

Minute of Performance and Audit Committee Meeting

Date: Friday 7th June 2019

Time: 9.30am

Place: Girvan Committee Room, County Buildings, Ayr

Present

Councillor Brian McGinley (Chair)

Linda Semple (Vice-Chair)

Hugh Millar, Representative Member – NHS Public Involvement Network

In Attendance

Tim Eltringham, Chief Officer & Director of Health and Social Care

Laura Miller, Chief Internal Auditor

Rob Whiteford, Chief Finance Officer

Bill Gray, Senior Manager - Planning & Performance

Pat Kenny, Director, Deloitte

Sandra Rae, Interim Service Manager – Learning Disability

Sharon Hackney, Service Manager – Community Mental Health

Steven Kelly, Team Leader, Self-Directed Support

Kirsten Kerr, Performance Monitoring Officer

Lynn Campbell, Senior Clerical Assistant

Councillor Brian McGinley in the Chair.

1. Apologies for Absence

Apologies for absence were received from Councillor Julie Dettbarn and Lesley Bowie.

2. Declarations of Interest

There were no Declarations of Interest by Members of the Committee.

3. Minute of Previous Meeting

The minute of the meeting held on 1 March 2019 (previously circulated) was approved by the Committee.

4. Matters Arising

A paper was submitted (previously circulated) updating Members of the Committee on matters arising from previous meetings of the Performance and Audit Committee and the following was noted:

Timetable to be prepared for the production of locality based financial information – Financial Manager post will be re-advertised following recent unsuccessful interviews.

Audit Scotland report on the Progress of Implementing Self-Directed Support (SDS) – An update report will be submitted to the Committee in 12 months' time.

HSCP Commissioning Activity – A progress report will be submitted to the Integration Joint Board providing an update on the ongoing review of the service and the potential for part of the Team to move to South Ayrshire Council's Procurement Service.

South Ayrshire Health and Social Care Partnership Performance Report – Mr Gray confirmed workshops focussed on specific areas of activity have yet to take place.

Information on Justice Services, including poverty and inequality relating to health and social care will be submitted to the Committee on 23 August 2019.

Self-Directed Support – On-going development in this area to be reviewed by Performance and Audit throughout the year.

Annual Audit Report – Further progress reports to be received on the issues raised by the Controller of Audit throughout the year.

Ministerial Strategic Group for Health and Community Care - . An update report on progress made is to be provided as at 30th September 2019.

The Chair requested that Self-Directed Support remain a development area that the Performance & Audit Committee will review throughout the year.

Ms Semple proposed that the item on the timetable to be prepared for the production of locality based financial information and the Audit Scotland report on the Progress of Implementing Self-Directed Support (SDS) be removed from the matters arising list as they are on-going pieces of work. Mr Gray agreed to have these items removed.

5. Appointment of Chair and Vice Chair

A report was submitted (previously circulated) by the Chief Officer asking that the Committee consider the appointment of a new Chair as Councillor McGinley will become the Chair of the IJB on 13th June 2019.

Councillor McGinley confirmed that he will stand down as Chair of the Performance and Audit Committee and that he will withdraw from the Committee to pursue the role of Chair of the IJB.

Mr Gray advised that a paper will be presented to the IJB on 19th June 2019 recommending a new chair be appointed. The report will ask that the terms of reference for the Committee be amended to no longer make it possible for the Chair of the IJB also to be a member of the Performance and Audit Committee. Committee members were of the view that this would maximise transparency and scrutiny and minimise the risk of potential conflicts of interest. Mr Gray suggested that the IJB be asked to nominate a voting member to join the Performance and Audit Committee at its meeting on 19th June 2019.

The Performance and Audit Committee will be asked to appoint a new Chair at its meeting on 23rd August, 2019.

Mr Gray confirmed that Ms Semple will continue as Vice-Chair.

The Committee agreed to consider the appointment of a Chair for the IJB Performance and Audit Committee.

6. Unaudited Annual Accounts 2018 - 2019

A report was submitted (previously circulated) by the Chief Finance Officer recommending that the Performance and Audit Committee considers the unaudited final accounts for 2018 – 2019, noting that all figures remain subject to audit.

The Chief Finance Officer advised that the accounts are a statutory requirement and provide an overview of financial activity over the previous year. The Chief Finance Officer explained in relation to the Comprehensive Income and Expenditure Statement (CIES) for 2017/18 – 2018/19 that the Reserve Statement is at a break-even position, therefore there are no reserves available for 2019/20.

