecast	Actions completed to 23rd August	Actions planned for next 4 weeks	What planned actions will achieve	Why there is a forecast shortfall in the saving?	What are we doing to recover from forecast shortfall
			£' 000	£' 000	£' 000					
1920-40	Implement best practice approaches for care at home and re-ablement across all areas following Bute pilot	Jim Littlejohn/ Donald V	300	0	300	<ol style="list-style-type: none"> Resources Team developed plan for implementing Homecare Plan in stages Homecare plan discussed with LM/LAM in first two areas for roll out (OLI/Kintyre) Kintyre Community Team paper amended to increase HCPO resource for the plan implementation Progress stalled due to no time-release for support to areas and delay in Community Team establishment (so delay in post/remit changes) Resources Team Leads made pivotal in ACRG funding processes Single funding and commissioning process map drafted to support consistent practice across HSCP Service Improvement Officer collated information on reablement showing wide variation across HSCP. No measurement information available but ACRG found previous additional resources have not resulted in step-change in reablement delivery and outcomes Reablement HoS/AHP/AHP Tls meetings did not resolve reablement resource and pathway issues 	<ol style="list-style-type: none"> Paper for HoS/senior managers on Resources work/proposals and required decisions B&C requires the additional FTE post of HCPO to be made permanent, unlikely to be able to determine the requirement in other areas but there is an evidenced clear considerable financial benefit to shifting care planning and review to HCPO posts Decision-making at SLT level on resourcing TL support for implementation of Homecare Plan SLT decision on formally re-aligning the previously funded reablement and additional reablement OT reablement 	Required/requires re-alignment of Community Team staff and roles and clear SLT support for Resources pivotal position in managing demand (maximising assets and independence) so that individuals, teams etc. do not view change as optional but rather as entirely supported by SLT.	N/A	N/A
1920-41	Extend use of external home care transferring hours as gaps occur	Jim Littlejohn/ Donald V	33	0	33	70 out of 100 hours identified and being transferred	Further hours to be identified		N/A	N/A
1920-42	Step up/step down of externally purchased care to be suspended except for exceptional cases	Jim Littlejohn/ Donald V	227	0	227	Case reviews now ongoing with a view to reduce the forecast overspend	All requests to be scrutinised as they arise. Utilise in house provision as priority. Finance to provide details of previous year's activity to aid		N/A	N/A
1920-43	Cap on overtime on homecare	Jim Littlejohn/ Donald V	87	0	87	Cap applied. Exceptional cases to HoS for approval. To reduce forecast overspend	Ongoing grip and control		N/A	N/A
1920-44	Reduction on adult services social work travel	Jim Littlejohn/ Donald V	25	0	25	Grip and control	Ongoing grip and control		N/A	N/A
1920-45	Planned changes in staffing	Jim Littlejohn/ Donald V	28	0	28	Bowman Court structure and ECCT staff grades reviewed.	Progress implementation plans for moving to new structures		N/A	N/A
Totals			2,940	30	990					

ARGYLL & BUTE HEALTH SAVINGS PLAN 2019/20

Ref.	Savings Description	Manager	Target	Achieved	Forecast	Actions completed to 23rd August	Actions planned for next 4 weeks	What planned actions will achieve	Why there is a forecast shortfall in the saving?	What are we doing to recover from forecast shortfall
			£' 000	£' 000	£' 000					
1819-4	Closure of West House / Argyll & Bute Hospital site	David Ross	120	0	120	With the exception of the stand alone central store Argyll & Bute Hospital closed in November 2018. Sterilisation of the site in line with NHS Highland Closure Policy was completed by May 2019. Main boiler was shut down after closure. Electrical and water services continue to be supplied, however usage is minimal. Water services from the A&B site private supply continue to serve the Mid Argyll Hospital, Aros residences and offices and some adjoining private households.	Discussions are ongoing with Scottish Water with a view to a new adopted mains supply, however in the meantime water usage will be minimal. An HV electrical transformer and telephone switch require to be removed/relocated to allow full electrical shut down - discussions are continuing on this.	Further reduce usage/cost of electricity and water	N/A	N/A
1819-5	Closure of Aros (running costs)	Charlotte Craig	40	0	40	The main block is mostly vacated with occupancy now limited to the former finance area and back courtyard areas. However full shut down of services cannot be achieved until Aros residences are provided with a stand alone boiler and the areas that continue to be occupied are vacated.	Progress phase 2 relocation	partial shutdown will achieve a reduction in running costs however closure would maximise this	N/A	N/A
1819-10	Medical Physics department - HAU109	Caroline Henderson	2	0	2		Two vacant posts at present. Interviews planned.	Review of Non-Pays and contracts underway. Savings achievable.	N/A	N/A

Ref.	Unachieved Savings Description	Manager	Target	Achieved	Forecast	Actions completed to 23rd August	Actions planned for next 4 weeks	What planned actions will achieve	Why there is a forecast shortfall in the saving?	What are we doing to recover from forecast shortfall
			£' 000	£' 000	£' 000					
1819-16	Children & Families services staffing	Alex Taylor	50		50	Plan presented to Staff Liaison on 23rd Aug 2019. Agreed to take the plan to the next stage and agree JDs and joint HR process.			N/A	N/A
1819-32	Domestic & portering services - Argyll & Bute wide	Jim Littlejohn/ Donald V	30		10		Review of budgets to be completed and vacancies declared			Not yet identified
1819-44	Advanced Nurse Practitioners - Oban	Caroline Henderson	14		0	The ANP role was funded from reduction in Junior Doc hours, essential role to support clinical care & Jnr Doc rota.			Savings can not come from these posts, which are essential.	May be able to reduce usage of locum junior doctors?
1819-48	Value Management Structure for AHPs	Linda Currie	10		0	The AHP Value Management Structure cannot release direct savings because each teams budget sits in locality and the locality declare any savings attributed from the AHP budget.				asking staff if they would like to reduce hours
1819-53	Vehicle Fleet Services	Stephen Whiston	40	22	40	Savings achieved via review of vehicles	Order for Telematics placed in August - installation September/October	Telematics installation will provide performance information on fuel use and asset utilisation expected saving will occur from November 2019	N/A	N/A
1819-54	OLI efficiency target - 1% target	Donald Watt	11	9	11	8,900 declared for OLI.	£2k to be declared over next 4 weeks		N/A	N/A
1819-55	Lead Nurse	Liz Higgins	5	0	5		£5k to be declared over next 4 weeks		N/A	N/A
1920-2	Income from patients services etc	Stephen Whiston	100	0	100	Completed tariff pricing review and increase in charge to conform with all other Boards	New tariffs notified to Boards and charging process instigated for the remainders of the year	Delivery of income expected from September/October	N/A	N/A
1920-3	Health Promotion Discretionary Budgets	Alison McGrory	100	46	46	Non-recurring staff saving at present to cover the shortfall for this year. Unable to predict for next year yet.			Staff member currently on secondment to GG&C, but do not know if they will return from secondment hence cannot declare a recurring saving	N/A
1920-4	Review of Service Contracts	Donald Watt	100	0	0	List of all SLAs prepared and circulated to SLT Inflationary uplifts challenged	Reviews of SLAs will be scheduled and external providers to be asked to provide savings. Review usage of specific contracts related to dementia services / community resilience		Delays in reviewing SLAs, and difficulties anticipated in reducing costs	Not yet identified
1920-5	Flight costs for patients attending appointments	Donald Watt	100	87	100	To be booked direct rather than through travel agent	Three bookings to be reviewed		N/A	N/A
1920-6	Ferry ticket costs for staff and patients	Donald Watt	25	0	0		won't achieve			Not yet identified
1920-7	Accommodation and subsistence costs for staff	George Morrison	50	0	50	grip and control ongoing. Dependent on use of locums and agency staff. New instruction from NHS-H not to provide accommodation for new medical locums.	saving to be identified year to date		N/A	N/A
1920-8	GP Prescribing	Fiona Thomson	500	67	500	PIDs completed and all actions identified. Key actions include changing to more cost effective formulary choices, reviewing medication no longer recommended, medicines optimisation, and reviewing prescribing process to reduce waste. Implementation plans in place and work has commenced	Teams continue to implement plans	Expect full delivery of savings	N/A	N/A
1920-11	Slippage on SG in-year allocations and budget reserves	George Morrison	1,000	0	1,000	Track record of delivering previously. However more in year allocations are being ring fenced which may make this more difficult	Will only declare this in last quarter of year	Expect full delivery of savings	N/A	N/A
1920-22	Dunoon Medical Services	Rebecca Heliwell	100	0	0	The change depended on recruiting a new team. It's a big cultural change and been challenging but we have recruited 3 so far which reduces locum spend but not until they start work.	Further recruitment advert asap and a clinical lead for quality too	Requires to be established as a priority for local management. I am trying to influence but I feel this should be a priority which the new head of adult service should support. I am frustrated at the pace of change but pleased with the overall direction.	The rota is out to locums now till Jan but some gaps are filled with new rural practitioners so although there might be less effect than expected this year I hope next year will be considerably better.	Not yet identified
1920-31	Review of SLAs with GGC	Stephen Whiston	345	19	67	Number of SLA review meetings done by some operational leads who are responsible for budget more to be followed up	Due to annual leave will follow up with leads on return at end of September Plan to continue this process and quantify overall saving that can be achieved at the end of October	Confirmation that management and review are in place. Target where extra work required to support savings targets	The SLA reviews to date have not identified reduced activity hence reduced cost and alternatives have not been identified or cannot be provided locally in the timescale	Not yet identified
1920-32	Review of management structure	Joanna MacDonald	200	0	0				Delay in progressing restructuring	Not yet identified
1920-34c	Integrated Care Fund - C&B	Alison McKerracher	28	0	28	Completed. £4k left in fund with no bids received.	Savings to be declared by end of September		N/A	N/A

Ref.	Unachieved Savings Description	Manager	<u>Target</u>	<u>Achieved</u>	<u>Forecast</u>	Actions completed to 23rd August	Actions planned for next 4 weeks	What planned actions will achieve	Why there is a forecast shortfall in the saving?	What are we doing to recover from forecast shortfall
			£' 000	£' 000	£' 000					
1920-35	Bed reduction savings : Dunoon	Alison McKerracher	150	0	150	Bed modelling data provided by planning. Continuing as 1 ward currently.	Meeting with planning/lead Nurse/Local management re data and planning 12/9/19. Expecting to make the saving		N/A	N/A
1920-38a	LIH Theatre nurse staffing - HAK112	Caroline Henderson	60	22	22	22k declared.	Theatre utilisation group across 4 acute Hospitals being led By D Jones. This may increase activity. Workforce planning being carried out for Theatre. Unlikely this financial year to declare any further staffing cuts. Need to further consider whether theatre should be 24/7 as		Plans across NHS-Highland likely to result in increased utilisation at LIH	Not yet identified
1920-38b	Lom & Islands Hospital staffing	Donald Watt	200	52	109	52.3 k declared.	Workforce planning being carried out for all inpatient areas.	Review of Oban Lab staffing. Review of Catering staffing underway.	Not yet been able to identify sufficient staffing savings to meet target	Not yet identified
Totals			3,380	324	2,450					

ARGYLL & BUTE HSCP TOTAL SAVINGS PLAN 2019/20 **6,320** **354** **3,440**

Forecast at 31 July 2019 **3,378**
 Increase in delivery of savings **62**

Integration Joint Board

Agenda item: 5.4iii

Date of Meeting: 25 September 2019

Title of Report: Financial Recovery Plan

Presented by: Judy Orr, Head of Finance and Transformation

The Integration Joint Board is asked to:

- Consider and approve the proposed financial recovery plan.

1. EXECUTIVE SUMMARY

1.1 The forecast outturn position for 2019-20 at the end of July is a forecast overspend of £2.137m. This consists of an overspend of £1.932m within Social Work delivered services and an overspend of £0.205m within Health. Further review of the progress of delivery of savings suggests that the financial recovery plan approved by the Integrated Joint Board on 7 August 2019 will be insufficient to achieve financial balance. In accordance with the Integration Scheme paragraph 8.2.18, as soon as an overspend is predicted, the Chief Officer and Chief Financial Officer are required to identify the cause of the forecast overspend and prepare a recovery plan to return to a break even position. The recovery plan should be approved by the Integrated Joint Board. The paper therefore proposes a financial recovery plan for consideration by the Quality and Finance programme Board before it is remitted to the Integrated Joint Board for consideration.

2. INTRODUCTION

2.1 This report provides a commentary on the causes of the forecast overspend and proposes a further financial recovery plan in order to return the forecast to a break even position.

3. DETAIL OF REPORT

3.1 Recovery action proposed - Health

3.1.1 Within Health delivered services the forecast overspend is £0.205m. The overspend is mainly linked to savings not being achieved in addition to increased costs for oncology drugs, pharmacy costs, patient referrals, and agency/locum staff. The end of July forecast shows that are still a further £980k of savings which are not yet fully in train to be delivered. The biggest of the outstanding savings relate to the management restructure

(£200k which is now progressing; the review of the SLAs with Greater Glasgow & Clyde (£263k) which is at risk; Lorn & Isles staffing (£169k) which is being met from non-recurring vacancy savings at present; and Dunoon medical services locum costs (£100k) which are out to advert. Further review of these savings in August reflects difficulties in achieving £930k of these savings.

3.1.2 The forecast overspend has been offset to an extent by vacancy savings and also slippage on budget reserves which includes one-off in year allocations. It is expected that this overspend of £205k should be containable through the actions described above to continue to deliver on the outstanding savings, along with on-going grip and control of expenditure during the remainder of the financial year, particularly on agency / locum staff so no new savings are proposed in the recovery plan for Health.

3.2 Recovery action proposed – Social Work

3.2.1 Within Social Work the forecast overspend is £1.932m at the end of July which is an improvement of £374k on the position at the end of June. However at this stage we were still forecasting to deliver 50% of most of the outstanding savings. Further review of savings in August has shown this to be over optimistic. As reported in the budget monitoring report, it is now expected that there will be a shortfall in delivery of savings by £1.95m, up from the previous estimate of £1.26m.

3.2.2 The recovery plan presented on 7 August proposed a further £700k of Social Work savings and these are forecast as being achievable. However, currently progress with other previously agreed savings is not yet at the level anticipated in that recovery plan. Further new savings will be required in order to achieve financial balance in addition to re-invigorating efforts to deliver some of the savings where we are not yet forecasting to deliver these. This will require substantial restrictions on new Social Work care packages over the remainder of the financial year.

