

MEETING:	IJB PERFORMANCE FINANCE & AUDIT COMMITTEE
DATE:	WEDNESDAY 17TH FEBRUARY 2021
TIME:	2.00pm
VENUE:	MS TEAMS

PRESENT :	<p>NHS Lanarkshire: Mr B Moore (Vice Chair), Dr A. Osborne, Mrs M. Morris</p> <p>North Lanarkshire Council: Councillors P Kelly (Chair), J Logue, J Linden and M Gallacher</p> <p>Stakeholder Representatives: Mr H Robertson, North Lanarkshire Carers Together, Mrs L Seaton, Partnership for Change (service user representative), Mrs C McGinty (staff side representative)</p> <p>Board Members: Mr R McGuffie, Chief Officer; Miss M Moy, Finance Officer (S95); Ms M Dendy, Head of Planning, Performance & Quality Assurance</p> <p>IN ATTENDANCE Ms L Duthie, Senior Auditor, Audit Scotland; Dr L Munro, Medical Director; Mrs C Jack, IJB Board Secretary; Mrs J Arthur, IJB Admin Support; Mr T Moan, Partnership for Change Development Worker; Ms M Halliday, CEO, Voluntary Action North Lanarkshire; Ms D Fraser, Head of Adult Social Care</p>
Apologies:	Mr P Campbell, Non Exec Director, NHSL Mr J Watson Cllr J Logue

1. Welcome and Apologies

The Chair welcomed everyone to today's meeting, particularly Ms Diane Fraser, the new Head of Adult Social Care. He also congratulated Ms Lisa Duthie on her promotion and thanked her for her support to the IJB.

The Chair also thanked the team for their continued hard work during the pandemic.

2. Declarations of Interest

No declarations of interest were noted.

3. Minutes - Performance, Finance & Audit Committee 04.11.20

Minutes approved.

4. Matters Arising – Action Log

Mrs C Jack shared the updated action log, setting out the status of each action, advising of those complete, those on today's agenda and those that would be carried forward to future meetings. Ms Jack noted the following -

- Actions that have been on action log for a period of time but deferred due to Covid have been separated out and will be added to a future agenda.
- Few pending actions that will be marked as complete at the next IJB and PFA meetings.
- Action 5 - Palliative Care Strategy - suggested this be reported on a six monthly basis rather than quarterly. To be taken to IJB for approval.
- Action 7.3 – It was noted that updated Terms of Reference for the PF&A had been approved at the IJB meeting in December 2020. The main change to the PF&A was the extension of the stakeholder membership to include both staff side representatives from NHSL & NLC and all three stakeholder representatives from the IJB.

Ms M Halliday referred to the Minute of the meeting on 4th November 2020 advising that an updated CS Strategy would be developed for approval by February 2021. As they were subsequently asked to manage funds by 31st March they have had to reschedule other work for Community Solutions so the updated Strategy has had to be pushed back.

Mr B Moore asked if there was any update on Action 7 – Internal Audit Plan. Ms M Moy advised that due to Covid, joint internal arrangements have continued which have worked well. Ms Moy's recommendation would be to continue with this joint arrangement and would bring a paper to a future meeting to that effect.

5. PF&A Risk Register

Ms Jack shared the updated risk register and cover paper for noting, giving assurance to the committee that assurance groups had continued to meet during Covid.

There were 2 financial risks rated as 'Very High' in the IJB risk register which had been recently reviewed as follows;

1. Impact of EU Withdrawal – although a deal had been agreed, the financial impact of EU withdrawal on the health and social care sector is yet to be identified and therefore it is recommended that this risk remains has a Very High rated risk at present.
2. Notional Set Aside Budget – there had been no material change to this risk that would justify a reduction in risk rating at the present time.

Ms Jack further noted that the Financial Implications of Responding to Covid -19 Pandemic had also been reviewed as it was anticipated that further funding would be released from Scottish Government to cover Covid expenditure however at the time of review, the additional funding had not yet been released. This risk would be reviewed before the next IJB meeting.

Mr Moore thanked Ms Jack for the work done to ensure risk register kept fully up to date.

