

MINUTE

<b>MEETING:</b>	<b>PERFORMANCE, FINANCE AND AUDIT COMMITTEE</b>
<b>DATE:</b>	<b>TUESDAY 27<sup>th</sup> August 2019</b>
<b>TIME:</b>	<b>1.30PM – 3.30pm</b>
<b>VENUE:</b>	<b>COUNCIL CHAMBERS, CIVIC CENTRE</b>

<b>PRESENT :</b>	<p><b>North Lanarkshire Council:</b> Councillors P Kelly (Chair), J Logue, M Gallacher</p> <p><b>NHS Lanarkshire:</b> Dr. A. Osborne, B Moore, and M. Morris.</p> <p><b>Stakeholder Representatives:</b> H Robertson, North Lanarkshire Carers Together, L Seaton, Partnership for Change and J Watson Trade Union Representative</p> <p><b>OFFICERS IN ATTENDANCE</b> R McGuffie CO, M Dendy Interim Head of Performance, Planning and Quality Assurance, M Moy Chief Finance Officer, A Cook, Medical Director, C Jack, Operational &amp; Business Manager (Board Secretary) K Adamson Audit and Risk Manager, T Gaskin, Chief Internal Auditor NHSL , T Marshall, Associate Director of Nursing (for Item 13)</p>
<b>APOLOGIES:</b>	Councillor J Linden & Mr P Campbell, Non- Executive Director NHSL

**1. DECLARATIONS OF INTEREST IN TERMS OF THE ETHICAL STANDARDS IN PUBLIC LIFE ETC. (SCOTLAND) ACT 2000**

Cllr Gallacher declared an interest by reason of her being Convener of the Council's Audit and Scrutiny panel but advised that none of the items of business on the agenda precluded her participation in the meeting. No other declarations were noted.

**2. MINUTES OF THE PREVIOUS MEETING HELD ON 19<sup>th</sup> FEBRUARY 2019**

The minute of the meeting held on Tuesday, 28<sup>th</sup> May 2019 was approved as an accurate record.

No matters arising were noted.

### **3. ROLLING ACTION LOG**

It was noted that an Action Log had been developed for the Performance, Finance & Audit Committee and would now feature as a standing item on the agenda. A number of actions had been agreed at the previous meeting and these had been added to the log and to the agenda schedule where appropriate.

### **4. OVERVIEW OF FINANCIAL OVERVIEW 2018/19.**

M Moy made reference to her report that set the national position across Scotland with integrated authorities, noting both the increased demand for services and increasing cost pressures. A summary of the national position against total expenditure and savings achieved was noted. An overview of the baseline budgets for North Lanarkshire was noted alongside a breakdown of savings achieved over the last 3 years. The total funding for the North Lanarkshire IJB (IJB) in 2018/2019 was £621.583m (NHSL- £450.163m; NLC - £171.420m). Savings totalling £4.763m had been approved for implementation in 2019/2020 (NHSL - £1.435m; NLC - £3.328m).

Discussion followed on the overreliance on reserves to address a residual funding gap and a separate report on the Reserve position had been added to agenda.

**Decided:** (1) The committee noted the contents of the report.

### **5. REVIEW OF RESERVES**

M Moy made reference to her report noting that the IJB had commissioned a review of reserves funding at its last meeting on 12<sup>th</sup> June 2019. The report provided an update on the progress to date and summarised proposed amendments to reserve commitments which would be submitted to the IJB on 24<sup>th</sup> September 2019 for formal approval. If approved, the contingency reserve would increase by £0.884 from £0.053m to £0.937m. IJB members reiterated concerns around reliance on depleted reserves to achieve a breakeven position and reference was made to section 7.11 of the report where it was noted that budget holders had been asked to provide details of exit strategies where services were reliant on non-recurring funding. This work was due to be completed and presented at this meeting but was still ongoing. MM advised that this would be concluded and reported at the next meeting.

**Decided:** The committee noted the contents of the report and proposed changes that will be submitted to the IJB for approval.