3.2.3 The following new actions are proposed. These include the following:

	Description	Potential value £000's
1	New care packages for Older People's services restricted to those with critical Priority 1 needs only, with lower priorities signposted to alternative third sector services and/or assisted with telecare services where possible. Aim is to contain spend on new care packages to no more than 30% of funding released from any care packages terminating. Where that allows, some of the highest priority 2 cases will also be accommodated.	32
2	A cap on Care Home placements equivalent to the national care home package cost of £30,000 p.a. applied to contain the costs of larger, more complex	160

	care packages. Use of a maximum number of new places for Older People approved weekly.	
3	Discharges from hospital will be accelerated for clients returning to their own homes as part of Home First assessments.	0
4	Review of existing lower priority cases to be carried out (priority 3s and below), targeting Oban area first, to ensure that care packages provided are appropriate and in line with best practice elsewhere.	170
5	Managers will be given detailed rules to be followed and responsibility for determining care packages will be transferred from Adult Care Resources Group back to localities so that there is more local ownership of these decisions.	0
6	Reinforcement of rules on self-directed support packages and limit to the appropriate standard hourly rates.	15
7	Reduction of excessive levels of overtime being worked by internal home care posts	4
8	A moratorium in place in relation to the use of agency staffing unless absolutely critical to safe service delivery. In the rare circumstances where this is required, this will be arranged through the Council's procurement team to secure at minimum cost.	0
9	Ensure that assessment and service provision practice is applied consistently across all client groups (older people, learning disability, physical disability and mental health) and areas to ensure equity of service provision.	0
10	Better use of bank staff in our units to minimise / prevent overtime costs.	0
11	Travel to be restricted to essential front line staff, and attendance at statutory and mandatory training, and exceptional cases approved by head of service. Instead will maximise the use of Skype/video conferencing, leaving more time for productive work and reducing costs and strain on staff, reducing mileage and subsistence costs as well as flexi/toil which impact on staff availability.	0
11b	Attendance at Training events / conferences/ seminars to be restricted to statutory and mandatory training or where essential to meeting CPD requirements, or otherwise where authorised by Head of Service as exceptional. Prevents further overspend.	0
12	Review provision of underused respite flat at Jura Progressive Care Centre	5
	Total	386

3.3

3.3.1

3.3.2 **Summary**

In summary, further recovery action is proposed as outlined at 3.2.3 above to bring the HSCP back into financial balance.

In addition to the new actions above, it will be essential to reinvigorate efforts to deliver on the previously agreed savings, particularly around the key areas highlighted in the previous recovery plan of Learning Disability (£850k); Restructuring of neighbourhood teams (£250k) and single team community approach (£120k) which have all been delayed for various reasons.

4. RELEVANT DATA AND INDICATORS

4.1 Information is derived from the financial systems of NHS Highland and Argyll and Bute Council.

5. CONTRIBUTION TO STRATEGIC PRIORITIES

5.1 The Integrated Joint Board has a responsibility to set a budget which is aligned to the delivery of the Strategic Plan and to ensure the financial decisions are in line with priorities and promote quality service delivery. This needs to be considered when options are developed to balance the budget.

6. GOVERNANCE IMPLICATIONS

6.1 Financial Impact – The forecast outturn position for 2019-20 is a forecast overspend of £2.137m as at 31 July 2019. A financial recovery plan is therefore required setting out how the forecast overspend will be addressed and returned to a breakeven position. The recovery plan approved by the IJB on 7 August is now considered inadequate to achieve financial balance as the position with regard to delivery of previously agreed savings has deteriorated further.

6.2 Staff Governance – None directly from this report but there is a strong link between HR and delivering financial balance.

6.3 Clinical Governance - None

7. EQUALITY AND DIVERSITY IMPLICATIONS

7.1 None directly from this report but any proposals to address the estimated budget gap will need to consider equalities.

8. GENERAL DATA PROTECTION PRINCIPLES COMPLIANCE

8.1 None directly from this report.

9. RISK ASSESSMENT

9.1 The forecast outturn position takes into consideration financial risks. A separate report is provided on the financial risks. Operational and clinical

risks will be taken into account as part of the implementation of the financial recovery plan.

10. PUBLIC AND USER INVOLVEMENT AND ENGAGEMENT

- 10.1 None directly from this report but any proposals to address the estimated budget gap will need to take into consideration local stakeholder and community engagement.

11. CONCLUSIONS

- 11.1 The forecast outturn position for 2019-20 is a forecast overspend of £2.1m. A financial recovery plan to return the H&SCP to a breakeven position is presented to achieve this.

12. DIRECTIONS

Directions required to Council, NHS Board or both.	Directions to:	tick
	No Directions required	√
	Argyll & Bute Council	
	NHS Highland Health Board	
	Argyll & Bute Council and NHS Highland Health Board	

AUTHOR NAME: Judy Orr, Head of Finance and Transformation

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Ref	Description	Comment from SLT / Adult Services Management Team	Owner	Timescale	Risk	Impacts	Mitigations	Potential saving £000's	Comment on quantification
1	New care packages for all services restricted to those critical Priority 1 needs only, with lower priorities signposted to alternative third sector services and/or assisted with telecare services where possible. Aim is to contain spend on new care packages to no more than 30% of funding released from any care packages terminating. Where that allows, some of the highest priority 2 cases will also be accommodated.	Discussed extension to LD and mental health clients. Essential to avoid claims of discrimination against older people if restricted to them only Does not support Strategic Plan	LAMs	To be implemented immediately	Risk of too many cases classed as P1 just in order to access service Third sector services not geared up to support P2 needs (only aimed at P3/4) P2 needs are still substantial and will not be met - is this safe?	P2 needs may quickly change to P1 needs. Window of opportunity for reablement may be lost	Review and monitoring of unmet P2 need will be required Enforcement of consistency of application of definition of P1 Assessment team leads to work closely	32	Assumes c 10 cases per month won't get a service. We have c 540 existing cases. Of new cases currently c one third are P1s, one third P2s and one third unknown
2	A cap on Care Home placements equivalent to the national care home package cost of £30,000 p.a. applied to contain the costs of larger, more complex care packages. Use of a maximum number of new places for Older People approved weekly	Agreed should also apply to Care at Home packages too. Will need to determine the highest priority cases across the whole area and apply consistently not down at each locality level. Has been done in past, and there is a pooled budget across the whole area	LMS HOS	To be implemented immediately	Risk of delayed discharges, and potential for more out of locality placements if pushing clients from potentially more expensive care at home packages towards more care home placements. Risk of lack of capacity from care homes. If applied only to Older peoples Services as proposed, may be seen as discriminatory in favour of Younger Adults	Increase in complaints from clients & families that packages proposed are not suitable/to their liking	Application of a standard care at home package maximum across the area	160	There are currently 70 older people receiving care at home care packages with a weekly cost greater than or equal to the nursing home equivalent of £575 per week. The saving represents a 40% reduction in cost based on average excess cost beyond the nursing care equivalent for the 70 clients.
3	Discharges from hospital will be accelerated for clients returning to their own homes as part of Home First assessments.	Discharge to assess / Home First being reviewed in NHS Highland where re-ablement and assessment is done in client's home	LAMs Lead AHP	Review current arrangements and potential temporary capacity increases using winter funds and agree way forward by 20/09/2019	Risk of lack of capacity to support this especially from OTs	Positive for clients, and reduces occupied bed days	Introduce slowly, and liaise with NHS Highland	0	
4	Review of existing lower priority cases to be carried out (priority 3s and below) to ensure that care packages provided are appropriate and in line with best practice elsewhere.	79 P3s and P4s are receiving services. 41 in Helensburgh, 16 in Cowal and 10 in Oban so don't just start in Oban. 142 have no priorities in Care Assess. Not sure if this data is accurate/kept up to date. Could use Re-ablement OTs to assist with reviews.	Finance LAMs	Finance to issue list of current P3 and P4 funded cases by 16/09/2019. LAMs to have reviewed lists and feedback to finance / arranged reviews by 27/09/2019	Lack of capacity to complete reviews Complaints from clients & families about packages reduced Potential for lack of consistency in reviews/ decisions	Some packages of care will be reduced, but will be in line with need	Do as desk based, manager led, and also involve providers who see the clients regularly, do in pairs, involve Resources Team Leads Councillor and stakeholder briefings	170	The total weekly spend on these clients is £32,390. The assessment is based on a 50% reduction in services delivered across these 79 clients in the last half of the year with an adjustment included to reflect the reducing relevance of the priority level for older assessments
5	Managers will be given detailed guidelines to be followed and responsibility for determining care packages will be transferred from Adult Care Resources Group back to localities so that there is more local ownership of these decisions.	Alison Hunter working on and will discuss at last meeting of ACRG this week	Alison Hunter	Alison to complete guidance note by 17/09/2019 and pass for discussion at SLT on 18/09/2019 ahead of issue to all staff	Lack of consistency of decision making	More ownership of decisions at locality level	Review sample of decisions to ensure guidelines being followed consistently	0	This is the application of the policies already adjusted for on this table.
6	Reinforcement of guidelines on self-directed support (SDS) direct payment packages and limit to the appropriate standard hourly rates. Provide parity of service to other SDS options	Personal Assistant rates which are set in line with Scottish Living Wage to be used. Dumfries & Galloway have saved c 10% by using a direct payment card (costs c £6k p.a.) which restrict use to approved categories of spend, and allow visibility of spend so that if unspent, monies can be withdrawn	LAMs	To be implemented immediately	Capacity to implement payment cards Resistance to change from existing clients	Complaints about restrictions	Use Community Contacts (CarrGomm) to support	15	Assumes impact of move to payment cards with live remote monitoring becoming available. Potentially £50k full year.
7	Reduction of excessive levels of overtime being worked by internal home care posts	Just agreed some PARs for bank staff to reduce large amounts overtime being worked by some staff. Some risks with Brexit especially for Carers Direct Policy has previously been agreed	LAMs	To be implemented immediately with area managers approving any exceptional overtime in advance of hours being worked	Complaints from Trade Unions about further externalisation			4	Transfer a further 50 hours per week from internal home care in Mid Argyll to the local external provider, subject to the provider's capacity/ability to recruit. Saving assumes delivery from the beginning of December - to allow time for recruitment of additional carers - at a rate differential of £4.06 per hour transferred.

Ref	Description	Comment from SLT / Adult Services Management Team	Owner	Timescale	Risk	Impacts	Mitigations	Potential saving £000's	Comment on quantification
8	A moratorium in place in relation to the use of agency staffing unless absolutely critical to safe service delivery. In the rare circumstances where this is required, this will be arranged through the Council's procurement team to secure at minimum cost.	This should already be in place. Use of agency workers well reduced. May not save much, just reduce future overspend pressures	LAMs	To be implemented immediately with consideration to be taken of local needs where agency staff may be the only option available to deliver safe service				0	This prevents increasing the overspend further.
9	Ensure that assessment and service provision practice is applied consistently across all client groups (older people, learning disability, physical disability and mental health) and areas to ensure equity of service provision.	Discussed and clarified at adult service managers meeting on 16 September.	LAMs	To be implemented immediately.		Change to historic operating practice in some service areas, most notably in learning disability and mental health services.		0	Unable to cost the impact without specific case examples. Savings will be delivered on a case by case basis.
10	Better use of bank staff in our units to minimise / prevent overtime costs. Moratorium on overtime except where needed to provide safe staffing levels	Could we offer our permanent staff bank contracts so extra hours are at basic rates and not overtime rates? Extend access to A&B HSCP to NHS Highland bank staff?	LAMs	Area managers to contact unit managers to identify any gaps in current bank staff provision and submit recruitment requests for bank posts by 20/09/2019. Action on overtime to be implemented immediately with area managers approving any exceptional overtime in advance of hours being worked	Some staff are used to significant overtime and will be unhappy	Will be better for staff generally as excessive overtime can result in strain, and lead to higher sickness levels	Need recruitment drive for additional bank staff	0	The spend on time and a half overtime to the middle of July is circa £54k, reflecting approx. 3.5 month's payroll costs. Multiplied out for the year, the annual spend would be £185k. Saving is based on reducing overtime by 50% for the remainder of the year through better use of bank staff/recruitment of more bank staff (£54k / 3.5 x 6.5 x 50%)
11a	Travel to be restricted to essential front line staff and exceptional cases approved by head of service. Instead will maximise the use of Skype/video conferencing, leaving more time for productive work and reducing costs and strain on staff, reducing mileage and subsistence costs as well as flexi/toil which impact on staff availability.	Should largely be in place as a result of grip and control already - just reinforce	LAMs	To be implemented immediately.				0	£25k already included in the previously agreed financial recovery plan. Not expected to add further saving
11b	Attendance at Training events / conferences/ seminars to be restricted to statutory and mandatory training or where essential to meeting CPD requirements, or otherwise where authorised by Head of Service as exceptional	supported	LAMs	To be implemented immediately.	Staff development needs identified at PRDs or via TURAS may be unmet	May reduce motivation of staff	Clearly communicate financial position to all staff	0	see above
13	Review provision of underused respite flat at Jura Progressive Care Centre	Could save c £12.5k p.a.	Donald Watt	Donald Watt to discuss options for the respite accommodation with local staff on Islay / Jura and report back on the outcome by 20/09/2019	Local community may be unhappy	Adverse impact on vulnerable clients	Clearly communicate financial position to stakeholders and ensure that high priority needs are met in alternative way	5	Full year impact is £12.5k
TOTAL								386	

Integration Joint Board

Agenda item: 5.4iv

Date of Meeting: 25 September 2019

Title of Report: Financial Risks 2019-20

Presented by: Judy Orr, Head of Finance and Transformation

The Integration Joint Board is asked to:

- Consider the updated financial risks identified for the Health and Social Care Partnership.
- Note that financial risks will continue to be reviewed and monitored on a two monthly basis and reported to the Board.

1. EXECUTIVE SUMMARY

- 1.1 The report to the IJB on 27 March 2019 introduced a process of identifying and reporting financial risks to the Board on a regular basis. The IJB at its meeting on 7 August requested that these risks be quantified according to the likelihood and impact and this has now been added. This report provides an updated assessment of these risks and includes four new risks. Commentary has been added to highlight the changed assessments since the previous update presented to IJB on 7 August 2019.
- 1.2 Each risk has been classified as to its likelihood and also has been quantified within a financial range. Each risk also notes any current mitigations in place to keep the risk from being realised.
- 1.3 37 risks have been identified in total with 19 classified as possible, 12 classified as likely and 6 as almost certain. Only two risks have been quantified as being over £500,000. Overall these risks have been quantifying as potentially amounting to £3.5m.
- 1.4 Financial risks will continue to be reviewed and monitored on a two monthly basis and will be reported to the Board as part of the pack of financial reports.

2. INTRODUCTION

- 2.1 This report updates the Board on the financial risks facing the organisation which have not been reflected in the forecast of the financial outturn.

3. DETAIL OF REPORT

3.1 For each risk, the likelihood has been assessed based on what is a relatively standard risk matrix:

	Likelihood	Probability applied
1	Remote	0%
2	Unlikely	10%
3	Possible	25%
4	Likely	50%
5	Almost Certain	75%

3.2 Each financial risk has been quantified into ranges as follows:

Range	Quantified as:
Less than £100,000	£50k
Between £100,000 and £300,000	£200k
Between £300,000 and £500,000	£400k
Between £500,000 and £1.5m	£1.0m
Over £1.5m	£2.5m

3.3 Alongside each risk identified there is a note of any current mitigations that are in place to keep the risk from being realised. There are some risks where monitoring can take place but it is difficult to mitigate the risk due to Scottish Government policy directions and the introduction of new drugs.