Decided: The PFA agreed the following recommendations:

1. Noted the extract from the IJB Risk Register which highlighted the risks associated with the remit of the PF&A agenda.

2. Noted that the Assurance groups identified alongside each risk had continued to meet during the Covid period and are maintaining a focus on assurance reporting.
3. To consider if there are any further significant risks of current relevance to the P, F & A committee.
4. To identify any recommended changes or emerging new risks to the next meeting of the IJB for approval.

6. Integration Review

Mr R McGuffie shared a report advising of progress made since the last meeting. The new H&SCNL structure came into effect on 4th January 2021. All Tier 3 managers have been recruited and Head of Adult Social Care, Ms D Fraser, was now in post. The Integration Scheme was currently out for consultation until 28th February 2021 and would then be reviewed and updated prior to being sent to SG for approval. The review of operational and strategic finance was the main outstanding area of work to finalise, having been delayed due to the Covid-19 pandemic. Work is ongoing to finalise meeting structures and looking at how we can support the integration of systems across NHSL and NLC. Some organisational development work is being done with the new Tier 3 heads. A further update would be shared with members as appropriate.

Dr Osborne asked how the Integration Scheme responses would be feedback to SG and Mr McGuffie advised that a paper would be taken to the IJB, NLC Policy & Strategy Committee and NHSL Board to update.

Decided: The PFA agreed the following recommendations:

1. Noted the action plan agreed as part of the Integration Review process;
2. Request updates on progress in due course

7. Financial Monitoring Report

Ms Moy shared a report which provided a summary of the financial position of the North Lanarkshire Health and Social Care Partnership (HSCP) for the period from 1 April 2020 to 31 December 2020 (Health Care Services) and 8 January 2021 (Social Work and Housing Services). The financial position as at December 2020 / January 2021 is a net underspend of £4.510m and is summarised as follows:

- an underspend of £2.483m on health care services
- an underspend of £2.027m on social care and housing services

The report went on to advise that the net underspend reflects different planning assumptions by each partner. Finance colleagues have attempted to project the implications to the year end March 2021 as it is likely that current underspends will continue. The report also included projected impact on the reserves.

Scottish Government have now confirmed Covid funding and some budget areas which were being held to offset Covid costs in event not all funding was received, can now be released and will feature as part of IJB strategy. This allows us to plan with more certainty and confidence around ongoing Covid activity and the mobilisation plan is being updated in line with this. Any funding not used by 31st March should be available to use against 21/22 costs.

The total cost of responding to the Covid-19 pandemic across health and social care services in 2020/2021 continues to be uncertain as it is ongoing. Based on the most up-to-date information as at November 2020, the additional health and social care costs incurred in response to the Covid-19 pandemic in 2020/2021 are projected to be £22.384m (Health - £6.398m; NLC - £15.986m). A significant part of the NLC figure includes payments to external providers to help them maintain their response to the pandemic.

Finance colleagues continue to work on the funding for this year and next.

Ms Halliday asked if the underspend around unfilled posts was carried through to restricted reserves next year or could it be used differently. Ms Moy noted that the IJB can carry forward an underspend into reserves, but some funding comes with a specific purpose so would be ring-fenced. However, some spend against Covid costs could be decided by the IJB though there would still be recurring cost pressures that would need to be addressed. Work is being done to prepare recommendations to the IJB and it is intended these would be brought to the IJB in March for consideration and approval.

Mr Moore noted the high cost of locums in Mental Health & Learning Disabilities and the high vacancy level. Mr McGuffie acknowledged the ongoing challenge around medical MH costs and recruitment difficulties. He noted that Community Mental Health teams in both North and South had reverted to being managed by localities to allow better links to other services. Dr Munro added that recruitment difficulties were not unique to Lanarkshire and were an issue across the UK. There was a rolling action plan for MH consultant recruitment and work was being done to refresh that and look at how things could be done differently, actively looking at ways to make the service more stable and reduce reliance on locums.

As we progress through integration and as operational dynamics change we need to reflect on supporting arrangements to ensure remain valid, current and helpful.