The Chief Finance Officer reported that the annual accounts follow the same format and structure as those for 2017/18. To produce the annual accounts, information is required from the NHS and the local authority. This information was still being collated at the end on May 2019. Following the quick turnaround to produce the annual accounts, the Chief Finance Officer requested that the report be updated once the figures are proven to be accurate.

The Vice-Chair thanked Mr Whiteford and his Team for producing a report which provides clarity on the activity throughout the year. Ms Semple highlighted it is important to highlight the difficulties faced by the IJB in achieving financial balance.

The Chief Finance Officer explained that South Ayrshire Council provided additional funding, which the IJB refers to as 'additional income rather than a loan' to allow a 'break even position' rather than negative equity. Ms Semple asked whether this would be likely to cause problems in future years. Mr Whiteford confirmed that discussions will be held with South Ayrshire Council regarding the repayment arrangements.

The Committee (1) considered the unaudited Annual Accounts and agreed to note the figures remain subject to audit; (2) approved the governance statement contained within the unaudited Annual Accounts; and (3) approved the policies applied in the production of the unaudited Annual Accounts.

7. External Audit Draft Interim Report 2018 - 19

A report was submitted (previously circulated) by the Chief Officer enclosing the External Auditors Draft Interim Report for 2018 - 19.

Mr Kenny advised that the report has been split to show Best Value work and the Statutory Audit from the Financial Statement. A report on the financial statement will be presented at a later date.

The Audit Code of Practice sets out four main areas that are to be audited and which are: Financial Sustainability, Financial Management, Governance & Transparency and Value for Money.

The main conclusion in terms of 'Financial Sustainability' is the significant risk of not being able to make the short-term financial balance in 2019/20. A financial plan along with a transformation plan are required as a matter of urgency, detailing how services will be provided with the funding that is available. This has been included in the Action Plan as a recommendation.

The External Auditor noted the financial overspend and that South Ayrshire Council provided additional funding to cover this. This will be an issue for the IJB to consider. The external auditor highlighted the importance of having an Integrated Budget and urged the IJB to strive for this to allow it to be in a position to allocate funds to services.

In terms of Governance, Mr Kenny recommended that any documents which require to be reviewed are considered as soon as possible. Mr Kenny highlighted that the IJB has a good and supportive attitude to transparency.

Under Value for Money, it was acknowledged there is a good performance management framework in place.

An Action Plan to meet the recommendations set within the report is now in place.

Discussion followed in relation to transparency, and although meetings are open to members of the public, not many attend, however, significant information is available through the website and newsletters have been published for stakeholders providing updates on issues and developments.

The Vice-Chair highlighted the actions from the current report and those carried forward from 2017/18 and stated that these clearly fit within the remit of the Committee and she asked that these are reflected in the action note to ensure they are monitored appropriately.

The Committee noted the contents of the External Auditors Draft Interim Report for 2018-19.

8. Annual Internal Audit Report/State of Assurance for 2018-19

A report was submitted (previously circulated) by the Chief Internal Auditor recommending that the Committee notes the contents of the Annual Internal Audit Report.

Ms Millar advised, on the basis of the work carried out, that there is reasonable assurance that can be given over the controls that were operating during the year. For transparency, a full audit report (Appendix 2) was provided to Committee Members on 24th May 2019.

The Chief Internal Auditor commented there is an overlap of findings between the Internal and External Audit reports.

The Committee noted the content of the Internal Audit Annual Report 2018-19.

9. Proposed Audit Plan for 2019-20

A report was submitted (previously circulated) by the Chief Internal Auditor requesting that the Committee approves the proposed Audit Plan for 2019 – 20 and the proposed three-year rolling plan covering 2019/20 – 2021/22.

Ms Miller advised that the Audit Plan for 2019-20 is to consider the Governance arrangements and that discussions have taken place with the Director of Health and Social Care, the Chief Internal Auditor and the Senior Auditor regarding this.

The Chief Internal Auditor advised that she is keen to be involved in the Integration Scheme Review in 2019-20. The reason for the three-year rolling plan is to collate the high-level detail as the year progress, to follow decisions and direction set by the IJB and then to finally follow this through to further integration and the redesign of services.