### **6. FINANCIAL MONITORING REPORT 2019/20**

The Financial Monitoring report provided a summary of the financial position of North Lanarkshire Health and Social Care Partnership (HSCP) for the period from 1 April 2019 to 30 June 2019 (Health Care Services) and 19 July 2019 (Social Work and Housing Services). The financial position as at June/July 2019 was noted as a net overspend of £0.906m and is summarised as follows:

- an underspend of £0.511m on health care services
- an overspend of £1.417m on social care and housing services

Discussion followed on areas of underspend and overspend with additional information requested around a number of areas including; reasons behind the underspend in independent providers of home support and on the additional funding received from Scottish Government to support Franks' Law. Miss Moy confirmed that the previous year's funding to support Frank's Law (£1.1M) had been used to offset cost pressures but was fully committed in 19/20. Details of planned expenditure was to be provided to Mr H Robertson out with the meeting.

Concern was expressed at the level of underspend within health budgets associated with vacancies and Mr McGuffie gave an overview of recruitment challenges in a number of services including CAMHS and Paediatrics that reflected a national issue. Mr McGuffie confirmed that active recruitment was being progressed in all areas.

Difficulties in achieving savings targets within NLC budgets were noted and Mr McGuffie confirmed that there had been a time lag in some areas which had meant that savings had not

been fully realised as anticipated but these were now on track. The overspend in home support was discussed in more detail and concern was expressed that NLC home care staff were being expected to work excessive overtime which was impacting on staff health. Mr McGuffie advised that additional staff were being recruited to alleviate the situation.

**Decided:** (1) The PF&A committee noted the contents of the report (2) noted the budget adjustments as a result of the revised Integration Scheme (3) Noted the management action being taken to develop a budget recovery plan for 2019/2020; and (4) Noted the proposed increase in the contingency reserve by £0.884m from £0.053m to £0.937m subject to IJB approval.

#### **7. INTERNAL AUDIT REPORT – RISK MATURITY ASSESSMENT**

T Gaskin, Chief Internal Auditor NHSL made reference to his report which summarised the findings of the results of the recently completed internal audit work undertaken by NHS Lanarkshire (NHSL) in line with the North Lanarkshire IJB Internal Audit Plan for 2017/2018 previously approved on 12 September 2017. The purpose of the audit was to undertake a review of the systems of risk management and to assess the IJB's risk maturity. It also considered the assurance mechanisms for the key controls required to implement a risk based audit assessment. The full report was attached as an appendix and Mr Gaskin summarised the key findings as follows; It was noted that the IJB had made good progress and that adequate arrangements were in place. However, further work was required, to meet good practice and to reflect the IJB's increasing maturity as an organisation and better understanding of the complex assurance arrangements with its partners. A number of actions had been identified and would be taken forward by the partnership.

**Decided:** The IJB noted the Internal Audit report and endorsed the management actions identified within the report.

#### **8. INTERNAL AUDIT REPORT – PERFORMANCE MANAGEMENT**

Mr Gaskin and Mr Adamson made reference to their report which summarised the outputs of a review of the IJB's performance management arrangements in order to ensure that they effectively:

- reflect the IJB's priorities and strategic objectives and are integrated into business planning arrangements;
- produce data which is analysed and monitored at an appropriate level;
- provide a basis for accountability;
- enable poor performance to be identified and challenged; and
- provide a focus for action and improvement; with improvement actions which are specific and measurable and where progress is monitored.

The internal auditors concluded that the IJB's performance framework is generally adequate and effective and consistent with relevant requirements, guidance and good practice.

**Decided:** (1) The committee noted the contents of the report and endorsed the management actions set out in the report.

#### **9. INTERNAL AUDIT - ANNUAL AUDIT REPORT**

The Internal Audit Annual Audit Report for 2018/2019 was presented to the IJB and set out a high-level overview of the activity undertaken by the Internal Audit team during the year and highlighted a number of the more significant issues which arose from their work and which were reflected in the annual opinion.

Based on the work undertaken directly on behalf of the IJB and being informed by internal audit, it was noted, that reasonable assurance can be placed upon the adequacy and effectiveness of

the IJB's framework of governance, risk management and internal controls for the year ending 31 March 2019.

A number of recommendations and improvement actions had been agreed with senior management arising from audit work undertaken during the year.

Decided; The committee noted the report and endorsed the opinion of the Chief Internal Auditors that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's framework of governance, risk management and internal control for the year ended 31 March 2019.