Dr Osborne asked if the Mental Health strategy still sat with the North partnership as a delegated function. Mr McGuffie advised that largely yes but still have the opportunity link with South partnership and only the community element had moved to South. Dr Osborne suggested that governance around this should be reported and Mr McGuffie advised that a paper would be brought to the IJB in March.

Ms Halliday noted that challenges around Mental Health are chronic on a nationwide basis and asked if there were particular issues around people wishing to enter this field of work. Dr Munro confirmed this was the case and this continues to be looked at. Short term things can be done locally and we advertise nationwide rather than just locally.

Ms M Morris noted the importance of early recruitment and asked if it was possible to look at developing some of our existing staff into training. Dr Munro confirmed this had been looked at from a GP point of view and there are some GPs who do already work in MH Services. She further noted that all efforts are being made to maximise the medical workforce as well as nursing and AHP workforce. Ms Dendy reinforced Lucy's points and added that the Care Academy will include this.

Decided: The PFA agreed the following recommendations:

1. Noted the financial position to date which is summarised at sections 6, 8 and 9;
2. Noted that, in order to address the additional health and social care costs as a result of the Covid-19 pandemic, further additional Scottish Government funding was announced on 5 February 2021, the distribution of which is currently being agreed with North Lanarkshire Council Head of Financial Solutions and the NHS Lanarkshire Director of Finance;
3. Noted that management action continues to be taken to mitigate the financial impact of the Covid-19 pandemic where possible;
4. Note that the review of the IJB Financial Plan 2020/2021 continues to progress in consultation with both partners and that the progress to date is reflected in the projected outturn summarised at section 6;
5. Noted that 2020/2021 funding which is not allocated to additional Covid-19 costs in 2020/2021 will be transferred to IJB reserves to meet the ongoing costs of the Covid-19 pandemic in 2021/2022, subject to the approval of the Scottish Government and the IJB and following consultation with both partners.

8. Progress Report on Agreed Actions

Ms Moy shared a report which included an outline of the improvement actions agreed with the External Auditor, the Internal Auditors and the Senior Management Team to further develop the IJB governance framework and the progress made to date in respect of these actions. Some of the actions were also included within today's agenda.

Ms Halliday asked if the medium to long term financial planning included funding for Community Solutions. Ms Moy advised this was being looked at in line with the IJB Financial Plan 2021/2022.

Decided: The PFA agreed the following recommendations:

1. Noted the contents of the report;
2. Noted that further progress reports will be presented to future meetings of the PFA Committee in respect of the actions which are ongoing.

9. External Audit Annual Plan & Audit Fee

Ms L Duthie shared a report which included a copy of the External Auditor's Annual Audit Plan for 2020/2021 and confirmed the External Audit fee for the North Lanarkshire Integration Joint Board.

The report set out the planned scope and timing of the External Auditor's work, noting that the Independent Auditor's Report and Annual Audit report should be available for the Performance, Finance & audit Committee on 9th November 2021.

Exhibit 1 details the financial statements risks and wider dimension risks.

Exhibit 2 in the report details the Audit Output timeline as well as what is taken into consideration when determining the audit fee. This year's fee of £27,330 is a slight increase on the previous year but additional funding has been secured for this.

Exhibit 4 details the annual accounts timetable which has been tied in to the IJB and PF&A committee timetable.

Ms Duthie noted that Mr Brian Howarth, Audit Director, was still the engagement lead for the North Lanarkshire IJB and noted various Audit Scotland staffing changes that would come into effect following her departure.

Mr McGuffie thanked Ms Duthie for the helpful report which acknowledged the impact of Covid.

Decided: The PFA agreed the following recommendations -

1. Noted the content of the report;
2. Noted the External Auditor's 2020/2021 fee of £27,330.

10. Internal Audit Plan 2020/21 – Progress Report

Ms Moy shared a report which provided an update on the progress of the Internal Audit Plan for 2020/2021. Some items contained in the Activity Report had a deadline of the next Performance, Finance & Audit Committee meeting on 25th May, including the Value for Money Audit. Ken Adamson, the NLC Audit and Risk Manager, was leading the audit where, in consultation with both North and South partnerships, a value for money audit assignment was being undertaken in respect of the provision of equipment and adaptations from the North Lanarkshire Joint Store. This would inform future strategic commissioning intentions and also provide evidence to support the achievement of best value across this service. It was hoped that an update report would be

available for the next meeting of the PF&A.