The Performance and Audit Committee agreed to (1) approve the IJB Internal Audit Plan for 2019 – 20; and (2) the proposed three-year rolling plan covering 2019/20 – 2021/22.

10. Care Inspectorate Grading Report

A report was submitted (previously circulated) by the Director of Health and Social Care recommending that the Committee note the latest Care Inspectorate Grades for local authority and Third & Independent Sector provided services.

Mrs Kerr informed the Committee, of the 37 services that were inspected during the period 1 October 2018 to 31 March 2019, 27 (73%) had recorded a grade of 4 or above.

Of the five local authorities services inspected, it was highlighted that South Lodge and Support and Continuing Care showed grades of 'adequate'. An Action Plan has been put in place to improve on this and should be fully completed by 30th June 2019.

The Third and Independent Sectors were inspected during this period and the findings ranged from 'adequate' to 'excellent'.

Mr Gray acknowledged Lifeways received a grading of 'Weak' under the theme of Care and Support and advised the Committee that there is an on-going complaint which is being addressed by the Contracts and Commissioning Team at present.

The Director of Health and Social Care confirmed grades have improved across services, with significant improvement within the in-house Care at Home Service. Positive feedback was provided by the Care Inspectorate demonstrating the good work taking place within services.

The Chair and Mr Miller both commented that it is good to see services improving, however they asked about the monitoring in place to ensure external services do not fall below standards. Mr Eltringham advised that the Care Inspectorate is one of many methods of quality assurance; and internal evaluation is carried out through the year. The Director of Health and Social Care advised he will meet with the Director of Nursing and Service Leads to review current clinical governance arrangements.

The Committee noted the latest Care Inspectorate Grades for local authority services and for Third and Independent Sector services at 31st March 2019.

11. Older People's Service Performance Report

A report was submitted (previously circulated) by the Director of Health and Social Care recommending that the Committee notes the trends in performance in Older People's Services.

Mrs Kerr advised the Committee that South Ayrshire currently has approximately 3,200 service users and is expected to have the highest number of service users in Scotland by 2024. Waiting lists continue to increase and although pressures have decreased within Care at Home services, the service continues to be over the target for funded provision. Delayed discharges also continue to increase and the reasons for this are: individuals are waiting on care at home packages, completion of assessments, care home place funding or availability, specialist housing provision/adaptation or specialist equipment or legal/financial assessment in terms of an adult with incapacity.

Mr Gray recommended performance reports be presented to the Committee on a regular basis. The Chair agreed and advised that more information would be beneficial.

The Committee noted the trends in performance in Older People's Services.

12. Complaints Report

A report was submitted (previously circulated) by the Director of Health and Social Care on the complaints received by the IJB in the period 1st October, 2018 to 31st March, 2019. There were no complaints received in relation to the work of the IJB in this period.

Mr Gray advised at a previous meeting of the Performance and Audit Committee that a request for clarity on the types of complaints being received had been made and that this information on this is now included within the report in relation to Social Work related complaints. A large number of complaints received were related to the quality of service and employee behaviour. A number of complaints recorded were not answered in line with the timescales and reasons for this relate to staff turnover, long standing complaints and miscommunication between the responding officer and administrative staff where although concluded, the complaint had not been reported as such within the complaints logging system.

Mr Gray advised that an improvement in performance is expected following refresher training for staff in complaints handling. Information is also being gathered to evidence lessons learned from complaints.

Discussion followed on whether the report on complaints should be discussed at the Performance and Audit Committee or the Clinical and Care Governance Committee.

Mr Gray agreed to read over the terms of reference of the Performance and Audit Committee and provide an update at the next meeting on whether the full detailed complaints report should continue to be considered at the Performance and Audit Committee or if its focus should be on IJB complaints only.

The Committee noted the contents of the IJB Complaints Received report.

13. Commissioning Update

A report was submitted (previously circulated) by the Director of Health & Social Care informing the Performance and Audit Committee of the progress made by the HSCP Contracts and Commissioning Team in 2018/19 and of Commissioning priorities for 2019/20.

Mr Gray provided an update on the work being undertaken by the Contracts and Commissioning Team and on the Commissioning priorities. Mr Gray advised that good joint working continues with SAC Procurement.

