

**Minute of Meeting of the
East Renfrewshire
Integration Joint Board
Performance and Audit Committee
held at 10.00am on 18 December 2015 in
the Council Chamber,
Council Headquarters, Giffnock**

PRESENT

Councillor Alan Lafferty, East Renfrewshire Council (Chair)

Morag Brown	NHS Greater Glasgow and Clyde Board
Ian Lee	NHS Greater Glasgow and Clyde Board
Councillor Ian McAlpine	East Renfrewshire Council
Nanette Paterson	Integration Lead, Independent Sector

IN ATTENDANCE

Lesley Bairden	Chief Finance Officer
Michelle Blair	Chief Auditor (East Renfrewshire Council)
Eamonn Daly	Democratic Services Manager (East Renfrewshire Council)
Candy Millard	Head of Strategy
Julie Murray	Chief Officer
Frank White	Head of Health and Community Care

APOLOGIES

Dr John Dudgeon	Stakeholder GP
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CHAIR'S INTRODUCTION

1. Councillor Lafferty welcomed those present to the inaugural meeting of the committee. He reminded everyone that the committee's remit had been approved by the Board, and referring to the membership of the committee, proposed that it be agreed that Nanette Paterson, Integration Lead, Independent Sector, be co-opted to serve on the committee. This was agreed.

Councillor Lafferty also drew attention to the recently published report by Audit Scotland on Health and Social Care Integration. The report contained a number of recommendations, some of which were for Integration Joint Boards (IJBs) to consider, and that he had asked the Chief Officer to prepare a paper, including an action plan to address the recommendations made, for consideration at a future meeting.

NOT YET ENDORSED AS A CORRECT RECORD

The committee:-

- (a) noted the comments; and
- (b) agreed that Nanette Paterson be co-opted as a member of the committee.

DECLARATIONS OF INTEREST

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

INTEGRATION JOINT BOARD FINANCIAL REGULATIONS

3. The committee considered a report by the Chief Officer seeking approval of the Financial Regulations for the IJB. A copy of the draft Regulations accompanied the report.

Having referred to the background to the integration of health and social care and to the establishment of Integration Joint Boards (IJBs), the report referred to the approval by the IJB of the financial due diligence report on 7 October. From that date the IJB had assumed responsibility for the HSCP budget. In tandem, draft Financial Regulations under which the IJB would operate and which identified the roles and responsibilities of the IJB, the Chief Officer, and the Chief Financial Officer had been prepared, it being noted that the draft Regulations had been developed in conjunction with and supported by a detailed finance manual. This manual had been the result of detailed work undertaken over the preceding 18 months by a Technical Finance Working Group comprising a number of lead finance officers within NHS Greater Glasgow and Clyde (NHSGGC) and the 6 local authorities coterminous with the health board.

Commenting further, the Chief Finance Officer explained that having assumed responsibility for the budget on 7 October, the part-year budgetary implications of the current financial year were being progressed. With regard to the 2016/17 budget, it was explained that this would reflect existing agreed savings, identify budget pressures, and include options to deliver any new savings targets once identified. In addition a 3 year financial strategy to support the Strategic Plan would be developed.

Furthermore, the Chief Finance Officer explained that the 2016/17 budget would include the notional budget for set-aside services, reflecting the partnership's activity for unscheduled care pathways. Methodology to identify resource levels had been agreed in principle, but detailed analysis of information was ongoing to ensure it accurately reflected East Renfrewshire's use, both within NHSGGC and cross-boundary with South Lanarkshire.

In response to questions, the Chief Finance Officer outlined the virement process explaining that it was an accounting mechanism relating to the transfer of funds across different budget headings.

In addition she commented on the budget setting process, to the different budget setting timetables in the Council and NHSGGC, and to the implications of this for the IJB, it being noted that there was recognition from colleagues in the health board that their budget timings needed to be reviewed to align with councils.

NOT YET ENDORSED AS A CORRECT RECORD

In response to questions from Mr Lee on the proposed route for approval of the annual audit plan, the Chief Officer having reminded the committee that the terms of reference had already been approved by the IJB confirmed that she would undertake further work to identify those matters to be considered by the IJB and those that would be submitted to the committee.