#### **10. INTERNAL AUDIT PLAN**

A report setting out the proposed internal audit plan for 2019/2020 had been provided for information. The audit plan had been designed to target the priority issues identified by the assessment of risk undertaken by the Head of Audit and Inspection for North Lanarkshire Council (NLC) and the Chief Internal Auditor for NHS Lanarkshire (NHSL). The plan included the delivery of standard products required each year, and is further based on the professional judgement of the IJB risk environment. The Chief Internal Auditors therefore assessed audit need based on the IJB's own strategic risks taking into account the findings of the 2018/2019 internal audit work and benchmarking with other IJBs.

The IJB internal audit plan complements the internal audit plans of NHSL and NLC and it was noted that the Chief Officer and Chief Financial Officer have been consulted on the proposed plan.

**Decided:** (1) The committee noted the contents of the report and (2) Approved the proposed Internal Audit Plan for 2019/20.

#### **11. PERFORMANCE – QUARTER 4 (JAN – MARCH)**

M Dendy made reference to the Quarter 4 Performance report that provided an update to the Committee on the areas for improvement which have been identified as part of the Chief Executive Quarterly Performance Review for the period 1 January to 31 March 2019 (Quarter 4). A number of areas where improvement in performance had been identified were set out in the appendix and corrective actions were required.

Discussion followed on a number of areas highlighted in the report including ;

- Delayed discharges
- Children with additional support needs and access to services
- Re-ablement and home support developments

Decided: (1) The Committee noted the performance report and areas for improvement.

#### **12. ANNUAL PERFORMANCE REPORT**

The IJB noted the annual performance report, the draft content of which had previously been approved at the IJB meeting in June 2019.

**Decided:** (1) The Annual Performance Report was noted.

#### **13. HIGH RESOURCE USERS**

T Marshall attended the meeting to highlight the findings of the High Resource Users study that had recently been undertaken. Over the past six months H&SC North Lanarkshire has supported a project which offers an intensive proactive care management approach to people who experience high Emergency Department attendance. The benefits of this approach allowed detailed analysis of each individual crisis which led to individualised care plans being developed using a co-production approach, building on peoples assets whilst utilising wider community infrastructure. A total of 26 individuals were identified as high resource users who would benefit from a this approach and these individuals were followed up by dedicated staff. The project demonstrated

that better case management will result in decreased attendances at ED and better outcomes for individuals as evidenced by some of the patient feedback included in the report.

IJB members were pleased to receive the report and agreed that this approach demonstrated that effective integrated working can result in better outcomes for individuals and more effective use of resources. The project was due to be completed in September 2019 and in advance of the end date, an implementation plan will be developed to take forward the learning from the project.

Likely actions will be around building in 'trigger points' where patterns of behaviour are highlighted at an early stage which in turn will trigger the process for multi-disciplinary case management that is more tailored to the specific needs of the individual.

**Decided** (1) The IJB welcomed the report and requested further information on the roll out of a different approach that addressed the issues identified.

#### **14. RISK REGISTER**

C Jack made reference to the report that highlighted that there had been no new or closed risks during the reporting period. Mrs Jack advised that the IJB risk register would require to be reviewed with reference to the actions identified within the Risk Audit Report presented earlier in the meeting. Dr Osborne highlighted that Risk IJB20 – EU withdrawal required to be updated.

**Decided:** The Committee approved the report.

#### **15. FAIRER SCOTLAND DUTY**

Ms Dendy made reference to the report that proposed that the Health and Social Care Partnership adopt the *Public Sector Equality Duty and Fairer Scotland Duty Interim Impact Assessment Form* developed by North Lanarkshire Council in order to ensure a consistent approach is taken to application of the Duty across organisations. The background to the Fairer Scotland duty was set out within the body of the report along with a summary of the implications for all public bodies.

**Decided** The committee, (1) noted the Fairer Scotland Duty as attached at Appendix 1 and noted the implications for the IJB (2) Endorsed the use of North Lanarkshire Council *Public Sector Equality Duty and Fairer Scotland Duty Interim Impact Assessment Form* (Appendix 2 and noted in paras 4.15-4.16) to ensure the HSCP complies with the Fairer Scotland Duty, (3) agreed to monitor the implementation of the Duty through the IJB Sub Committee

#### **16. DATE OF NEXT MEETING**

The date of the next meeting was noted as Tuesday, 5<sup>th</sup> November 2019 at 1.30pm in the Council Chambers, Civic Centre.