3.4 The UK withdrawal from the European Union could lead to additional financial risks. However, at the current time it is not possible to quantify what these may be or when they might impact the IJB. We will continue to monitor developments.

3.5 The individual financial risks are detailed in Appendix 1 and are summarised in the table below.

Likelihood/Range	Possible	Likely	Almost certain	Total
<£100k	9	5	4	18
£100k - £300k	7	4	2	13
£300k - £500k	2	2	0	4
£500k - £1.5m	1	0	0	1
>£1.5m	0	1	0	1
Total	19	12	6	37

3.6 There are 37 risks identified in total with 19 classified as possible, 12 classified as likely and 6 as almost certain. Only two risks have been quantified as being over £500,000 of which one is over £1.5m and classed as likely, and the other as £500k to £1.5m and is classed as possible. Quantifying these risks with an expected probability and financial impact gives a total potential adverse impact of £3.537m.

- 3.7 The largest risk quantified as potentially exceeding £1.5m relates to the service level agreement with Greater Glasgow and Clyde where the payment for the last financial year remains under dispute and any settlement is likely to have a knock on effect on charge for 2019-20 spend with them. This has been increased from the previous assessment at £500k - £1.5m. The other sizeable risk at £500k - £1.5m relates to looked after children where a small number of new cases has the potential to increase costs significantly above current levels. No such cases have yet been identified. The likely risk at £300k - £500k relates to continued use of agency medical staff in psychiatry. We have already forecast an overspend of £300k in this area reflecting costs in the first quarter, and risk of further spend of this magnitude continues at present.
- 3.8 5 new risks have been identified. These are highlighted in yellow on the appendix. Three are under £100k and two are estimated at £100k-£300k. No risks have been removed since the last update. Eleven of the continuing risks have had revisions to their likelihood and impact. These are highlighted in amber and comments provided for the reason for the change. The descriptions of 3 risks have also been amended slightly and these are similarly highlighted in amber.
- 3.9 Financial risks will be reviewed and monitored on a two monthly basis and will be reported to the Board as part of the pack of financial reports.

4. RELEVANT DATA AND INDICATORS

- 4.1 Financial risks have been identified based on previous and current year cost pressures and those areas of the budget where spending is more volatile. Financial risks have been classified as to their likelihood and an estimate of the potential financial impact.

5. CONTRIBUTION TO STRATEGIC PRIORITIES

- 5.1 Financial risks are identified based on delivery of service to meet the strategic priorities.

6. GOVERNANCE IMPLICATIONS

- 6.1 Financial Impact – Each financial risks has been assessed as to its estimated financial impact.
- 6.2 Staff Governance – None.
- 6.3 Clinical Governance – None.

7. EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 None directly from this report.

8. RISK ASSESSMENT

- 8.1 Risks are detailed within the report.

9. PUBLIC AND USER INVOLVEMENT AND ENGAGEMENT

9.1 None directly from this report.

10. CONCLUSIONS

10.1 This report summarises the key financial risks facing the Health and Social Care Partnership. There are 37 risks identified in total with a potential adverse impact of £3.5m which is not included in the financial forecast. Only two risks have been quantified as being over £500,000 with one of these potentially exceeding £1.5m.

11. DIRECTIONS

Directions required to Council, NHS Board or both.	Directions to:	tick
	No Directions required	√
	Argyll & Bute Council	
	NHS Highland Health Board	
	Argyll & Bute Council and NHS Highland Health Board	

APPENDICES:

Appendix 1 – Financial Risks 2019-20

ARGYLL AND BUTE HEALTH AND SOCIAL CARE PARTNERSHIP - FINANCIAL RISKS
INTEGRATED JOINT BOARD - September 2019 update

HEALTH OR SOCIAL WORK	SERVICE AREA	DESCRIPTION OF RISK	CURRENT MITIGATIONS	2019-20		Quantified Risk £000s	Comments on change since last update
				LIKELIHOOD	FINANCIAL IMPACT £000		
Health	Adult Services	Continued use of agency medical staff in psychiatry	Continuation of attempts to recruit permanent staff. Where this is not possible then the service will be required to contain locum costs within budget but it has to be appreciated that this might not always be possible if it affects service delivery.	4	100-300	100	Probability increased - there are currently 2 locums
Health	Adult Services	Continued use of agency nursing staff in Lorn & Islands Hospital	Continuation of attempts to minimise the use of agency staff.	3	100-300	50	
Health	Adult Services	Overspending on GP prescribing budgets for several potential reasons causing short supply of drugs resulting in price increases	Prescribing advisors advise GPs on good prescribing practice to contain costs.	3	100-300	50	
Health	Adult Services	Potential for consultant vacancies at Lorn & Islands Hospital resulting in increased use of locums	Most consultant roles are currently filled by employed staff and there would be an attempt to recruit to vacancies rather than use locums.	3	100-300	50	
Health	Adult Services	Continued use of locum GPs in Kintyre Medical Group	Practice is out to advert following successful advert in relation to Mull	5	<100	37.5	Probability increased as implementation is likely to take some time. Current forecast includes costs of locums till end of December
Health	Adult Services	Continued use of agency staff in Lorn & Islands Hospital Laboratory	Continuation of attempts to recruit permanent staff. Where this is not possible then the service will be required to contain locum costs within budget but it has to be appreciated that this might not always be possible if it affects service delivery.	3	<100	12.5	Probability decreased based on current cost trends
Health	Adult Services	GPs on Colonsay opting out of providing out of hours services	GPs are currently providing out of hours services.	3	<100	12.5	Coll removed as new risk for Coll created - this now relates to risk for Colonsay only
Health	Adult Services	Continuation of excess nurse staffing in Rothesay Victoria Hospital	As part of grip and control, regular review of workforce undertaken by the Strategic Leadership Team to minimise excess staffing and use of locums.	3	<100	12.5	Staff due back from sick leave soon. New renal unit recently approved which will help ensure more stable staffing
Health	Adult Services	Continued reliance on locum medical staff to cover shifts on the Oban out of hours rota	As part of grip and control, regular review of workforce undertaken by the Strategic Leadership Team to minimise excess staffing and use of locums.	4	<100	25	
Health	Adult Services	Continuation of excess community nurse staffing on Mull	As part of grip and control, regular review of workforce undertaken by the Strategic Leadership Team to minimise excess staffing and use of locums.	4	<100	25	

ARGYLL AND BUTE HEALTH AND SOCIAL CARE PARTNERSHIP - FINANCIAL RISKS
INTEGRATED JOINT BOARD - September 2019 update

HEALTH OR SOCIAL WORK	SERVICE AREA	DESCRIPTION OF RISK	CURRENT MITIGATIONS	2019-20		Quantified Risk £000s	Comments on change since last update
				LIKELIHOOD	FINANCIAL IMPACT £000		
Health	Commissioned Services - NHS GG&C	NHS GG&C seeking to correct historic undercharging on the main patients' services SLA and share of elective waiting times funding	Currently challenged GG&C requested payment and meetings are due to take place in respect of this.	4	>1,500	1250	Waiting times funding should go to NHS GG&C direct. Allowance only made for main SLA
Health	Commissioned Services - NHS GG&C	New cystic fibrosis drugs are introduced.	This will be monitored but it is an area where there is limited control.	5	100-300	150	Almost certain. Due to start late Autumn. 3 possible additional patients
Health	Commissioned Services - NHS GG&C	Potential for further growth in the cost of oncology drugs beyond provision in the budget	A cost pressure has been build into the 2019-20 budget for the overspend currently in 2018-19 and also for future demand. This should assist in minimising this risk, however, it is a risk that there is limited control over.	3	100-300	50	
Health	Commissioned Services - NHS GG&C	Potential for further growth in the cost of pharmacy homecare services	The Lead Pharmacist will undertake an annual review of pharmacy costs to help to mitigate this risk.	3	<100	12.5	
Health	Commissioned Services - NHS GG&C	Potential for growth in the number of high cost individual patient treatments	This will be monitored but it is an area where there is limited control.	3	300-500	100	
Health	Commissioned Services - Other	Continued high level of patient referrals to the Priory (Huntercombe no longer used)	Development of local CAMHS service.	3	100-300	50	Currently no admissions and underspend. Potential for CAMHS admission
Health	Commissioned Services - Other	Potential for growth in the number of high cost individual patient treatments	This will be monitored but it is an area where there is limited control.	4	100-300	100	
Health	General Medical Services	Potential for high cost of reimbursements to GP practices for maternity and sickness absence cover	This will be monitored but it is an area where there is limited control.	3	<100	12.5	
Health	Management and Corporate Services	Potential for the cost of migration to Windows 10 and Office 365 exceeding budgetary provision	Head of IT has an implementation plan. Risk reflects potential for slippage.	3	<100	12.5	
Health	Estates	Continuation of unfunded rates charge for Argyll & Bute Hospital if the property isn't cleared and empty property relief can't be obtained	Planned closure of Argyll & Bute Hospital (apart from the former Succoth Ward) is progressing.	4	<100	25	
Health	Service wide	Funding for NHS pensions is less than the cost.	Funding has been announced, still waiting for clarity on distribution.	3	100-300	50	
Health	Service wide	High volume of grievances received from band 2s who believe they should be re-graded to AfC band 3	Short life working group being established to agree generic job descriptions for band 3 role of Health Care Support Worker	5	<100	37.5	New risk: 93.2 WTE affected by c £560 per WTE

ARGYLL AND BUTE HEALTH AND SOCIAL CARE PARTNERSHIP - FINANCIAL RISKS
 INTEGRATED JOINT BOARD - September 2019 update

HEALTH OR SOCIAL WORK	SERVICE AREA	DESCRIPTION OF RISK	CURRENT MITIGATIONS	2019-20		Quantified Risk £000s	Comments on change since last update
				LIKELIHOOD	FINANCIAL IMPACT £000		
Health	Commissioned Services - Other	New business to business contracts for out of hours services potentially required for Coll	limited mitigations possible	5	100-300	150	New risk: New contract to be implemented from 1 Jan 2020
Health / Council	Estates	Costs of colocation may exceed budget. No budget in place for moves in Oban	A small allocation has been made in the Investment Fund for these costs.	4	<100	25	Likelihood increased
Health / Council	Commissioned Services - Other	Third sector commissioned services cannot be delivered within the current budgets	Negotiations with third sector providers seek for such costs to be covered through efficiencies year on year	3	100-300	50	New Risk
Council	Chief Officer	Increased building maintenance and repairs costs arising as the buildings we use get older and their condition deteriorates.	Regular monitoring of the fabric of the buildings and assessment for asset sustainability works funded via the capital budget. Reduction in the number of buildings in use through the co-location of staff into fewer buildings.	3	<100	12.5	
Council	Looked After Children	Potential increase in the number of children and young people who need to be taken into care and supported/accommodated by the HSCP.	Practitioners are working hard to avoid admissions to care and the service is developing lower cost models of support for young people who become looked after.	3	500-1,500	250	
Council	Children with a Disability	Potential increase in the number of children and young people requiring support/families requiring support as well as the potential for increased levels of support required by existing service users.	The weekly Children's Resource Panel is scrutinising requests for service. Consideration is being given to how SDS and other service models could be developed to provide support in the future.	3	<100	12.5	
Council	All Social Work	Difficulties in recruiting and retaining qualified staff as well as increased demand/complexity in terms of the services required and/or increased sickness absence which result in the use of locum/supplemental staffing.	Work is ongoing with HR and the Communications team to look at how we can encourage people to come and work in Argyll and Bute. Work is also underway in relation to growing our own through staff training. Attendance management processes and monitoring arrangements are in place to deal with sickness absence issues.	4	100-300	100	Updated narrative only, to include sickness absence
Council	Older People	Potential requirement to increase the number of staff working overnight in our older people care homes to ensure that all of the residents can be safely evacuated from buildings in the event of a fire.	Working closely with the fire brigade to ensure arrangements are fit for purpose. Review of the equipment available in the homes to assist staff to evacuate residents.	4	100-300	100	Updated based on recent conversation with manager at Eader Glinn. Probability and impact increased reflecting increase in client needs, reduced mobility etc

ARGYLL AND BUTE HEALTH AND SOCIAL CARE PARTNERSHIP - FINANCIAL RISKS
 INTEGRATED JOINT BOARD - September 2019 update

HEALTH OR SOCIAL WORK	SERVICE AREA	DESCRIPTION OF RISK	CURRENT MITIGATIONS	2019-20		Quantified Risk £000s	Comments on change since last update
				LIKELIHOOD	FINANCIAL IMPACT £000		
Council	Older People	Potential increase in the number of older people requiring support.	Regular review of services and tracking of changes in service demand. Scrutiny by Head of Service and Adult Care Resource Group of care packages	4	300-500	200	Probability and impact increased following review of recent trends in OP home care services
Council	Older People	Staff on late shift in one care home may have been paid incorrectly for working after 10 p.m.	HR reviewing payments made to determine if these have been properly in line with terms & conditions	5	<100	37.5	New risk: One third premium should be paid after 10 p.m. and hasn't been for late shifts ending at 10:20 p.m.
Council	Physical Disability	Increased demand for service, both for new clients and from increases in the needs of existing service users exceeds the demand pressure built into the budget.	Regular review of services and tracking of changes in service demand. Scrutiny by Head of Service and Adult Care Resource Group of care packages	3	300-500	100	Potential impact increased following increases to existing packages and number of clients
Council	Learning Disability	Increased demand for service, both for new clients and from increases in the needs of existing service users exceeds the demand pressure built into the budget.	Regular review of services and tracking of changes in service demand. Scrutiny by Head of Service and Adult Care Resource Group of care packages	4	300-500	200	Probability and impact increased following review of recent trends in LD services
Council	Learning Disability	Potential requirement to address property maintenance issues at a leased property in Helensburgh.	Assess the HSCP's liability under the lease and assess the likely cost of the works as well as determine how the building will be used in the future if the lease is retained.	4	<100	25	
Council	Mental Health	Changes in service assessment practice which reclassifies non-personal care as personal removing the ability to charge for services.	Cases being reviewed throughout 2019/20. Ensure that assessment practice is correct and that service classification is consistent with the nature of the services provided.	3	<100	12.5	
Council	All Social Work	The financial impact of changes to the NHS superann scheme which have resulted in increased employer contributions with the cost passed on to the Social Work budget for staff funded/partially funded by Social Work.	Review the settlement from the Scottish Government provided to cover the increased cost and determine if this cost is unmet and should be passed on to Social Work.	5	<100	37.5	New risk: still to identify people affected
TOTAL						3537.5	Yellow = new risk since last report to IJB
Split	Health					2375	Amber = updated
	Council					1087.5	

Integration Joint Board

Agenda item: 5.4v

Date of Meeting: 25 September 2019

Title of Report: Budget Outlook 2020-21 to 2022-23

Presented by: Judy Orr, Head of Finance and Transformation

The Integration Joint Board is asked to:

- Note the current estimated budget outlook report for the period 2020-21 to 2022-23.