Mr Gray reported that the work carried out by the Contract and Commissioning Team has delivered savings for the IJB through the recommissioning of Mental Health and Learning Disability Services. Good working continues between the HSCP and Third and Independent Sector Organisations via various Provider Forums.

Challenges facing the Team are the limited number of resources available and the uncertainty of how the Commissioning function, Contract Monitoring and Procurement will be structured in the future. Mr Gray advised there is currently a significant number of expired contracts therefore the risk level should be set at 'medium'.

Reports have been presented to both the IJB and the Council's Leadership Panel regarding ,potentially, the aspects of Contracting and Commissioning that should, in the future, be carried out by the Partnership or by the Councils Procurement Service. An update report will be presented to the IJB after the summer recess.

Work has been carried out within Children's Services to review existing contracts and the recommissioning of these will be aided by the new appointments that have been made within Children's Services. Some smaller contracts have been recommissioned.

A number of joint projects with Housing and Ayrshire Housing have commenced to provide t Core and Cluster Housing for Learning Disability and Mental Health service users. This work should provide future efficiency savings to the IJB.

The Committee (1) noted the good progress made by the HSCP Contracts and Commissioning Team; and (2i) agreed an update report be presented to the Committee in 6 months' time.

14. Self-Directed Support: Update Report on the Implementation of RAS System

A report was submitted (previously circulated) by the Director of Health and Social Care on the progress to date and the action plan for implementation of the Resource Allocation System.

A report was approved by the IJB on 15 May 2018 to phase out the equivalency model of resource allocation and replace it with a more transparent resource allocation model based on a RAS. This will facilitate more choice and control for individuals in how they use their personal budget to provide the support that they need.

Mr Kelly advised that the Action Plan is set in 4 stages over the course of the next 12 months. These are: (1) planning and organising; (2) identifying and agreeing the content; (3) testing; and 4) implementation. Stage 1 has now been completed and included a RAS Implementation Group being set up and the appointment of a Social Worker and Finance Officer to the Implementation Team with both likely to be in post by the end of June. Links with the Care First Project Manager have been made and paperwork and processes are being reassessed.

The Chief Officer emphasised the importance of the implementation of the RAS System highlighting that the system will allow for a clear and transparent way of allocating the resources available.

Ms Semple agreed the RAS system will produce better outcomes, however, she requested a cost benefit proposal and a statement detailing the improvement in the quality of services be included in the Action Plan.

The Committee noted the progress to date and the Action Plan for implementing the Resource Allocation System and agreed that further update reports should be made to the Performance and Audit Committee at future meetings.

15. Mental Health Strategy Progress Report

A report was submitted (previously circulated) by the Service Manager for Mental Health Service providing an update on the progress of the action items within the Adult Community Mental Health Strategy 2017-2022.

Mrs Hackney advised the Committee that a number of the actions detailed within the Implementation Plan have been implemented. Mrs Hackney also highlighted that the development of Core and Cluster supported accommodation is progressing well.

Action for Care monies have been allocated to improve access to Mental Health services and this will allow for Mental Health practitioners to be available in GP practices.

The Chair acknowledged the good work being carried out, stressing the importance of a preventative approach, and that the Strategy had been a very welcomed document.

The Committee noted the progress of the action items that comprise the agreed Adult Community Mental Health Strategy 2017-2022.

16. Learning Disability Strategy Progress Report

A report was submitted (previously circulated) by the Interim Service Manager for Learning Disability and Sensory Impairment Services providing an update on the action items within the Adult Learning Disability Strategy 2018-2023.

Mrs Rae reported following recent staff retirements and people 'moving on' from the service that the Strategy Group has been refocussed and refreshed and that action items are being progressed stressing again the progress being made on the development of core and cluster housing.

The Interim Service Manager advised that 'Healthy Life' timescales are being met and actions in connection with Choice and Control are also going well. Social Work staff have engaged in ASP training.

The Chair thanked Mrs Rae for her report, reiterating the importance of transparency and the Committee noted that there are areas which require to be considered further, but acknowledged that plans are in place to address these issues. An update report will be presented to the committee in December 2019.

The Committee noted the progress of the action items contained within the Learning Disability Strategy 2018-2023.

17. Any Other Business

As there were no further matters to discuss, the meeting closed at 12.10pm.

18. Date of Next Meeting

The next meeting will be held on Friday 23rd August 2019 at Maybole Committee Room, County Buildings, Wellington Square, Ayr.