Decided: The PFA agreed the following recommendations -

1. Noted the content of the report.

11. IJB Governance Update

Ms Moy shared a report which noted as below along with Mobilisation Plan Projected costs as at 15th January 2021:

1. highlighted the challenges associated with this unprecedented year and the emergency response adopted by both partners and the IJB;
2. provided an update in respect of the principles for sustainability payments to social care providers during the Covid-19 pandemic;
3. provided an update on the additional funding received from the Scottish Government in respect of the Covid-19 pandemic for 2020/2021;
4. highlighted the next steps in respect of the mobilisation and remobilisation plan for 2021/2022;
5. provided an update in respect of the operational and financial governance arrangements which are being developed to support the implementation of the new Health and Social Care Partnership (HSCP) structure;
6. provided an update on the disaggregation of the mental health and learning disability services budget and the progress made to date;
7. provided an outline in respect of the investment opportunity to develop services to improve the cancer journey and support individuals with long term conditions; and
8. provided an overview of the progress in respect of the preparation of the IJB Financial Plan for 2021/2022.

Ms Moy advised that arrangements were in place until 31st March and there was currently no certainty beyond this point as SG guidance had not yet been received. Finance colleagues continue to work to fully understand the financial implications of the Covid response. A significant amount of work has been done around the mobilisation plan and now quantifying costs of this. Financial arrangements still to be considered further but the priority was to maintain stability. Members would be kept advised on progress.

A non-recurring investment opportunity is being discussed with MacMillan Cancer Support to consider the establishment of the Improving Cancer Journey across Lanarkshire. There were advantages to this but the key concern was that the funding was non-recurring. Once expectations and services were put in place, it would be difficult to withdraw. Further discussions with MacMillan will be held to establish their expectations when funding ends and Ms Moy will update members accordingly. Mr Moore noted that it would be useful to see further detail on the MacMillan proposal and Mr McGuffie advised he was happy to share this detail.

Mr Moore asked, given the profile on Care Homes and issues raised around the Independent Review of Adult Social Care would there be any impact on the national Care Home contract. Mr McGuffie noted there had been discussions with COSLA and negotiations had started with Scottish Care etc. A significant amount of work would be needed for COSLA and SG to take this forward.

Ms Halliday asked when there would be an opportunity to review the recommendations contained within the Independent Review of Adult Social Care in Scotland. The IJB Chair and Vice Chair had met with the Cabinet Secretary and Councillor Currie but had not been asked to make any formal response at this time. It would be included in the manifesto for the forthcoming elections so nothing would happen until after 6th May. Discussion followed around what we

would want to see for communities and to consider what structures and processes we should take forward. We would wish to hold on to what we have in place and any improvements to come, play our part to make them work for North Lanarkshire. Mr McGuffie assured members that there would be whole system discussions, with a view to identifying where the real benefits were. Mr H Robertson noted that the report stated it would be a five-year programme of work and was a very radical change to the way IJBs operated in that the financing of IJB officers would be funded through IJB itself.

Decided: The PFA agreed the following recommendations -

1. Noted the content of the report;
2. Noted that the unprecedented challenges as a result of the ongoing Covid-19 pandemic;
3. Noted that, on the understanding that the Scottish Government would meet all reasonable additional provider costs in line with the agreed Mobilisation Plan, the ongoing compliance with the principles for sustainability payments to social care providers during the Covid-19 pandemic;
4. Noted the projected additional Covid-19 costs in 2020/2021 and the additional Scottish Government funding to support the emergency response to the Covid-19 pandemic as highlighted at section 9;
5. Noted the ongoing development of the Lanarkshire Remobilisation Plan for the IJB and both partners;
6. Noted the progress to date in respect of the disaggregation of the mental health and learning disability services budget;
7. Noted the investment opportunity in respect of the non-recurring Macmillan funding and the associated financial risks;
8. Endorsed the priority to further progress the development of the IJB Financial Plan 2021/2022;
9. Noted that authority previously delegated to the Chief Officer to agree the allocation of the additional Scottish Government funding to address the additional costs of the Covid-19 pandemic in consultation with the IJB Chief Financial Officer, the Head of Financial Solutions of North Lanarkshire Council and the Director of Finance of NHSL Lanarkshire continues.

