

**Minute of Meeting of the
East Renfrewshire Integration Joint Board
Performance and Audit Committee
held at 9.00am on 26 September 2018 in
the Eastwood Health and Care Centre,
Drumby Crescent, Clarkston**

PRESENT

Councillor Caroline Bamforth, East Renfrewshire Council (Chair)

Morag Brown	NHS Greater Glasgow and Clyde Board
Anne Marie Kennedy	Non-voting IJB member
John Matthews	NHS Greater Glasgow and Clyde Board

IN ATTENDANCE

Liona Allison	Assistant Committee Services Officer (East Renfrewshire Council)
Lesley Bairden	Head of Finance and Resources (Chief Financial Officer)
Eamonn Daly	Democratic Services Manager (East Renfrewshire Council)
Candy Millard	Head of Adult Health and Social Care Localities
Ross Mitchell	Senior Auditor, East Renfrewshire Council
Julie Murray	Chief Officer
Steven Reid	Senior Performance Management Officer

ALSO IN ATTENDANCE

Ian Arnott	Finance Business Partner (HSCP)
Elaine Barrowman	Audit Scotland
Paul Stoller	Audit Scotland

APOLOGIES

Councillor Barbara Grant	East Renfrewshire Council
Councillor Paul O'Kane	East Renfrewshire Council
Janice Cameron	Integration Lead, Independent Sector

DECLARATIONS OF INTEREST

1. There were no declarations of interest in terms of Standing Order 9.2 – Codes of Conduct and Conflicts of Interest.

MINUTE OF PREVIOUS MEETING

2. The committee considered and approved the Minute of the meeting of 27 June 2018.

MATTERS ARISING

3. The committee noted a report by the Chief Officer providing an update on progress regarding matters arising from the discussions which took place at the meeting of 27 June 2018.

It was noted that as a result of the Audit on the IJB Code of Governance, an action plan was being implemented and a report would be brought to the next meeting of the Performance and Audit Committee.

It was further noted that the CareFirst Finance System was being considered as part of the Fit for the Future programme and the individual budget workstream.

Thereafter, the Chief Officer provided an update on the Primary Care Mental Health Team. The committee were informed that a full review would be commencing in October 2018 and in order to reduce waiting times for psychological therapies in the meantime, there would be extra temporary staff recruited. Action 15 funding was being used to fund the temporary staff. It was further noted that sickness absence had been improved.

The committee noted the report and the additional information.

INTERNAL AUDIT ANNUAL REPORT 2017/18

4. The committee considered a report by the Chief Auditor, East Renfrewshire Council, relative to the Chief Officer's Annual Report for 2017/18 which contained an independent opinion on the adequacy and effectiveness of the governance, risk management and internal control systems operating within the IJB. A copy of the Chief Auditor's Annual Report accompanied the report as an appendix.

The report explained in summary, that the Annual Report concluded that the IJB had adequate and effective internal controls in place proportionate to its responsibilities in the year ended 31 March 2018.

Mr Mitchell, Senior Auditor, was heard further on the report and confirmed that Internal Audit were satisfied that reasonable assurance could be placed on the control environment which operated in the East Renfrewshire Integration Joint Board.

Thereafter the committee:-

- (a) noted the contents of internal audit's annual report; and
- (b) noted the annual statement on the adequacy of internal control and the conclusion that the IJB had adequate and effective internal controls in place proportionate to its responsibilities in 2017/18.

INTERNAL AUDIT PLAN 2018/19

5. The committee considered a report by the Chief Auditor regarding the proposed audit plan for 2018/19. The report detailed a risk based internal audit plan for 2018/19 in line with the requirements of the Public Sector Internal Audit Standards (PSIAS). A total of 20 audit days had been allocated against the IJB within the ERC Audit Plan as approved by the Council's Audit & Scrutiny Committee on 19 April 2018. Details of how the days were to be allocated were outlined.

Referring to the proposed allocation of audit days, the Chief Auditor explained that after consultation with various members of the HSCP senior management team and having considered previous audit findings along with the risks affecting the IJB, there were no audits identified that would be of benefit to carry out at the present time. In agreement with the Head of Finance and Resources (Chief Financial Officer), it was therefore proposed to reserve 12 of the planned days to address any future emerging issues which may arise, with the committee being invited to make suggestions. Out of the remaining 8 audit days, it was proposed to spend 3 of these auditing the progress against previous internal audit recommendations, undertaking additional testing as required and 5 days were to be spent planning, reporting and liaising with partner organisations and peers.

The committee approved the planned work for 2018/19 and agreed that delegation be given to the Head of Finance and Resources (Chief Financial Officer) and the Chief Auditor to agree on how the remaining 12 planned days were used, if required.