1. EXECUTIVE SUMMARY

- 1.1 This report summarises the budget outlook covering the period 2020-21 to 2022-23 taking into consideration the budget decisions taken at the Integrated Joint Board (IJB) on 27 March 2019. This is predominantly a roll forward of the budget outlook presented to the IJB on 7 August 2019. The assumptions will continue to be updated and refined as the year progresses.
- 1.2 The assumptions for funding from NHS Highland and Council continue on the same basis as previously reported. Whilst additional NHS in year allocations have been received since the last report of c £1.5m, all are non-recurring and are matched by planned expenditure so do not change the outlook.
- 1.3 The position for funding of employers superannuation is still not fully clear. The Scottish Government has advised that these costs will be fully funded in a letter from the Cabinet Secretary for Health & Sport on 19 June which gave an initial allocation to NHS Highland. This was allocated on an NRAC share and the A&B HSCP continues to press for its share at least on this basis to ensure that our costs for this are fully funded. This also affects the payment for service level agreement with NHS GG&C.
- 1.4 The main changes have been to update the funding base and resource transfer values for the agreed amounts for 2019-20 and to apply inflation on these revised amounts for future years, and to reflect the additional savings of £700k p.a. agreed as part of the Financial Recovery Plan for 2019-20 which are expected to continue into future years.
- 1.5 In the mid-range scenario, the Health and Social Care Partnership budget gap estimated over the three year period 2020-21 to 2022-23 is

£19.9125m with a gap of £8.249m in 2020-21. This allows for additional costs from the dispute with Greater Glasgow & Clyde of £2m.

- 1.6 In contrast, the budget gap in the best case scenario over the three years is £7.020m with a gap of £2.280m in 2020-21 and in the worst case scenario, the budget gap over the three years is £32.382m with a gap of £13.503m in 2020-21. A summary of all three scenarios is included within Appendix 1.

2. INTRODUCTION

- 2.1 This report summarises the budget outlook covering the period 2020-21 to 2022-23 taking into consideration the budget decisions taken at the Integrated Joint Board (IJB) on 27 March 2019. This is predominantly a roll forward of the budget outlook presented to the IJB on 7 August 2019 and a recognition of the financial recovery programme agreed on the same date. The assumptions will be updated and refined as the year progresses.
- 2.2 As previously, the budget outlook has been prepared using three different scenarios, best case, worst case and mid-range. Relatively small variations in assumptions can lead to fairly significant changes in the outcome. In the paragraphs that follow, the mid-range outlook is shown. The detail of all three scenarios is provided at Appendix 1.

3. DETAIL OF REPORT

3.1 Funding Estimates

NHS Highland

- 3.1.1 The funding from NHS Highland in 2019-20 included an uplift of 2.5%. The budget was set for 1 year only. The future estimates have been based on a 1.5% uplift for worst case, 2.5% best case and 2.0% mid-range.
- 3.1.2 The changes since the last budget outlook are summarised below:
- NHS Highland baseline funding updated to reflect opening offer for 2019-20 (change of £16k which also is reflected in Base Budget)
 - NHS Highland resource transfer updated to reflect agreed amounts for 2019-20 plus uplift for inflation for later years
- 3.1.3 The increase in public sector pensions' schemes employers' contribution from 14.9% to 20.9% is meant to be fully funded. A&B HSCP is pressing for its share at least on an NRAC basis to ensure that our local costs for this are fully funded. The exact allocation is still uncertain and no changes have been made to the budget outlook. This impacts charges from NHS GG&C also under the SLA.
- 3.1.4 The table below outlines the updated estimated funding from NHS Highland over the next three years within the mid-range scenario. The highlighted figures are the ones which have changed below:

	2020-21 £000	2021-22 £000	2022-23 £000
Baseline funding	175,886	175,886	175,886
Baseline funding uplift	3,423	6,914	10,475
Other Recurring Funding	30,327	30,327	30,327
Resource Transfer baseline (net)	7,181	7,181	7,181
Resource Transfer uplift	238	481	729
Pensions Increase	4,500	4,500	4,500
Total Funding NHS	221,555	225,289	229,098

3.2 Savings Measures Already Approved

3.2.1 A number of additional savings for 2019-20 were agreed at the IJB on 7 August 2019 as part of a Financial Recovery Plan. These new savings totalled £700k. These are expected to provide continuing savings in future years, reducing the future budget gap.

3.2.2 Although, the Quality and Finance Programme Board is asked to consider additional actions to bring 2019-20 budget back into financial balance as part of a further Financial Recovery Plan, these are intended to be short term in-year measures and are not anticipated at this stage to affect future budget years outlook.

3.3 Updated Budget Outlook

3.3.1 The updated budget outlook for the mid-range scenario, taking into consideration all the factors noted within this report, is summarised in the table below. Changed figures are highlighted.

	2020-21 £000	2021-22 £000	2022-23 £000
Base Budget	276,925	277,168	277,416
Employee Cost Changes	2,866	5,785	8,756
Non-Pay Inflation	5,440	8,815	12,294
Cost and Demand Pressures	3,236	5,832	8,345
Q&F Plan Savings	(139)	(139)	(139)
Management/Operational Savings agreed March 2019	(500)	(1,020)	(1,020)
Policy Savings agreed March 2019	(198)	(198)	(198)
Recovery Plan agreed Aug 2019	(700)	(700)	(700)
Total Estimated Expenditure	286,930	295,543	304,574
Estimated Funding	278,681	281,178	284,839
Estimated Budget Surplus / (Gap) Cumulative	(8,249)	(14,365)	(19,915)
Estimated Budget Surplus / (Gap) In Year	(8,249)	(6,116)	(5,551)

3.3.2 In the mid-range scenario, the Health and Social Care Partnership budget

gap estimated over the three year period 2020-21 to 2022-23 is £19.915m with a gap of £8.249m in 2020-21.

3.3.3 In contrast, the budget gap in the best case scenario over the three years is £7.020m with a gap of £2.280m in 2020-21 and in the worst case scenario, the budget gap over the three years is £32.382m with a gap of £13.503m in 2020-21. A summary of all three scenarios is included within Appendix 1.

3.3.4 The changes from the previous anticipated outlook to 2021-22 (as noted at the IJB meeting on 27 March 2019) are summarised in the table below based on the mid-range scenario:

	2020-21 £000	2021-22 £000	2022-23 £000
Previous Reported Budget Gap (mid-range)	(8,738)	(14,757)	(20,208)
Change to NHS Funding estimates	(195)	(292)	(391)
Change to Base Budget linked to Resource Transfer Uplift	(16)	(16)	(16)
Change to savings approved	700	700	700
Revised Budget Gap (mid-range)	(8,249)	(14,365)	(19,915)

4. RELEVANT DATA AND INDICATORS

4.1 The budget outlook is based on a number of assumptions, using a best, worse and mid-range scenario. These assumptions will be regularly reviewed and updated as appropriate.

5. CONTRIBUTION TO STRATEGIC PRIORITIES

5.1 The Integrated Joint Board has a responsibility to set a budget which is aligned to the delivery of the Strategic Plan and to ensure the financial decisions are in line with priorities and promote quality service delivery. This needs to be considered when options are developed to balance the budget.

6. GOVERNANCE IMPLICATIONS

6.1 Financial Impact – There is a significant budget gap for future years that requires to be addressed.

6.2 Staff Governance – None directly from this report but there is a strong link between HR and delivering financial balance.

6.3 Clinical Governance - None

7. EQUALITY AND DIVERSITY IMPLICATIONS

7.1 None directly from this report but any proposals to address the estimated budget gap will need to consider equalities.

8. GENERAL DATA PROTECTION PRINCIPLES COMPLIANCE

8.1 None directly from this report.

9 RISK ASSESSMENT

9.1 There is a risk that sufficient proposals are not approved in order to balance the budget in future years. Any proposals will need to consider risk.

10. PUBLIC AND USER INVOLVEMENT AND ENGAGEMENT

10.1 None directly from this report but any proposals to address the estimated budget gap will need to take into consideration local stakeholder and community engagement.

11. CONCLUSIONS

11.1 A budget outlook covering the period 2020-21 and 2022-23 has been prepared. In the mid-range scenario, the Health and Social Care Partnership budget gap estimated over the three year period 2020-21 to 2022-23 is £19.915m with a gap of £8.249m in 2020-21. The assumptions will be updated and refined as the year progresses.

11. DIRECTIONS

Directions required to Council, NHS Board or both.	Directions to:	tick
	No Directions required	√
	Argyll & Bute Council	
	NHS Highland Health Board	
	Argyll & Bute Council and NHS Highland Health Board	

APPENDICES:

Appendix 1 – Budget Outlook Best, Worst and Mid-Range Scenarios

AUTHOR NAME: Judy Orr, Head of Finance and Transformation

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QUALITY & FINANCE PROGRAMME BOARD 10 SEPTEMBER 2019

	Best Case Scenario			Mid-Range Scenario			Worst Case Scenario		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Base Budget:									
Base Budget	276,687	276,687	276,687	276,687	276,687	276,687	276,687	276,687	276,687
Base Budget Adjustments	298	603	916	238	481	729	179	360	544
Revised Base Budget	276,985	277,290	277,603	276,925	277,168	277,416	276,866	277,047	277,231
Employee Cost Changes:									
Pay Award	2,720	5,396	8,124	2,720	5,493	8,318	2,720	5,663	8,668
Pay Increments	0	0	0	146	292	438	291	582	873
Total Employee Cost Changes	2,720	5,396	8,124	2,866	5,785	8,756	3,011	6,245	9,541
Non-Pay Inflation:									
<i>Health:</i>									
Prescribing	400	800	1,200	500	1,000	1,500	600	1,200	1,800
Hospital Drugs	45	92	142	75	154	237	105	216	332
Main GG&C SLA	1,072	2,171	3,298	3,340	4,714	6,122	3,608	5,257	6,946
Other SLAs (GPs, GG&C, other HBs, service inputs)	226	457	694	282	571	867	338	685	1,040
Energy	59	120	183	78	160	244	98	200	305
<i>Social Work:</i>									
Catering Purchases	18	36	54	18	36	54	18	36	54
National Care Home Contract	3	6	9	5	10	15	8	16	24
NHS Staffing Recharges	57	114	171	57	114	171	57	114	171
Purchase and Maintenance of Equipment	5	10	15	7	14	21	8	16	24
specific RPI Increases	31	62	93	39	78	117	46	92	138
Scottish Living Wage	1,039	1,964	2,946	1,039	1,964	2,946	1,039	1,964	2,946
Total Non-Pay Inflation	2,955	5,832	8,805	5,440	8,815	12,294	5,925	9,796	13,780
Cost and Demand Pressures:									
<i>Health:</i>									
LIH Laboratory	100	200	300	100	200	200	100	200	300
Out of Hours - GPs option out of hours	100	100	100	200	200	200	400	400	400
Other NSD developments	50	100	150	50	100	150	50	100	150
Oncology Drugs Demand	350	700	1,050	450	900	1,350	550	1,100	1,650
Bute Dialysis	90	90	90	90	90	90	90	90	90
Microsoft Licence Fees	55	55	55	55	55	55	55	55	55
<i>Council:</i>									
Older People Growth	0	0	0	320	645	975	641	1,302	1,983
Care Services for Younger Adults	0	0	0	181	359	540	362	718	1,080
National Care Home Contract	231	469	714	308	625	952	385	782	1,190
Throughcare	116	203	290	232	406	580	325	568	812
Social Work Emergency Standby	150	150	150	150	150	150	150	150	150
Greenwood Hostel overnight staffing	50	52	53	50	52	53	50	52	53
Criminal Justice Development Funding	50	50	50	50	50	50	50	50	50
Allowance for Unknown Cost and Demand Pressures	500	1,000	1,500	1,000	2,000	3,000	1,500	3,000	4,500
Total Cost and Demand Pressures	1,842	3,169	4,502	3,236	5,832	8,345	4,708	8,567	12,463
Savings Previously Agreed:									
Quality and Finance Plan Savings	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)

QUALITY & FINANCE PROGRAMME BOARD 10 SEPTEMBER 2019

	Best Case Scenario			Mid-Range Scenario			Worst Case Scenario		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Management/Operational Savings - Agreed March 2019	(500)	(1,020)	(1,020)	(500)	(1,020)	(1,020)	(500)	(1,020)	(1,020)
Policy Savings - Agreed March 2019	(198)	(198)	(198)	(198)	(198)	(198)	(198)	(198)	(198)
Recovery Plan - Agreed 7 August 2019	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)
Total Savings	(1,537)	(2,057)	(2,057)	(1,537)	(2,057)	(2,057)	(1,537)	(2,057)	(2,057)
Total Estimated Expenditure	282,965	289,630	296,977	286,930	295,543	304,754	288,973	299,598	310,958
Funding:									
NHS	222,971	227,662	232,470	221,555	225,289	229,098	218,932	221,719	224,548
Council	57,714	57,059	57,487	57,126	55,889	55,741	56,538	54,730	54,028
Total Funding	280,685	284,721	289,957	278,681	281,178	284,839	275,470	276,449	278,576
Budget Surplus / (Gap) Cumulative	(2,280)	(4,909)	(7,020)	(8,249)	(14,365)	(19,915)	(13,503)	(23,149)	(32,382)
Budget Surplus / (Gap) In Year	(2,280)	(2,629)	(2,112)	(8,249)	(6,116)	(5,551)	(13,503)	(9,646)	(9,234)

Partner Bodies Split:									
Health	826	1,321	1,334	(3,553)	(4,889)	(6,654)	(7,241)	(10,405)	(14,148)
Social Work	(3,106)	(6,230)	(8,354)	(4,696)	(9,476)	(13,261)	(6,262)	(12,744)	(18,234)
Budget Surplus / (Gap) Cumulative	(2,280)	(4,909)	(7,020)	(8,249)	(14,365)	(19,915)	(13,503)	(23,149)	(32,382)
Budget Surplus / (Gap) In Year	(2,280)	(2,629)	(2,112)	(8,249)	(6,116)	(5,551)	(13,503)	(9,646)	(9,234)

Integration Joint Board

Agenda item: 5.5

Date of Meeting: 25 September 2019

Title of Report: Financial Quarter 1 (2019/20) - Performance Exception Report

Presented by: Stephen Whiston - Head of Strategic Planning & Performance

The Integration Joint Board is asked to:

- Note overall scorecard performance for the FQ1(19/20) reporting period
- Consider and Note the HSCP performance against National Health and Well Being Outcome Indicators and the Ministerial Steering Group measures of integration for the HSCP
- Note the performance commentary with regard to actions to address exceptions against all indicators

1. EXECUTIVE SUMMARY

For Financial Quarter 1 (FQ1- 19/20) there is a slight increase in overall performance when compared to the previous quarter. Measures reported 'on track' for Financial Quarter 1 (FQ1) were (39) compared to (37) for FQ4.