Further discussion followed on the budget setting process, the role of the Strategic Plan in identifying the resource levels required, and future involvement of the IJB in the process.

The Chief Officer suggested that it may be helpful if a seminar on budget setting was held early in the new year, and a paper outlining the budget processes in greater details was submitted to the next meeting of the IJB. This was welcomed by the committee, Mr Lee suggesting that the seminar include a session on set-aside budgets.

The committee:-

- (a) approved the draft Financial Regulations; and
- (b) noted that a seminar on the budget setting be held early in the new year; and
- (c) noted that a report on budget setting would be submitted to the next meeting of the IJB.

EXTERNAL AUDIT RECOMMENDATIONS RESULTING FROM EAST RENFREWSHIRE COUNCIL ANNUAL ACCOUNTS

4. The committee considered a report by the Chief Officer relative to 3 recommendations specific to the HSCP arising from the annual audit of the Council's accounts for financial year 2014/15, and providing details of progress to date in the implementation of the recommendations.

Having highlighted that the annual accounts and associated audit report had been considered by the Council's Audit & Scrutiny Committee and the Council itself and that the Council had received an unqualified audit certificate, the report explained that 3 recommendations specific to the HSCP had been made. These related to Scheduled Payments; Provider Contracts; and Systems. Full details of the recommendations together with details of the management action/response to the recommendations and progress as at 25 November accompanied the report.

Referring to the implementation of the recommendations, the Chief Finance Officer explained that all 3 were overall on target, although there had been some slippage on the recommendation relating to Systems. Details of the remedial action to address this were outlined. In addition, she reported that she had now appointed a Systems Development Accountant who would support her in the implementation of the recommendations as well as assisting her to deliver a wider service improvement plan.

Having confirmed in response to Mrs Brown that she was confident that no new problems were being created as a consequence of addressing the recommendations, the Chief Finance Officer explained how the accounts had been unqualified despite the recognition of the operational issues in respect of which recommendations had been made. Supported by the Chief Auditor it was clarified that although control failures had been identified the external auditor had taken the view that these did not materially affect the Council's financial performance.

NOT YET ENDORSED AS A CORRECT RECORD

In response to comments from Councillor McAlpine on the slippage in the CareFinance data migration, the Chief Finance Officer acknowledged that the timescales had possibly been a little ambitious but that it was important that challenging targets were set.

The committee:-

- (a) noted the external audit recommendations and the progress made to date; and
- (b) agreed that progress reports be submitted to future meetings of the committee.

INTERNAL AUDIT REPORT ON PAYMENT TO CARE PROVIDERS

5. The committee considered a report by the Chief Officer providing an update on the status and progress of the Council's internal audit report on payments to care providers.

By way of background, the report reminded the committee that the report had been requested by the Chief Officer in March 2015, that the Chief Auditor's report had been completed in October and that a subsequent response and associated action plan had been prepared.

Having summarised the scope of the audit, the report explained that the audit had identified a number of weaknesses in process, control, and staff understanding, all of which were addressed in the action plan. It was further clarified that as the report related to the period prior to the establishment of the IJB the reporting protocol was for a copy of the report to be submitted to the Council's Audit & Scrutiny Committee in January, should it be an agreed agenda item and that the report and action plan including all updates would be submitted to the next meeting of the committee.

Having heard the Chief Auditor confirm that the failings that had been identified related to accountancy matters, and the Chief Financial Officer report on the new staffing arrangements that were being put in place, the committee noted the report.

SPECIALIST SOCIAL CARE SERVICES CONTRACTS

6. The committee considered a report by the Chief Officer providing an overview of the arrangements for social care procurement and contracts.

Having explained that through the arrangements for service provision any contracts for health or social care would be entered into by NHS GGC or East Renfrewshire Council rather than the IJB, and that the majority of contracts would be for social care services, the report outlined in broad terms the relevant provisions of the Council's Standing Orders Relating to Contracts together with current contractual arrangements for social care.