12. IJB Medium to Long Term Financial Strategy

Ms Moy delivered a presentation setting out the financial assumptions which are underpinning the Medium to Long Term Financial Plan as at 17 February 2021.

The key financial planning assumptions were set out in the IJB Medium to Long Term Financial Plan report accompanying the presentation. The Scottish Budget had been announced on 28 January 2021 and the significant additional funding streams expected were highlighted. These included the NHSL inflation uplift, Primary Care Improvement Funding, Action 15 Funding, ADP Funding, Scottish Living Wage, Carers Act Funding and Free Personal and Nursing Care Funding. An estimate of the funding anticipated was highlighted.

The high degree of uncertainty in respect of a range of cost pressures was noted in particular the ongoing negotiations in respect of the pay award and the national care home contract. Negotiations are also ongoing to potentially secure additional funding to fully fund the Scottish Living Wage. The high degree of uncertainty in respect of a range of other factors was also discussed including slippage in the savings (2020/2021 and 2021/2022), provider sustainability payments, recovery and remobilisation costs, European withdrawal and non-recurring funding allocations. Work is also being progressed in respect of an update on the notional set-aside budget.

It was noted that the operational and financial challenges of the Covid-19 pandemic will continue in 2021/2022. The funding provided by the Scottish Government which is not fully utilised in 2020/2021 will therefore be transferred to IJB reserves to be available to sustain the ongoing emergency response to the Covid-19 pandemic. The Chief Financial Officer also highlighted the significant additional funding allocations recently announced by the Scottish Government which included the Community Living Change Fund, Adult Social Care Winter Preparedness Plan Funding and Integration Authorities Covid-19 Funding, part or all of which may require to be transferred to an IJB reserve.

The requirement for the IJB and both partners to set a balanced budget for 2021/2022 before 1 April 2021 was emphasised. The Chief Financial Officer highlighted the significant support from both partners to the development of the IJB Financial Plan 2021/2022 which was appreciated. Work to address the funding gap was continuing. The PFA Committee was asked to note however that reliance may need to be placed on the use of non-recurring reserves funding while the impact of the Covid-19 pandemic is ongoing and transformational change programmes are rescheduled. The Lanarkshire Remobilisation Plan was being updated and would be resubmitted to the Scottish Government on 26 February 2021. The IJB Financial Plan 2021/2022 would be presented to the IJB for approval on 23 March 2021.

Decided: The PFA agreed the following recommendations -

1. Noted the contents of the report;
2. Noted the progress being made in respect of the development of the IJB Financial Plan 2021/2022 in consultation with both North Lanarkshire Council and NHS Lanarkshire;
3. Noted that the IJB Medium to Long Term Financial Plan would be updated to reflect the revised financial planning assumptions.

13. Quarter 2 Performance Report

Ms Dendy shared a report which provided an update to the Board on the areas for improvement which had been identified as part of the Quarterly Performance Review for the period 1 July 2020 to 30 September 2020 (Quarter 2). The report also provided additional information in relation to the impact of the wider COVID-19 response on our key areas of performance and the next steps for recovery.

Key areas for improvement were as noted -

1. Alcohol Brief Interventions
2. Delayed Discharge – as expected, delays fell as admissions fell, but June to August saw an increase. September onwards sees significant improvement with the introduction of Planned Date of Discharge work which is a Pan Lanarkshire approach covering each of the 3 acute sites.
3. Reablement/Home Support – challenges in relation to staffing levels but, despite this, the number of people completing Reablement falling during quarter 2, the proportion of new referrals that started in Reablement remained steady and on target.
4. Integrated Equipment & Adaptation Service – performance has improved as staffing levels have improved. Focus continues to be on delayed discharge and admission prevention activities and the service is also undertaking the management and distribution of PPE supplies.
5. CAMHS/Psychological Therapies
6. Waiting Times Performance – AHP and Community Services. Impacted heavily due to Covid demand. North and South H&SC partnerships have agreed and finalised the governance arrangements for AHP service performance recovery.