Latest data available for FQ1 performance for the Ministerial Steering Group (MSG) measures notes an improvement in performance with Unplanned Admissions reporting a reduction of (4.7%) from the previous quarter, A&E Attendances noting a (2.1%) reduction from the previous quarter and Delayed Discharges reporting a (22.9%) reduction. Countering this and Unplanned Bed days continues to show an increase in performance of 2.6% against the previous quarter.

Areas of success for FQ1 note:

- Percentage of patients waiting no longer than 4 hours in A&E
- Percentage of adult care users reporting they feel safe at assessment
- Percentage of children on Child Protection Register with no Change of Social Worker
- Percentage of patients who wait no longer than 18 weeks for Psychological therapies

2. INTRODUCTION

The national health and wellbeing outcomes provide a strategic framework for the planning and delivery of health and social care services. These suites of outcomes, together, focus on improving the experiences and quality of services for people using those services, carers and their families. These outcomes focus on improving how services are provided, as well as, the difference that integrated health and social care services should make, for individuals. Currently there are 9 key National Health and Wellbeing Outcomes (NHWBOI's) and 23 sub-indicators and additional measures which form the foundation of the reporting requirement for the HSCP.

3. RELEVANT DATA AND INDICATORS

3.1 Overall Scorecard Performance for FQ1

Compared to FQ4 there is a slight increase in overall performance with FQ1 (39) measures reported as on-track against FQ4 which notes (37) on-track. For the first quarter of 19/20 the overall IJB scorecard performance is reporting a trend of red. It is worth noting that due to data lag nationally within the report -data used is the latest available at the time of reporting.

Integrated Joint Board [IJB] Scorecard		Success Measures	65	R
		On track	39	⇒
Outcome 1 - People are able to improve their health	FQ1 19/20	No of indicators	14	A
		On track	8	⇒
Outcome 2 - People are able to live in the community	FQ1 19/20	No of indicators	17	A
		On track	13	⇒
Outcome 3 - People have positive service-user experiences	FQ1 19/20	No of indicators	6	A
		On track	4	⇒
Outcome 4 - Services are centered on quality of life	FQ1 19/20	No of indicators	9	A
		On track	7	⇒
Outcome 5 - Services reduce health inequalities	FQ1 19/20	No of indicators	2	R
		On track	0	⇒
Outcome 6 - Unpaid carers are supported	FQ1 19/20	No of indicators	1	R
		On track	0	⇒
Outcome 7 - Service users are safe from harm	FQ1 19/20	No of indicators	6	A
		On track	3	↑
Outcome 8 - Health and social care workers are supported	FQ1 19/20	No of indicators	4	R
		On track	1	⇒
Outcome 9 - Resources are used effectively in the provision of health and social care services, with	FQ1 19/20	No of indicators	6	A
		On track	3	⇒












Key areas of improved reported performance for FQ1 are:











- Percentage of patients waiting no longer than 4 hours in A&E
- Percentage of adult care users reporting they feel safe at assessment
- Percentage of Children on Child Protection Register with no Change of Social Worker
- Percentage of patients who wait no longer than 18 weeks for Psychological therapies






Appendix 1 gives the detail of all the success measures for FQ1 and as requested by the Integration Joint Board (IJB). **Appendix 2** identifies the most recent SOURCE performance data with regards to Argyll & Bute HSCP, benchmarked partnership performance against comparable IJB's for the 9 Health & Wellbeing Outcome Indicator's.

3.2 Exceptions Report for all Performance Indicators (FQ1-19/20)

The table below summarises the exception report for all of the scorecard measures for FQ1(29/20) as red, the table below also includes performance narrative identifying key trends and where appropriate actions reported to improve performance.

Performance Indicators		Target	Latest (FQ1)	FQ4 Actual	Performance Narrative
1	AC1 - % of Older People receiving Care in the Community	86%	77.2% 	76.7%	Actions to Improve Performance: The trajectory for this indicator against target is improving and locally the focus remains on supporting people to live for longer at home or in their community setting.
1	AC15 - No waiting more than 12 weeks for homecare service - assessment authorised	6	9 	5	Actions to Improve Performance: H&L and B&C performance remains on target- work is ongoing in MAKI & OLI to improve performance. Previous performance for FQ3 & FQ4 18/19 was below target.
1	A&B - % of LD Service Users with a PCP	90%	88% 	89%	Actions to Improve Performance: Performance remains slightly below target - OLI and MAKI reduce overall performance with an average performance of 80%. Work is ongoing to ensure all clients have a person centred plan.
1	No of alcohol brief interventions in line with SIGN 74 guidelines	255	155 	156	Actions to Improve Performance: Performance in this measure is subject to the adoption of a different approach to the provision of brief interventions across Scotland. This has seen a substantial reduction in the overall number of brief interventions being done.
1	NHS-H7 - Proportion of new-born children breastfed - STANDARD	33.3%	31.9% 	31.9%	Actions to Improve Performance: This is annually reported and was a previous HEAT target- performance remains slightly below the target. Work is ongoing locally to improve the uptake of breastfeeding in new mothers.
1	No of ongoing waits >4 weeks for the 8 key diagnostic tests	0	275 	202	Actions to Improve Performance: Performance against this target is linked directly to an increase in the overall waiting times across the HSCP. Work is ongoing with NHS Highland and the Scottish Government to review and target additional resources at increased consultant time in clinics.
2	% of adults supported at home who agree they are supported to live as independently	81%	79% 	79%	Actions to Improve Performance: This is a national biennial postal survey and as such performance is directed affected by the number of questionnaires completed at this time. Performance against the national benchmark remains on target with the rest of Scotland, however is below our local target.
2	AC5 - Total No of Delayed Discharge Clients from A&B	12	24 	23	Actions to Improve Performance: Work is ongoing to address and reduce DD's across the HSCP- OLI and MAKI remain consistently higher compared to Helensburgh and B&C. Work is ongoing to focus on non-complex discharges and getting people back home within the 72hr target.
2	Falls rate per 1,000 population aged 65+	22	24 	24	Actions to Improve Performance: Work is ongoing to address falls both locally and nationally, performance remains just below target which is taken from the national average. Technology enabled care is being used to identify and prevent falls in the home.
2	CPC01.4.4 - % Waiting time from a patient's referral to treatment from CAMHS	90	89 	97	Actions to Improve Performance: Previous performance has been above target - this is the first quarter where there has been slight reduction (1%) below target. Trend analysis would suggest performance should improve for FQ2
3	No of patients with early diagnosis & management of dementia	890	803 	792	Actions to Improve Performance: Trend analysis notes that performance against this measure continues to improve

Performance Indicators		Target	Latest (FQ1)	FQ4 Actual	Performance Narrative
3	% of adults supported at home who agree that their health and care services seemed to be well co-ordinated	74%	72% 	72%	Actions to Improve Performance: This is a biennial postal survey and performance remains just below the Scottish average- work is ongoing to ensure that service delivery is seamless and well-coordinated for those using our services.
4	% of adults supported at home who agree their support had impact improving/maintaining quality of life	80%	74% 	74%	Actions to Improve Performance: This is a biennial postal survey and work is ongoing to ensure that people are involved in all elements of the care they receive and the focus remains on maintaining or improving their quality of life.
4	No of outpatient ongoing waits >12 weeks	0	508 	541	Actions to Improve Performance: Additional funding has been made available from the Scottish Government for additional consultant and clinic time and it is expected this will improve the number of ongoing waits >12 weeks. A National target for 2020/21 is zero
5	No of treatment time guarantee completed waits >12 weeks	0	12 	17	Actions to Improve Performance: Additional funding has been made available from the Scottish Government for additional consultant and clinic time and it is expected this will improve the number of ongoing waits >12 weeks. A National target for 2020/21 is zero
5	No of treatment time guarantee ongoing waits >12 weeks	0	12 	7	Actions to Improve Performance: Additional funding has been made available from the Scottish Government for additional consultant and clinic time and it is expected this will improve the number of ongoing waits >12 weeks. A National target for 2020/21 is zero
6	% of carers who feel supported to continue in their caring role	37%	33% 	33%	Actions to Improve Performance: Data for this measure is taken from the Biennial Health and Wellbeing Survey- performance remains below the Scottish average. Additional performance measures for carers will be reported 6 monthly via a national data return to the Scottish Government from our 4 carers centres. These new measures will be reported in the FQ2 scorecard
7	CP7 - % of Children on CPR with a current Risk Assessment	100%	54% 	53%	Actions to Improve Performance: Performance against this measure has been in part affected by reporting issues within local teams reporting into the CareFirst environment. However the general trend is a reduction in performance across the previous three quarters and work has been undertaken locally to support the administrative teams regarding their roles and responsibilities.
7	CP16 - % of Children on CPR with a completed CP plan	100%	79% 	85%	Actions to Improve Performance: Overall performance for this measure does note a reducing trend across the year. A data inputting error was corrected for FQ4 however there continues to be a reduction in performance against the target. Work is ongoing to ensure all children on the CPR have a completed care plan. New Carefirst admin protocols have been established locally to reduce data inputting lag and error in core data quality.
7	CP17 - % of CP investigations with IRTD within 24 hours	95%	76% 	67%	Actions to Improve Performance: There were 4 IRDs - relating to 2 sibling groups - where IRD s were delayed 2 related to allegations of historic abuse received on a Saturday. Out Of Hours inquiries confirmed that the children would not be having any contact with the alleged abuser and the IRD was delayed on a planned basis to the first working day to enable access to full interagency historic records. The other related to concerns received late on a Friday with protective arrangements confirmed over the weekend pending a full IRD first working day
8	Health & Social Care Partnership % of PRDs completed (SW only)	90%	64% 	52%	Actions to Improve Performance: Performance against the target has been achieved by the Strategic Planning & Performance Team- 100% and the Criminal Justice and Children and Families Team- 90%, poorer performance is seen with the Adult Care West Team (56%) and Adult Care East Team (27%)







Performance Indicators		Target	Latest (FQ1)	FQ4 Actual	Performance Narrative
8	Social Work staff attendance	3.78 days	5.0 Days 	5.7 Days	Actions to Improve Performance: Work is ongoing utilising current HR policies across the HSCP to reduce staff absence and support staff to return to work
8	% of NHS sickness absence	4%	5.27% 	5.87%	Actions to Improve Performance: Work is ongoing to reduce sickness absence across the HSCP- utilising key HR policies and procedures- performance against the target has noted a reducing trend from Jan 2019
9	SCRA43 - % of SCRA reports submitted on time	75%	63% 	79%	Actions to Improve Performance: Performance against target notes that both B&C and MAKI are showing (100%) with OLI (27%) and H&L (75%)- the general trend for FQ1 has seen a reduction in performance from FQ4
9	% of SMR1 returns received	95%	89% 	95%	Actions to Improve Performance: This data is reported as part of the NHSH scorecard and is by its nature subject to data lag in reporting which directly affects performance. Work is ongoing nationally with ISD to minimise data lag and maximise data completeness.
9	% of new outpatient appointments DNA rates	6.9%	9.9% 	9.4%	Actions to Improve Performance: Work is ongoing as part of the review of the overall waiting times performance to address the high rates of DNA's across all outpatient appointments offered. This work will look to modernise the current appointment booking system to a patient focussed booking system offering people more choice and control.
Please note that a period of 4/5 months data lag is in place with regards to reporting of FQ1 data Appendix 3 identifies the latest availability of data and it completeness at the time of this report. Longest data delays are due to data processing and validation from sources outside the HSCP Performance and Information Team.					







3.4 MSG Measures Performance Reporting

The Ministerial Steering Group (MSG) performance measures have been developed in addition to the National HWBOI's. The function of these performance measures is to examine macro performance activity trends relating to improved outcomes through the integration of service delivery across the HSCP. The data below notes the Argyll & Bute and Greater Glasgow & Clyde split with regards to the performance total against our four agreed target areas with MSG.

Quarterly overall MSG performance based on latest data available as at FQ1 notes:

- Unplanned Admissions: 8.2% off target, **down from 12.9%**
- Unplanned Bed Days: 13.3% off target, **an increase from 10.6%**
- A&E Attendance: 2.7% off target, **down from 4.8%**
- Delayed Discharges: 16.9% off target, **down from 39.8%**

MSG Indicator	Objective	Quarterly Target	Latest Actual	A&B Actual	A&B Target	GG&C Actual	GG&C Target
Unplanned Admissions	Expected FY target 8332 - based on 5% reduction in overall total	2083	2254 	1074 	1071	1204 	1012
Unplanned Bed Days	Expected FY target 56687 - based on 0.6% reduction in	14171	16677 	6634 	7069	9809 	7103

	overall total						
A& E Attendance	Expected FY target 16194 - based on sustained levels in overall total**	4048	4165 	1566 	1732	2451 	2316
Delayed Discharge Bed Days Occupied	Expected FY target 7037 - based on 10% reduction in overall total	1759	2057 	1556 	1475	501 	284

4. GOVERNANCE IMPLICATIONS

4.1 Financial Impact

There are a number of National Health & Wellbeing Outcome Indicators (NHWBOI's) which support the quality and financial performance of the HSCP including productivity, value for money and efficiency.

4.2 Staff Governance

A number of the National Health & Wellbeing Outcome Indicators (NHWBOI's) indicators under outcome 9 are pertinent for staff governance purposes

4.3 Clinical Governance

A number of the National Health & Wellbeing Outcome Indicators (NHWBOI's) support the assurance of health and care governance and should be considered alongside that report.