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Morag Brown entered the meeting at this point.

AUDIT SCOTLAND REPORT

6. The committee took up consideration of the external audit annual report for 2017/18, which summarised the findings arising from the 2017/18 audit of the IJB.

The report provided a number of key messages including that the auditor's report was unqualified; that the IJB had appropriate and effective budgetary processes in place however, a longer term financial strategy should be prepared to support future financial planning; an underspend of £0.449 million had been returned for 2017/18 and was transferred to earmarked reserves of £1.95 million; £4.537 million of this reserve was earmarked for specific purposes whilst £0.027 was held in general reserve, this was below the general reserve target of £1.540 million; and that appropriate governance and risk management arrangements were in place.

Included in the appendices accompanying the report was an action plan which set out the proposed management action in respect of areas where recommendations had been made.

Councillor Bamforth introduced Elaine Barrowman, Senior Manager, Audit Scotland, who was heard further on the terms of the Audit Scotland report. In particular, reference was made to the need for the IJB to have a broader long-term financial strategy; how balances had been used and the limited amount of free reserves going forward; and the challenge of delivering savings whilst not adversely affecting services.

Ms Barrowman having referred to the 2017/18 recommendations for improvement contained in the action plan and having thanked the Chief Financial Officer and her team for their assistance in the preparation of the report, Ms Barrowman was then heard in response to members of the committee.

With particular regard to questions on the financial challenges facing the IJB and how these were aired, she indicated that the report was submitted to the Accounts Commission. In addition, she explained that whilst the financial challenges facing IJBs, not least the relatively short-term funding mechanisms in place were recognised, she explained that longer term financial planning was still an exercise that Audit Scotland recommended should be undertaken.

In this regard the Chief Officer confirmed that scenario planning did occur and that this helped to inform decision-making.

Councillor Bamforth having referred to the challenges of longer-term financial planning when government funding was only provided on an annual basis, Ms Brown stated that of the 4 actions in the action plan only 2 were specifically relevant to the IJB suggesting that these should be the focus.

She also referred to the comments in the report relative to hosted services and the potential serious financial implications for the IJB as a consequence of being wholly responsible for a service the cost of which may relate to services used by another IJB. She questioned whether or not consideration should be given to some form of Memorandum of Understanding between IJBs regarding levels of use of a service and associated financial responsibilities.

In support, the Chief Financial Officer explained that the whole issue of hosted services and associated financial implications of hosted services was an issue that Chief Financial Officers had recognised needed to be addressed.

The Chief Officer was then heard further on financial sustainability and on the particular challenges facing the East Renfrewshire IJB. In addition the Chief Financial Officer referred to ongoing work in relation to the production of a national financial strategy.

Thereafter the committee noted the report

ANNUAL REPORT AND ACCOUNTS 2017/18

7. Under reference to the Minute of the meeting of 27 June 2018, the committee considered a report by the Chief Financial Officer seeking approval for the final annual report and accounts for the IJB for the period 1 April 2017 to 31 March 2018, following the external audit of the accounts. A copy of the annual report and accounts accompanied the report.

The report referred to the establishment of IJBs and the requirements, in accordance with Section 106 of the Local Government (Scotland) Act 1973, for annual accounts to be prepared in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom, and also to additional guidance produced by the Local Authority (Scotland) Accounts Advisory Committee.

Thereafter, the report explained that the annual report and accounts had been prepared in accordance with the relevant legislation and guidance, and that they were unqualified, met legislative requirements, had no significant issues and confirmed sound financial governance.

It was further explained that the key messages that had been highlighted when the unaudited accounts had been considered by the committee in June remained unchanged. These were that £0.177 million had been used from reserves to balance out the 2017/18 revenue position and that this was £0.777 million less than the maximum that would have been required; as reported during the year there had been benefits from operational underspends and at the end of the year there were gains from support cost recharges and from property costs; a total of £0.767 million of reserves was used during the year as planned; and £0.065 million was added to the earmarked reserve for transitional funding for the ongoing Specialist Learning Disability Service long stay beds redesign.

Commenting further, the Chief Financial Officer referred to the minor changes made to wording, presentational change to the reserves statement and the annual report and accounts included performance information as had been previously advised.

NOT YET ENDORSED AS A CORRECT RECORD

Commenting on the report, Mr Matthews raised concerns around recurrent overspending and highlighted to the committee that long term financial sustainability was looking very challenging.

In reply, the Chief Financial Officer was heard further on the reserves position, highlighting that the amount of free reserve was only £272k. It was recognised that whilst this was some way off the 4% target outlined in the Strategic Plan, this had to be balanced against the prevailing financial circumstances.