Councillor Kelly gave credit to all staff for managing demand during the pandemic.

Decided: The PFA agreed the following –

1. Noted the contents of the report and its appendix.

14. Programme of Work – SCP

Ms M Dendy shared a report following the update given at the IJB meetings in September and December 2020, outlining the H&SCNL Covid-19 Recovery Plan. These papers had detailed the intention to renew focus on the ambitions set out in the Strategic Commissioning Plan (SCP), 2020-23 as services remobilised and to take advantage of opportunities and experiences of working in different ways, not necessarily returning to the same model of service deliver pre-Covid. The reports noted the intention to review the SCP Plan Programme of Work (PoW) in the light of the recovery plans. To achieve the ambitions set out within the SCP, the PoW would continue to inform the detail of activity, be aligned with key leads and corporate objectives and would create structure to increase participation and engagement with frontline staff, service users and carers as well as formal governance structures. The report contained a diagram demonstrating the intended flow of work through the various meeting governance structures. A further paper would be taken to the next meeting of the IJB in March 2021 but this paper gave an indication of the work being done.

Dr Osborne commended the report on how clear it set out the way forward and emphasised the importance of the work, recommending that it be shared widely with colleagues.

Decided: The PFA agreed the following –

1. Noted the progress made in aligning the remobilisation of services to the Programme of Work which sits alongside the Strategic Commissioning Plan, 2020-23;
2. Noted that a more detailed Programme of work will be remitted to the Integrated Joint Board in March 2021.

15. Winter Covid Update

Mr McGuffie shared a paper which set out the actions taken to date during the pandemic response. The report noted that as at 3rd February there were 315 confirmed Covid positive patients but since then there had been a significant drop in numbers and as at today's date there were 177 confirmed Covid positive patients. The Care Home position had significantly improved due to the roll out of the vaccination programme. The report also noted -

- the range of work put in place to support the Care Home sector.
- the impact of the Acute Respiratory Assessment Centres and associated data.
- the improvement in the Test & Trace service.
- the hugely significant role that the third sector has played, coordinated through VANL's Community Solutions Programme.
- Increased uptake in the seasonal flu campaign.
- 93% of Care Home residents and 76% of Care Home staff vaccinated with second doses due to commence.

Dr Osborne again commended the dedication, bravery and commitment of frontline staff and asked about the measures in place to support the wellbeing of staff. Mr McGuffie advised that a huge amount of work was taking place across the system, led by the command structure, to ensure the system was kept safe. Wellbeing was also of huge importance with a whole range of supports available, include online resources, rest areas and refreshment provision. An 18 months funding plan had been agreed and a Wellbeing strategy was in development extending beyond that.

Decided: The PFA agreed the following –

1. Noted progress made during the pandemic response;
2. Requested further updates in due course.

16. Update on Mental Health Demand & Developments (CAMHS/Psychological Therapies)

Mr R McGuffie reports which provided an update on the recovery process within services that provide psychological therapies for adults and children/young people (Adult Psychological Services and CAMHS), in relation to the Scottish Government's psychological therapies referral-to-treatment time target. Ms Thomson explained that the impact of Covid had resulted in significant impact on capacity and waiting times and prioritisation had to be done through a RAG process. One of the main issues was the impact on face to face consultations and whilst the use of Near Me has been successfully rolled out, this was not appropriate for all service users. Remobilisation plans were now in place, with previously agreed areas of development continuing to progress. While some developments have had to be placed on hold, others such as IT developments for patient consultations and the use of self-help resources have managed to accelerate. The paper also detailed the recommendations following a deep dive into the CAMHS service which was based broadly on 3 themes across staffing, accommodation and IT infrastructure.

Decided: The PFA agreed the following -

1. Noted the content of the report;
2. Noted that the CAMHS Deep Dive review group has recommenced and an updated action plan would be shared with the Committee in due course, taking into account the impact of Covid.

17. Risk

No further risks noted.

18. DATE OF NEXT MEETING – Tuesday 25th May 2021, 2.00pm via MS Teams