5. EQUALITY & DIVERSITY IMPLICATIONS

The National Health & Wellbeing Outcome Indicators (NHWBOI's) help provide an indication on progress in addressing health inequalities

6. GENERAL DATA PROTECTION PRINCIPLES COMPLIANCE

None

7. RISK ASSESSMENT

None

8. PUBLIC & USER INVOLVEMENT & ENGAGEMENT

None

9. CONCLUSIONS

It is recommended that the Integration Joint Board/committee:

Note overall scorecard performance for the FQ1 reporting period with regards to the National Health and Well Being Outcome Indicators and the Ministerial Steering Group measures of integration for the HSCP

10. DIRECTIONS

Directions required to Council, NHS Board or both.	Directions to:	tick
	No Directions required	x
	Argyll & Bute Council	
	NHS Highland Health Board	
	Argyll & Bute Council and NHS Highland Health Board	














REPORT AUTHOR AND CONTACT

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Appendix 1- IJB Success Measures for FQ1-19/20

Outcome 1	R/G	Target	Actual
% of adults able to look after their health very well or quite well		93 %	93 %
Rate of emergency admissions per 100,000 population for adults		12183	11632
Rate of premature mortality per 100,000 population		425.0	380.0
CA15B - % Looked After & Accommodated Children in Family Placements		75 %	81%
CA17 - No of External Looked After & Accommodated Children		10	5
% of MMR1 uptake rates at 5 years old		95.0 %	98 %
% <18 type 1 Diabetics with an insulin pump		25 %	45 %
% >18 type 1 Diabetics with an insulin pump		12 %	12%
Outcome 2	R/G	Target	Actual
A&B - Number of people 65+ receiving homecare - Quarterly Stats		1,180	1,199
% of adults supported at home who agree they had a say in how their support was provided		76 %	76 %
Emergency Admissions bed day rate		123,035	102,022
Proportion of last 6 months of life spent at home or in a community setting		88 %	90 %
% of adults with intensive needs receiving care at home		61 %	67 %
AC14 - Total No. of Enhanced Telecare Packages		500	884
AC21 <=3 weeks wait between Substance Misuse referral & 1st treatment		90.0 %	94.9 %
% of patients wait no longer than 4 hours in A&E		95.0 %	98.6 %
% of patients who wait no longer than 18 weeks for Psychological therapies		90 %	94 %
No of days people spend in hospital when ready to be discharged, per 1,000 population		772 Days	652 Days
% of health & care resource spend on hospital stays, patient admitted in an emergency		22 %	22 %
Readmission to hospital within 28 days per 1,000 admissions		102	80
AC2 - % of MH Clients receiving Care in the Community		98%	99%
Outcome 3	R/G	Target	Actual
% of adults receiving any care or support who rate it as excellent or good		80 %	80 %
% of people with positive experience of their GP practice		83 %	85 %
AC16 - No of abbreviated customer service questionnaire sent to AC users- bi-monthly		5	5
% of SW care services graded 'good' '4' or better in Care Inspectorate inspections		83 %	84 %
Outcome 4	R/G	Target	Actual
CA34 - % of Care Leavers with a Pathway Plan		74 %	86 %

% of outpatients on the waiting lists with medical unavailability		0.1 %	0.1 %
% of outpatients on the waiting lists with social unavailability		4.0 %	0.8 %
% of patients on the admissions waiting lists with social unavailability		15.7 %	12.8 %
% of patients on the admissions waiting lists with medical unavailability		2.0%	1.1%
CA72 - % LAAC >1yr with a plan for permanence		81%	83%
AC11 - Average working days between Referral & Initial AP Case Conference		15 days	0 Days
Outcome 7	R/G	Target	Actual
% of adults supported at home who agree they felt safe		83 %	83 %
AC17 - % of AC users reporting they feel safe at assessment		70 %	78 %
CP15 - % of Children on Child Protection Register with no Change of Social Worker		80 %	86 %
Outcome 8	R/G	Target	Actual
% of staff who say they would recommend their workplace as a good place to work		67.0 %	71%
Outcome 9	R/G	Target	Actual
CJ61 - % Criminal Justice Social Work Reports submitted to Court on time		92 %	95 %
CJ63 - % Community Payback Orders cases seen without delay - 5 days		80.0 %	86.7 %
CJ65 - Average hrs per week taken to complete Community Payback Order Unpaid Work/CS Orders		6.0 Hours	7.3 Hours

Appendix 2- A&B HSCP Benchmark HWBOI Performance (FQ1-19/20)

The table below identifies the most recent SOURCE performance data with regards to Argyll & Bute HSCP, benchmarked partnership* performance, and the Scotland-wide performance against the 9 HWBOI's and their 23 sub-indicators.

Indicator	Title	Argyll & Bute	Angus	East Lothian	Highland	Midlothian	Moray	Scot Borders	Stirling	Scotland
NI - 1	Percentage of adults able to look after their health very well or quite well	93%	95%	94%	94%	92%	93%	94%	94%	93%
NI - 2	Percentage of adults supported at home who agreed that they are supported to live as independently as possible	79%	76%	72%	86%	86%	83%	83%	84%	81%
NI - 3	Percentage of adults supported at home who agreed that they had a say in how their help, care, or support was provided	76%	71%	68%	79%	80%	75%	74%	73%	76%
NI - 4	Percentage of adults supported at home who agreed that their health and social care services seemed to be well co-ordinated	72%	71%	66%	76%	71%	73%	75%	76%	74%
NI - 5	Total % of adults receiving any care or support who rated it as excellent or good	80%	77%	75%	83%	71%	80%	83%	79%	80%
NI - 6	Percentage of people with positive experience of the care provided by their GP practice	85%	78%	80%	87%	76%	80%	88%	86%	83%
NI - 7	Percentage of adults supported at home who agree that their services and support had an impact on improving or maintaining their quality of life	74%	77%	75%	86%	73%	79%	80%	81%	80%
NI - 8	Total combined % carers who feel supported to continue in their caring role	33%	34%	36%	38%	32%	39%	36%	38%	37%
NI - 9	Percentage of adults supported at home who agreed they felt safe	83%	80%	81%	84%	79%	84%	86%	88%	83%
NI - 10	Percentage of staff who say they would recommend their workplace as a good place to work	NA	NA	NA	NA	NA	NA	NA	NA	NA

Indicator**	Title	Argyll & Bute	Angus	East Lothian	Highland	Midlothian	Moray	Scot Borders	Stirling	Scotland
NI - 11	Premature mortality rate per 100,000 persons	380	384	372	373	389	372	324	360	425
NI - 12	Emergency admission rate (per 100,000 population)	11,632	10,951	10,035	10,413	11,129	8,842	12,297	7,757	11,492
NI - 13	Emergency bed day rate (per 100,000 population)	102,022	98,834	94,445	94,017	112,434	85,623	127,593	86,811	107,921
NI - 14	Readmission to hospital within 28 days (per 1,000 population)	80	99	94	108	105	75	104	94	98
NI - 15	Proportion of last 6 months of life spent at home or in a community setting	90%	91%	89%	91%	87%	90%	86%	90%	89%
NI - 16	Falls rate per 1,000 population aged 65+	24	25	19	15	18	15	19	17	22
NI - 17	Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	84%	83%	84%	86%	82%	87%	79%	92%	82%
NI - 18	Percentage of adults with intensive care needs receiving care at home	67%	51%	64%	50%	70%	65%	62%	66%	61%
NI - 19	Number of days people spend in hospital when they are ready to be discharged (per 1,000 population)	652	320	648	1,284	1,361	1,093	777	552	805
NI - 20	Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency	22%	23%	21%	20%	24%	19%	22%	19%	22%
NI - 21	Percentage of people admitted to hospital from home during the year, who are discharged to a care home	NA	NA	NA	NA	NA	NA	NA	NA	NA
NI - 22	Percentage of people who are discharged from hospital within 72 hours of being ready	NA	NA	NA	NA	NA	NA	NA	NA	NA
NI - 23	Expenditure on end of life care, cost in last 6 months per death	NA	NA	NA	NA	NA	NA	NA	NA	NA

*Improvement Service Benchmarking Family Groupings for Children, Social Work and Housing Indicators

** Latest Data based on ISD Core Suite of Integration Indicators Standards as at Jun 2019 and may be impacted by data completeness.

Appendix 3- Data Lag & Latest Data Availability

IJB Reporting Dates	Data Lag	FQ Reports	Latest Data Availability & Completeness
Wednesday 25 th September 2019	4/5 months	FQ1 (April – June 2019)	IJB SC FQ1 19/20 MSG Measures FQ4 18/19 CSSI – FQ4 18/19

Integration Joint Board

Agenda item : 5.6

Date of Meeting: 25 September 2019

Title of Report: Review of Governance

Presented by: Charlotte Craig

The Integration Joint Board is asked to:

- Note the summary of the Governance Review and outputs
- Note the current context of the review.
- Approve the creation of a Finance and Policy Committee to replace the Quality and Finance Board
- Approve the appointment of an IJB member as co-chair to the Strategic Planning Group
- Approve proposed membership and attendees of committees
- Appoint to committees where specified.
- Note forthcoming Integration Joint Board recruitment
- Approve Meeting Schedule

1. EXECUTIVE SUMMARY

- 1.1 There has been an ongoing review of the Governance as noted in papers provided to the IJB in 2019. The instruction from the IJB was to review the Terms of Reference for the Quality and Finance Board and Audit Committee. Further discussion extended scope seeking to provide a more robust Governance approach overall.
- 1.2 This activity has been supported by the Standards Officer and the Executive Directors team who have extensively reviewed the Scheme of Integration with officers and corroborated the requirements for the committees of the Integration Joint Board which are outlined by the scheme.
- 1.3 It was identified that there was value in a formal Scheme of Administration and Delegation. Also a delegation of powers to the committee structure has been explored as directed. However it is recommended that in the context of the Review of the Scheme of Integration in 2019-20, a formal Scheme of Administration and Delegation is revisited after this exercise is concluded.
- 1.4 As such the committees are responsible for recommendation to the Board for decision making as opposed to decision making entities.

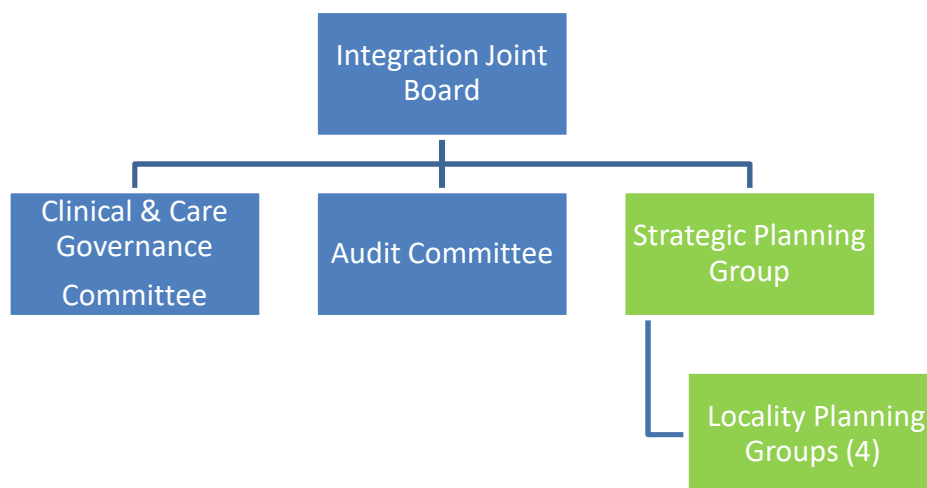
- 1.5 The recommendation is to approve a Finance and Policy Committee replacing the Quality and Finance Board, appoint an IJB Member as co-chair to the Strategic Planning Group to strengthen its role, and approve a timetable of meetings which will facilitate regular reporting from Committees and Planning Groups to the IJB.
- 1.6 This paper outlines the current governance structure and proposed governance structure and seeks that the Integration Joint Board notes the forthcoming recruitment process and appoint to committees to ensure they are quorate.
- 1.7 A Meeting Schedule corresponding with partner governance meeting is contained in appendix 5 for approval.

2. INTRODUCTION

- 2.1 This paper summarises the governance review in relation to the structure required to provide robust governance for Argyll & Bute Integration Joint Board. It makes a number of recommendations and seeks approval for changes at committee and group level. It outlines the context for the recommendations and identifies that there is further work to be undertaken in delivering a full code of corporate governance supporting Integration Joint Board Members.

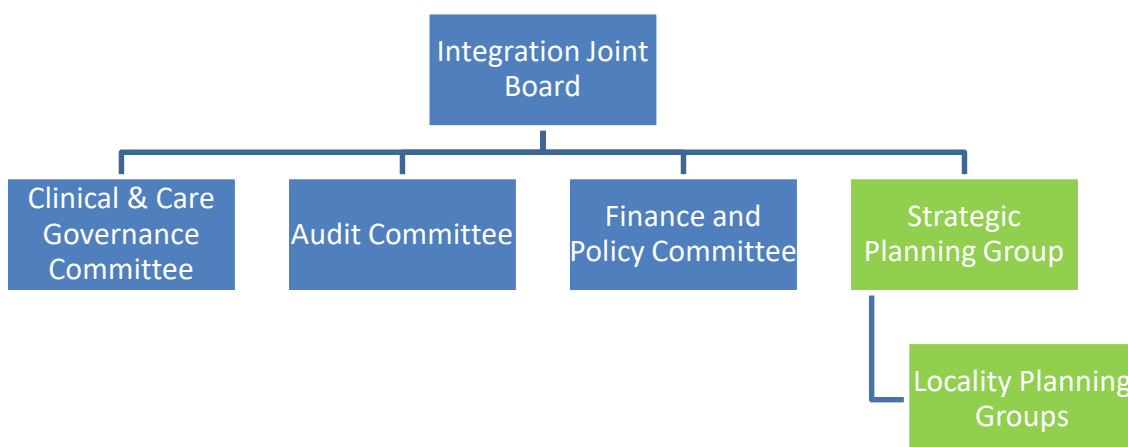
2 DETAIL OF REPORT

- 3.1 The Scheme of Integration prescribes the following Governance structure for the Argyll & Bute Integration Joint Board consisting of two committees, a Strategic Planning Group which has traditionally been officer led and the Locality Planning Groups which is the route for communities to influence the planning of the Integration Joint Board.



- 3.2 As with the legally required review of the Scheme of Integration so has the Integration Joint Board reviewed its structure and the terms of reference of its committees to ensure they meet the requirements of the business of the IJB.

- 3.3. The IJB has made use of Boards which are officer led and may or may not have membership of the IJB to monitor the delivery of Quality and Finance programme, Transformation and the delivery of the new Primary Care Modernisation plan.
- 3.4 The officers have worked with the Standards Officer for the review and the Executive Directors team writing a Scheme of Administration and Delegation, considering the need for further robustness around financial governance as directed and indeed whether there was potential for committees to have delegated powers which would be reflective of the parent organisations structures.
- 3.5 The Scheme of Administration and Delegation was reviewed by the IJB as part of its development and in the wider context of the Review of The Scheme of Integration. It was decided to pause any implementation of such a document and change of decision making until this was concluded and impacts reviewed. As such the committees will remain with no delegated powers.
- 3.6 The role of the Quality and Finance Board still requires to be addressed in terms of the Integration Joint Board requirement for robust financial monitoring and supporting well developed policy proposals which support service development and design for recommendation to the Integration Joint Board.
- 3.7 The product of the review has produced terms of reference (appendix 4) allocating the different required responsibilities to the proposed committees, supported by the Strategic Planning Group and Locality Planning Groups. The proposed structure is presented below with a recommendation to support the Finance and Policy Committee to support the development of policy proposals based on the Strategic Plan, sound financial monitoring and the requirement for service design and re-design. This would aim to address previous concerns on underdeveloped proposals and potentially undeliverable proposals.



- 3.8 The reporting structure for the Clinical and Care Governance Committee is presented in appendix 1 noting that The Argyll & Bute Committee also acts as a sub-committee in the wider clinical governance of NHS

Highland. Appendix 2 notes the Staff Governance structure and their advisory role and Appendix 3 notes the structure of the planning governance into Argyll & Bute's Communities.

- 3.9 The proposed Terms of Reference derived from the work undertaken to inform the Scheme of Delegation and Administration are contained at Appendix 4. These are recommended to the Integration Joint Board for approval. There are no delegated powers but the responsibilities of each committee to the Integration Joint Board are clearly outlined.