These comments were supported by the Chief Officer who stated the importance of both the local authority and the health board being clear that the majority of the IJB's reserves were allocated for specific purposes and that free reserve levels were low. She also referred further to the potential challenges for the IJB associated with hosted services.

The Chief Financial Officer thanked staff for their efforts in producing the annual report and accounts. Thereafter, the committee:-

- (a) noted that a progress report be brought to the next meeting of the committee; and
- (b) the annual report be agreed and the accounts remitted to the IJB for approval.

IJB STRATEGIC RISK REGISTER UPDATE

8. The committee considered a report by the Chief Officer providing an update on the Integration Joint Board Strategic Risk Register.

Having set out the risk matrix used to calculate risk scores, the report then provided further details in respect of those areas considered to be high risks, these being supported by additional information provided by the Head of Finance and Resources (Chief Financial Officer).

The report explained that no risks had been removed since the last update on 27 June 2018 and although minor changes were made to 4 risks since the last update there had been no changes to any of the scores.

It was highlighted that financial sustainability remains high/red risk as last reported and that this was still considered red post-mitigation reflecting the current economy. Whilst the settlement for 2018/19 had an improved position on previous scenarios there remained the future year risk that HSCP could become unsustainable due to one of a number of causes as set out in the report.

In reply to a question from Councillor Bamforth on whether or not the ongoing Scottish Government inquiry into historical sexual abuse would extend to premises in East Renfrewshire, the Chief Officer stated that this was unlikely but that in the event it was extended to include Lennox Castle Hospital where there may have been East Renfrewshire residents.

The committee noted the report.

UPDATE ON DEVELOPMENT OF HSCP STRATEGIC PLAN PERFORMANCE MEASURES

9. The committee noted a report by the Chief Officer providing an update on the development of performance measures to monitor progress in the delivery of the strategic

priorities set out in the new HSCP Strategic Plan 2018-21. The report also provided an update on the National Health and Wellbeing indicators reported in the Annual Performance Plan 2017/18.

The report explained that under the Public Bodies legislation, Integration Authorities were responsible for planning and delivering a wide range of health and social care services, and would be accountable for delivering the National Health and Wellbeing Outcomes.

The Head of Adult Health and Social Care Localities gave further detail on the report explaining that the Strategic Implementation Plan followed the approach that was taken by East Renfrewshire Council for its Outcome Delivery Plan which detailed the Council's contributions to the East Renfrewshire Community Plan and the Fairer East Ren Plan. It was highlighted that this approach was intended to deliver a plan which was more strategic, logical, visual and measurable using diagrams which illustrated the main outcomes, contributions, activities and the local indicators, which would support monitoring and reporting on progress in a meaningful way. Examples of this new approach were circulated to the committee.

The Chief Officer was heard further on the challenges associated with performance reporting, particularly in respect of the information that had to be provided to the Scottish Government. By way of example, she explained that the Minister for Mental Health seeking information on 30 performance measures. This would have an impact on what was measured and reported on locally.

Commenting on the report, Ms Brown made reference to the quantity of performance indicators already being monitored along with these new measures to be implemented and suggested that this be looked at with the view to narrowing them down.

The committee noted the report.

NHSGGC PODIATRY SERVICE PERFORMANCE REPORT

10. The committee noted a report by the Head of Adult Health and Social Care Localities which was an extract from the NHSGGC Podiatry Service 2018-19 Performance report, prepared by the Head of Podiatry Services, hosted by Renfrewshire HSCP. The report detailed performance on new referrals, waiting times, discharges and caseloads, patient activity and DNAs (did not attend).

The report explained that NHSGGC podiatry service is open to all age groups without restriction and across NHSGGC around 35% of the caseload was over 65 years old, in East Renfrewshire the caseload over 65 years old was 43.5%. In addition, there was 18.5% of the caseload over 75 years of age and it was noted that the majority of these patients require longer term care and were more likely to remain on the caseload for a longer period.

The Head of Adult Health and Social Care Localities highlighted that in East Renfrewshire there was a higher number of patients under the age of 18 years old. Across NHSGGC around 9% of the case load was under 18 years old however, in East Renfrewshire this was 11.7%. This was an indication of the higher numbers of patients with disabilities in the area. She further highlighted that the service provided by the Podiatry Service was dictated at a national level and so therefore there were restrictions on what services they could provide.

The committee noted the report.

CALENDAR OF MEETINGS 2019

11. The committee considered and approved a report by the Chief Officer with proposed meeting dates for 2019.

DATE OF NEXT MEETING

9. It was reported that the next meeting of the committee would take place on Wednesday 28 November 2018 at 9am in the Council Offices, Main Street, Barrhead.

CHAIR

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