The Head of Strategy having been heard in explanation of the report and highlight some of the challenges to be addressed, particularly in respect of European procurement legislation, further discussion took place on existing arrangements. In the course of this it was explained that work to ensure all local care homes were signed up to the national contract was ongoing. The Chief Officer explained that an internal timetable for this work had been prepared and that this could be shared with the committee in due course.

NOT YET ENDORSED AS A CORRECT RECORD

Mrs Brown also suggested that in terms of future contractual arrangements it might be useful for any future seminars for IJB members to include a section on Public Social Partnership models.

The committee noted the report.

RISK MANAGEMENT POLICY AND STRATEGY

7. The committee considered a report by the Chief Officer relative to the development of a draft Risk Management Policy and Strategy for the IJB together with an update on the development of a strategic risk register. A copy of the draft Policy and Strategy accompanied the report.

Having explained that a specimen risk management policy was one of a number of documents produced by the Technical Finance Working Group, with each IJB then able to customise the specimen to reflect local requirements, the report referred to the requirement for the IJB to develop and maintain a risk register. The register had to reflect the strategic activities of the IJB, taking cognisance of significant issues from the risk registers of both NHSGGC and the Council.

A workshop to consider strategic risks for the IJB had taken place and the outcome of this would be discussed with the Chief Executives of both NHSGGC and the Council, who would in turn review existing strategic and operational registers, identify appropriate risks to move to the IJB, and agree appropriate mitigations.

In the course of further discussion, risk appetite was identified as a key factor in the development of the Strategic Risk Register for the IJB.

The committee:-

- (a) endorsed the draft Risk Management Policy and Strategy; and
- (b) noted the development of the Strategic Risk Register.

UPDATE ON DEVELOPMENT OF PERFORMANCE MEASURES

8. The committee considered a report by the Chief Officer providing an update on the development of performance measures to be taken into account in the preparation of the Strategic Plan.

Having reminded the committee that as part of their responsibilities for planning and delivering a range of health and social care services, it was explained that IJBs were accountable for delivering the National Health and Wellbeing Outcomes. As part of this process IJBs were required to produce an annual performance report which would need to contain information about a core suite of indicators supported by local measures and contextualising data to provide a broader picture of local performance.

The report explained that many of the HSCP actions to improve health and wellbeing in 2015/16 flowed from commitments in the Council's Outcome Delivery Plan (ODP) and the NHSGGC Local Delivery Plan (LDP). Both these documents were in their final year

NOT YET ENDORSED AS A CORRECT RECORD

It was further explained that the Integration Scheme contained an undertaking for a core set of indicators to be developed to allow progress to be measured in terms of the delivery of both national and local outcomes, and the report provided details of the work that had taken place to date in the development of these measures. A list of the high level performance indicators that had been developed to reflect the range of health functions delegated to IJBs accompanied the report. The list also contained measures for those IJBs that had incorporated some of the non-delegated functions as part of their Integration Schemes. These measures would be used to enable appropriate scrutiny to take place.

In addition it was reported that specific measures and targets relating to specialist learning disability hosted services within the HSCP would be developed in conjunction with the Chief Officers of the other 5 IJBs within the NHSGGC Board area.

Having heard the Head of Strategy further on the report, in the course of ensuing discussion general support was expressed for proposals that only high level performance measures be reported to committee with other measures being reported on a "by exception" basis. However it was suggested that in taking matters forward it may be useful for a timetable setting out each performance measure and the frequency with which it was to be reported to be prepared and submitted for consideration to a future meeting.

The committee:-

- (a) noted the report;
- (b) noted the progress to date in the development of performance measures to be taken into account when preparing the Strategic Plan;
- (c) agreed in principle to proposals that only high level indicators be reported to committee with other measures being reported on a "by exception" basis; and
- (d) agreed that a timetable setting out each performance measure and the frequency with which it was to be reported to be prepared and submitted for consideration to a future meeting.

DATE OF NEXT MEETING

9. It was reported that the next meeting of the committee take place in March 2016 on a date/time to be agreed.

CHAIR