3 RELEVANT DATA AND INDICATORS

None for this paper.

4 CONTRIBUTION TO STRATEGIC PRIORITIES

The Integration Joint Board oversee the delivery of the Strategic Plan with the support of the committee structure, groups and boards whom they delegate activities to. This structure has no delegated powers and can only make recommendation to the board based on the activity examined.

5 GOVERNANCE IMPLICATIONS

6.1 Financial Impact

The Quality and Finance Board was created to ensure the tracking of the activity required to deliver identified financial savings. The proposed Finance and Policy Committee develops this governance level to provide a robust structure that ensures the linkage between the delivery of the Strategic Plan and the agreed policy decisions of the Integration Joint Board. It offers a forum to review policy approach in parallel with finance on a monthly basis prior to presenting to the Integration Joint Board for approval, ensuring that proposals are fully developed.

5.1 Staff Governance

This report highlights the Staff Governance structure. This structure enables staff representation to participate in an advisory role and links with partner structures i.e. Organisational Change.

5.2 Clinical Governance

The meeting schedule support communication from the Clinical & Care Governance Committee feeds to the NHS Clinical and Care Governance Committee (of which it is a sub-committee) and to the Integration Joint Board in a timely manner. There is function for exception reporting for this committee to ensure that governance bodies are alerted to an exceptions between meetings of the Boards.

6 EQUALITY & DIVERSITY IMPLICATIONS

This paper highlights the governance structure and proposed governance structure which is underpinned by the principals of ensuring equal access to health and social care services. The Integration Joint Board endorses the use of the EQIA tool throughout its governance structure. As such no separate EQIA was required to underpin this document.

7 GENERAL DATA PROTECTION PRINCIPLES COMPLIANCE

No impact on General Data Protection Principle Compliance

8 RISK ASSESSMENT

The proposal highlights a development to the financial governance and reiterates the role of the Strategic Planning Group supporting this with an IJB co-chair. The Locality Planning Groups will develop locality plans that will be shared with the IJB and report on these at the Strategic Planning Group.

The Integration Joint Board has sought to invest the time in a review of governance recognising the benefit of good governance to supporting informed decision making and reducing risk.

9 PUBLIC & USER INVOLVEMENT & ENGAGEMENT

This paper required no specification for public involvement. Integration Joint Board members have been regularly updated and invited to comment on the progress of the review.

10 CONCLUSIONS

The review has concluded that within the context of the Review of the Scheme of Integration that any further delegation of powers should be supported by a Scheme of Administration and Delegation. This should be reflective of the Scheme of Integration and as such should not be put in place until the conclusion of that exercise.

In the interim cognisance is taken of the work that has been done and approval is sought to support the creation of a Finance and Policy Committee.

- Approval is sought for the updated Terms of reference supporting the proposed Committee structure which separates the responsibilities of the committees. This includes membership of committees, required attendees and officers who attend as needed.
- If Finance and Policy Committee is approved the committee will require to be appointed.
- Approval is also sought to appoint a member of the IJB as co-chair to the Strategic Planning Group to support the links between Locality Planning Groups and the IJB.
- Due to the resignation of Heather Grier as an IJB member the Audit Committee Chair is vacant and requires the IJB to make an appointment.
- Elizabeth Roddick has stepped down from the Audit committee and her place requires to be appointed to.
- Permanent NHS representation on Audit Committee requires to be appointed as full complement of NHS Board members have been appointed..
- The IJB is also asked to approve the meeting schedule for 2020.

The IJB will be seeking recruitment to the Unpaid Carer role, Non-GP Medical Representative and public representative during October and will seek to confirm appointment in November 2019.

11 DIRECTIONS

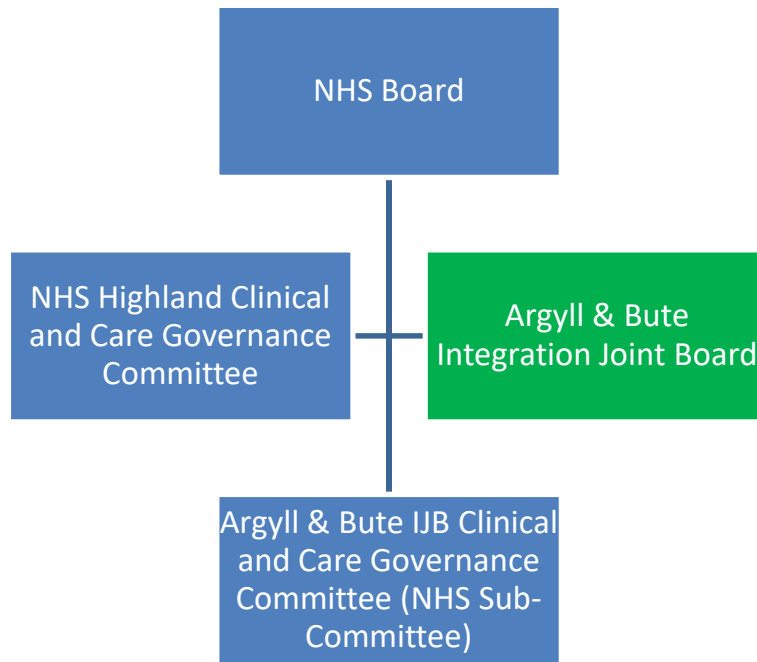
Directions required to Council, NHS Board or both.	Directions to:	tick
	No Directions required	x
	Argyll & Bute Council	
	NHS Highland Health Board	
	Argyll & Bute Council and NHS Highland Health Board	

REPORT AUTHOR AND CONTACT

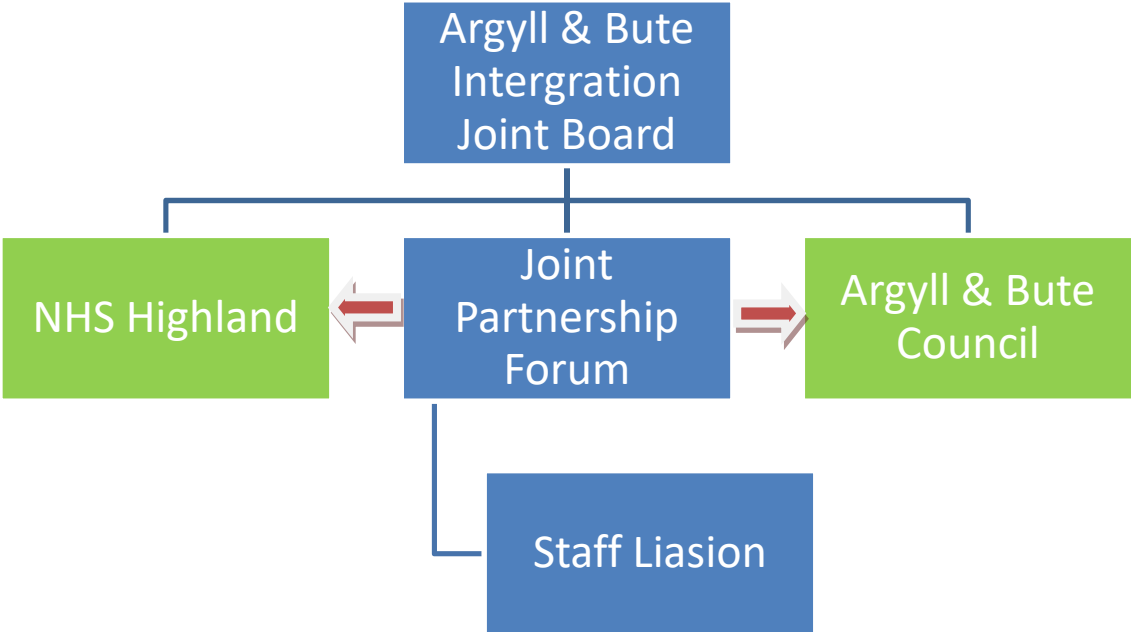
Author Name Charlotte Craig

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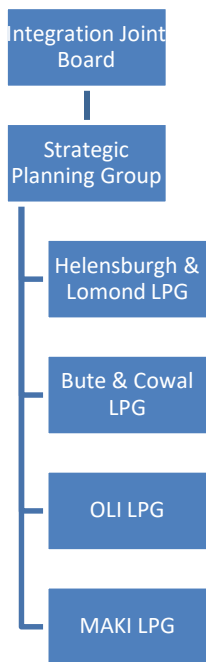
Appendix 1 Clinical and Care Governance Committee Path



Appendix 2 Staff Governance



Appendix 3 Strategic Planning Group and Locality Planning Group



Appendix 4 Current Committee Membership

Audit Committee		
Role	Current	Membership
Chair IJB Member	Vacant	Member
Vice Chair IJB Member	Cllr Sandy Taylor	Member
IJB Member	Cllr Kieron Green	Member
IJB Member	Vacant	Member
IJB Member	Sarah Compton Bishop	Temp Member
IJB Member	Boyd Robertson	Temp Member
Chief Officer	Joanna Macdonald	Attendee (required)
Chief Finance Officer	Judy Orr	Attendee (required)
External Auditor		Attendee (required)
Internal Auditor		Attendee (required)
Officers attend as required		Attendee

Clinical & Care Governance Committee		
Role	Current	Membership
Chair IJB Member (Council or NHS)	Sarah Compton-Bishop	Member
Vice Chair IJB Member (Council or NHS)	Kieron Green	Member
Chief Officer	Joanna Macdonald	Member
Associate Medical Director	Dr Rebecca Helliwell	Attendee (required)
Associate Director Public Health	Alison McGrory	Attendee (required)
Associate Clinical Dental Director	Donald MacFarlane	Attendee (required)
Lead Nurse	Elizabeth Higgins	Attendee (required)
Chief Social Worker/Head of Children & Families	Alex Taylor	Attendee (required)
Lead AHP	Linda Currie	Attendee (required)
Lead Pharmacist	Fiona Thomson	Attendee (required)
Head(s) of Adult Services	Donald Watt/Jim Littlejohn	Attendee (required)
Clinical Governance Manager	Fiona Campbell	Attendee (required)
Staffside Representative	Fiona Broderick/Kevin McIntosh	Attendee (required)
Officers attend as required		Attendee

Finance & Policy (proposed)*

Finance & Policy Committee		
Role	Current	Membership
Chair		Member
Vice Chair		Member
IJB Member		Member
IJB Member		Member
IJB Member		Member
IJB Member		Member
Chief Officer		Attendee (required)
Chief Finance Officer		Attendee (required)
Staffside		Attendee (required)
Officers attend as directed		Attendee

*Greater IJB Membership

Strategic Planning Group (Proposed)**

Strategic Planning Group		
Role	Current	Membership
Chair	Head of Strategy & Planning	Member
Co-Chair (IJB Member)		Member
IJB Member (carers)		Member
Chief Officer	Joanna Macdonald	Member
Chief Financial Officer	Judy Orr	Member
Associate Medical Director	Dr Rebecca Helliwell	Member
Associate Director Public Health	Alison McGrory	Member
Associate Clinical Dental Director	Donald MacFarlane	Member
Lead Nurse	Elizabeth Higgins	Member
Chief Social Worker/Head of Children & Families	Alex Taylor	Member
Lead AHP	Linda Currie	Member
Lead Pharmacist	Fiona Thomson	Member
Head(s) of Adult Services	Donald Watt/Jim Littlejohn	Member
Staffside Representative	Fiona Broderick/Kevin McIntosh	Member
Senior Service Planning Manager	Kristin Gillies	Member
Housing (Council and other)	Douglas Whyte/	Member
Third Sector (TSI CEO + 1)	Kirsteen Murray/	Member
Carers Act Implementation Officer	TBC	Member
Independent Sector		Member
Officers attend as required		Attendee

** IJB Member as co-chair

Locality Planning Groups

Locality Planning Groups (x4)		
Role	Current	Membership
Chair	Locality Manager	Member
Co-Chair	Other than HSCP staff	Member
Community Members (2)	Various based on Locality	Member
Carers (2)	To be recruited	Member
Third Sector	Various based on Locality	Member
Independent Sector	Various based on Locality	Member
Primary Care	Various based on Locality	Member
Housing	Various based on Locality	Member
Education	Various based on Locality	Member
Community Council (2)	To be recruited	Additional Members Argyll & Bute (not statutory)
Elected members	Various based on Locality	Additional Members Argyll & Bute (not statutory)

Boards reporting to the Integration Joint Board

- **Quality & Finance Board**
- **Transformation Board**
- **Primary Care Modernisation Board**

IJB Membership

The role and constitution of IJB is established through legislation. The voting membership is:

- a. NHS Highland : 4 members of the NHS Highland Health Board
- b. Council: 4 Elected members of the Council nominated by the Council

The term of office of the Chair and the Vice Chair will be a period of two years. NHS Highland and the Council will appoint one of their four representatives to act as Chair/Vice Chair on a two year rotating basis.

The Chief Officer and Chief Financial Officer shall attend Committee meetings in their capacity of advisers and not as members of the Committees.

The decision making structure whereby the committees of the IJB have Terms of Reference agreed by the IJB include the Clinical and Care Governance Committee, Audit and Risk Committee and Finance and Policy Committee.

The act makes provision for a Strategic Planning Group for the development and delivery of the Strategic Plan. Argyll & Bute IJB have approved a Locality Planning Group model to engage on local planning.

1.1. Clinical and Care Governance Committee Membership

The Committee will consist of not less than 6 members, being IJB representatives, officers, stakeholders and professional advisers. The IJB shall appoint IJB representatives to the Committee, appropriate officer representation will be co-ordinated by the Chief Officer.

- Chair of Clinical and Care Governance Committee (IJB Member NHS/Council)
- IJB Member NHS/Council
- Chief Officer
- Associate Medical Director (Argyll and Bute HSCP)
- Lead Nurse (Argyll and Bute HSCP)
- Head of Adult Services (n=2)
- Head of Children and Families
- Chief Social Work Officer
- Lead Pharmacist
- Assistant Clinical Dental Director
- Lead Allied Health Professional
- Clinical Governance Manager
- Carer/Patient/Public Representatives
- Staff side/TU Representative(s)

1.2. Audit and Risk Committee Membership

Audit and Risk Committee consists of six members of the IJB (minimum two voting members - one from NHS Highland and one from the Council)

The Chair and Vice-Chair of the IJB Audit and Risk Committee will be appointed by the IJB for a two-year term. Neither may be Chair or Vice-Chair of the IJB.

Other persons may participate in meetings by invitation of the Chair.

- Chair
- Vice-Chair
- Chief Officer
- Chief Financial Officer
- Internal Auditor
- External Auditor

1.3. Finance and Policy Committee Membership

The Committee will consist of not less than 8 members, being IJB representatives, officers, stakeholders and professional advisers. The IJB shall appoint IJB representatives to the Committee, appropriate officer representation will be co-ordinated by the Chief Officer.

- Four members from the IJB, with two being the Chair and Vice Chair of the IJB
- Chief Officer
- Chief Financial Officer
- Strategic Management Team Representatives (inc Professional Leads)
- Staff side/TU Representative(s)

1.4. Strategic Planning Group Membership

The Strategic Planning Group is established according to Section 32 of the Public Bodies (Joint Working) (Scotland) Act 2014 and will report to the full IJB Board as required.

- Head of Strategic Planning and Performance, Co-Chair SPG
- IJB Member Co-Chair
- Chief Officer Health and Social Care
- Chair, Integrated Joint Board
- Vice Chair, Integrated Joint Board
- Associate Medical Director
- Head of Service, Children & Families and Criminal Justice,
- Chief Social Work Officer
- Head of Adult Services (n=2)
- Lead Nurse
- Assistant Clinical Dental Director
- Chief Financial Officer HSCP
- Senior Service Planning Manager HSCP

- Associate Director Public Health
- Housing Sector Representation
- Third sector CEO, Argyll TSI/ Third Sector representation
- Independent Sector Representatives
- Carers' Act Implementation Officer

Locality Planning Groups Membership

- Community members (n=2)
- Carers (n=2)
- Health & Social Care Services
- Third sector
- Independent Sector
- GPs
- Housing,
- Education
- Elected members
- Community councillors

2. GENERAL PROVISIONS REGULATING MEMBERSHIP

Members of the IJB subscribe to and comply with the Standing Orders and Code of Conduct and the appointed Standards Officer is responsible for advising and guiding members of the Board on issues of conduct and propriety. A register of interests is in place for all Board members and senior officers.

The IJB operates within an established procedural framework. The roles and responsibilities of Board members and officers are defined within the Integration Scheme, Standing Orders and Financial Regulations; these are subject to regular review.

The Committees will report directly to IJB and will provide clear, robust, accurate and timely information on the quality of service performance.

2.1. Appointments

The IJB will make all appointments to the Committees including the appointment of the Chair and Vice-Chair of the Committees.

2.2. Chair and Vice-Chair

2.2.1. The Chair and Vice-Chair of the Committees will be members of the IJB appointed from those members appointed to the Committees;

2.2.2. The appointment of Chair and Vice-Chair will be for a two year term.

2.3. Quorum

2.3.1. Three members of each Committee, one from each parent body and one other, shall constitute a quorum, with at least one of the members being Chair or Vice-Chair.

2.3.2. Ordinary Committee members (i.e. other than the Chair/Vice-Chair) may nominate deputies to attend meetings to ensure meetings are quorate, this will only be permitted with prior agreement by the Chair.

2.3.3. No business shall be transacted unless this minimum number of members is present. For the purposes of determining whether a meeting is quorate, members attending by video or audiolink will be determined to be in attendance.

2.4. Frequency of Meetings

2.4.1. The Committees will meet on a frequency to be determined by IJB, on dates to be specified in an annual programme of meetings, with meetings normally held at least quarterly in each financial year at a place and time as determined by each Committee.

2.4.2. The Chair of each Committee may at any time convene additional meetings to consider business, which may require urgent consideration.

2.5. In Attendance

2.5.1 Agendas will follow standard template which will cover all elements of the Committee's framework.

2.6. Sub-groups

2.6.1. The Committees may at their discretion set up working groups for specific tasks. Membership of working groups will be open to anyone whom the Committees consider will be able to assist in the task assigned. The working groups will report their findings and any recommendations to each Committee.

CLINICAL AND CARE GOVERNANCE COMMITTEE TERMS OF REFERENCE

1. REMIT

The Committee's framework will encompass the following responsibilities as detailed in paragraph 5.8 of the Integration Scheme:-

1.1. Each of the four elements, listed below, will be underpinned by mechanisms to measure quality, clinical and service effectiveness and sustainability. They will be compliant with statutory, legal and policy obligations strongly underpinned by human rights values and social justice. Service delivery will be evidence-based, underpinned by robust mechanisms to integrate professional education, research and development.

1.1.1. Measure the quality of integrated service delivery by measuring delivery of personal outcomes and seeking feedback from service users and/or carers;

1.1.2. Professional regulation and workforce development;

1.1.3. Information governance

1.1.4. Safety of integrated service delivery and personal outcomes and quality of registered services

1.2. The Committee will ensure that quality monitoring and governance arrangements are in place for safe and effective health and social care service delivery in Argyll and Bute. This will include the following:-

1.2.1 Compliance with professional codes, legislation, standards, guidance.

1.2.2 Systems and processes to ensure a workforce with the appropriate knowledge and skills to meet the needs of the local population.

1.2.3 Effective internal systems that provide and publish clear, robust, accurate and timely information on the quality of service performance.

1.2.4 Systems to support the structured, systematic monitoring, assessment and management of risk.

1.2.5 Co-ordinated risk management, complaints, feedback and adverse events/incident system, ensuring that this focuses on learning, assurance and improvement.

1.2.6 Improvement and learning in areas of challenge or risk that are identified through local governance mechanisms and external scrutiny.

- 1.2.7 Mechanisms that encourage effective and open engagement with staff on the design, delivery, monitoring and improvement of the quality of care and services.
 - 1.2.8 Planned and strategic approaches to learning, improvement, innovation and development, supporting an effective organisational learning culture.
- 1.3. To provide assurance to the Integrated Joint Board that systems, processes and procedures are in place and are delivering effective clinical and care governance throughout Argyll and Bute. This will include the following:
- 1.3.1. To develop and monitor clinical and care assurance systems to regulate the quality and safety of health and care services
 - 1.3.2. To monitor implementation of Care Inspectorate and NHS Healthcare Improvement Scotland clinical standards and other external review body standards and guidelines – such as Mental Welfare Commission, SPSO etc.
 - 1.3.3. To oversee self-evaluation and preparation for joint inspections and to oversee local implementation of recommendations following review
 - 1.3.4. To oversee the review all incidents to identify trends, to take appropriate action and disseminate lessons learnt across Argyll and Bute (and NHS Highland where appropriate)
 - 1.3.5. To oversee the review of all feedback, including complaints and compliments, to ensure proper management, identify trends and disseminate lessons learnt across Argyll and Bute (and NHS Highland where appropriate)
 - 1.3.6. To review Significant Event Review findings and ensure completion of resulting action plans
 - 1.3.7. Overseeing the development, agreement and review of clinical and care procedures, guidelines and protocols for delegated functions of the HSCP. The NHSH Board governance structures should be utilised to ratify clinical policies, guidelines and protocols (e.g. the Area Drugs and Therapeutics Committee for policies relating to medicines, similarly the Council structures should be utilised for care procedures, guidelines and protocols where necessary to meet legal requirements).

- 1.3.8. To oversee the Clinical and Care Governance Risk Register and to ensure that risk management procedures are followed across Argyll and Bute
- 1.3.9. To oversee the development of local risk registers and action plans. To identify risks requiring attention and report to the IJB as required
- 1.3.10. To ensure that professional standards are adhered to and that systems for governing regulatory requirements for professionals are in place as laid out in the professional Assurance Framework.
- 1.3.11. To oversee implementation of framework for professional supervision of clinical and care professionals working in Argyll and Bute
- 1.3.12. To oversee the Clinical and Care Governance Risk Register and to ensure that risk management procedures are followed across Argyll and Bute
- 1.3.13. To oversee the development of local risk registers and action plans. To identify risks requiring attention and report to the IJB as required
- 1.3.14. To ensure that professional standards are adhered to and that systems for governing regulatory requirements for professionals are in place as laid out in the professional Assurance Framework.
- 1.3.15. To oversee implementation of framework for professional supervision of clinical and care professionals working in Argyll and Bute

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

REMIT

- 1.1. To agree the internal audit strategic plan, oversee and review action taken on internal audit recommendations.
- 1.2. To consider the External Auditor's Annual Audit Plan, Annual Letter, relevant reports, and the report to those charged with governance and other specific External Audit reports.
- 1.3. To comment on the scope and depth of External Audit work and to ensure it gives value for money.
- 1.4. To commission work from Internal, External Audit and third parties where appropriate.
- 1.5. To consider the performance of Internal and External Audit.
- 1.6. To facilitate training to support the role of Audit and Risk Committee Members.
- 1.7. To develop a culture of compliance within the IJB to ensure the highest standards of probity and public accountability.
- 1.8. To support best practice in the financial administration of the IJB.
- 1.9. To review the IJB's financial performance as contained in the Annual Performance Report, and to report annually to the IJB on the internal control environment.
- 1.10. There should be a least one meeting a year, or part thereof, where the Audit Committee meets the Internal and External Auditors separately from management.
- 1.11. The Committee will prepare an annual work plan setting out meeting dates for the financial year and anticipated internal audit, external audit, management reports and scrutiny topics expected to be covered at each meeting.
- 1.12. The Committee shall prepare an annual report to the IJB covering its activities and key findings each year. This report will be considered at the IJB meeting that agrees the External Auditor's annual audit letter.
- 1.13. To consider performance and inspection reports from internal audit, external audit and other relevant scrutiny bodies.

Regulatory Framework and Risk Management

- 2.1 To monitor and seek assurance with regard to risk control measures through the review of the effectiveness of risk management systems and corporate governance in the Council.
- 2.2. To consider the IJB's compliance with its own and other published standards and controls.
- 2.3. To monitor the IJB's compliance with the Public Interest Disclosure Act and the Bribery Act in the discharge of its functions.

Financial Accounts and Governance

- 2.4 To examine the activities and accounts of the IJB and exercise a governance role over management efforts to ensure that:
 - (a) The expenditure approved by the Council has been incurred for the purposes intended;
 - (b) Services are being provided efficiently and effectively;

- (c) Value for money is being obtained, all in accordance with Best Value requirements; and
 - (d) The IJB has appropriate information and advice available to them to make decisions.
- 3.2. To review the annual statement of accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the IJB;
- 3.3. To oversee the production of the IJB's Governance and Internal Control Statement; and
- 3.5. To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.

Performance Monitoring

- 4.1 To assess the effectiveness of the IJB's Performance Management Regime;
- 4.2 To commission specific reviews to be carried out where necessary;
- 4.3 To review Best Value arrangements and outcomes, with consideration of both external and internal Best Value reports, strategy/plans and outcomes from Best Value reviews; and
- 4.5 To review the impact of national performance reports from external bodies and consider their impact.

FINANCE AND POLICY COMMITTEE TERMS OF REFERENCE

REMIT

1.1 Financial Resources

- a) To develop policy strategic objectives and priorities for recommendation to the IJB unless such matters are otherwise delegated.
- b) To oversee the management of financial resources on a monthly basis before reporting to the Integration Joint Board.
- c) To advise the Integration Joint Board on the Revenue Budget and requirements in Capital Planning from the partner bodies.
- d) To review adjustments to Management budgets in so far as not delegated to officers within the terms of the financial regulations of the parent bodies and make recommendation to the Integration Joint Board for approval.
- e) To consider and advise the Integration Joint Board on the monthly financial monitoring reports
- f) To consider and advise the IJB on the medium term financial strategy
- g) To advise the IJB on any financial recovery plan required as a result of an overspend.

1.2. Corporate Asset Management

To liaise with the Council and NHS Highland to ensure that the IJB's future corporate asset management requirements as determined by the Strategic Plan form part of the asset management plans for those parties.

1.3. Continuous Improvement

- a) To determine and implement the IJB's policies in relation to the achievement of Best Value.
- b) To consider Best Value Reviews from Services as appropriate.

Without prejudice to the duties and responsibilities and delegated authority of other Committees, to review the performance and effectiveness of all the Integration Joint Board's work and the standards and level of service provided, to review the need to retain existing services, and to co-ordinate where necessary all the matters referred to in this sub-paragraph in respect of the Committees and Services of the Integration Joint Board.

Appendix 6 FOR INFORMATION

Locality Planning Group Terms of Reference

ROLE OF MEMBERS

- Contribute to relevant local, regional and national consultation responses or events, sharing local experience
- Link local engagement mechanisms with wider stakeholders within their locality to be assured that the community voice can influence locality and strategic planning,
- Share experiences and learning with other locality planning groups in order to shape locality plans and improve joined up working across the wider HSCP.
- Participate in required learning opportunities to maximise individual member contributions
- Develop mechanisms to better understand local need including inequalities, making use of all relevant and available quantitative and qualitative data in relation to their local priorities.

MEMBERSHIP

- Community members (n=2)
- Carers (n=2)
- Health & Social Care Services
- Third sector
- Independent Sector
- GPs
- Other areas including Housing, Education, etc.

Additional Members in Argyll & Bute:

- Elected members
- Community councillors

CHAIR

- Chair: Locality Manager HSCP
- Co- Chair: Other than HSCP staff

Each will preside for a 2 year period. If neither are present the full group will appoint a temporary replacement

FREQUENCY

A minimum of 4 times per year.

QUORUM

Fifty percent of all members should be in attendance.

AGENDA & PAPERS

The agenda and papers for meetings will be issued one week prior to each meeting.

ADMINISTRATION

Recording of meeting activity will be in action note format, disseminated to attendees for agreement and ratification within 2 weeks following the meeting date.

LOCATION

Whenever possible meetings will be held in venues which support video or telephone conferencing.

TRANSPORT COSTS

Volunteer members will have transport costs reimbursed. Please see the NHS Highland volunteer policy for more information.

Appendix 5 Proposed Meeting Schedule

	2019				2020								2021							
Committee	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April
IJB	Wed 25		Wed		Wed 29		Wed 25		Wed 27			Wed 5	Wed 16		Wed 25		Wed 27		Wed 24	
IJB Training & Development (Full Day)		IJB/LPG Recruitment		Fri 6		Wed 26		Wed 29		Wed 24				Wed 28		Wed 9		Feb 24		Wed 28
Q & F	Tues 10	Tues 29	Thurs 21	Thurs 12	Fri 24	Fri 28	Fri 27	Fri 24	Fri 29	Fri 26		Fri 28	Fri 25	Fri 30	Fri 27	Fri 11	Fri 29	Fri 26	Fri 26	Fri 30
Audit	Wed 25			Fri 6		Tue 16		Tue 21		Tue 23		Tue 18	Tue 15 (special)	Tue 20		Fri 11				
C & CG					Thurs 23		Thurs 26		Thursday 21		Thurs 16		Thurs 17		Thurs 17					
Strategic Planning Group		Thurs 31				Thurs 6		Thurs 30				Thurs 6		Thurs 22			Thurs 28			Thurs 22
Joint Partnership Forum	Thurs 26		Thurs 7	Thurs 12																
Staff Liaison		Thurs 3	Thurs 14	Thurs 19																
Professional Leads																				
Strategic Advisory Group																				
Organisational Change		Thurs 10	Thurs 28	Thurs 9																

	Council Chambers
	Committee Room 1 Kilmory Chase up 6 December

	A01, Dunoon/J07, Mid Argyll 2pm-4.30pm
	Venue to be confirmed
	Lorn 1 Comraich Centre 1PM
	Lorn 2 Comraich Centre 1PM
	Lorn 1 Comraich Centre 10 AM