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ADDITIONAL CIRCULATION



Aberdeen City Health & Social Care Partnership
A caring partnership

To: Members of the Integration Joint Board

Town House,
ABERDEEN 4 June 2020

INTEGRATION JOINT BOARD

The undernoted items are circulated **AS A FULL REPLACEMENT AGENDA** in connection with the Virtual – Remote Meeting of the **INTEGRATION JOINT BOARD** on **TUESDAY, 9 JUNE 2020 at 10.00 am.**

FRASER BELL
CHIEF OFFICER - GOVERNANCE

B U S I N E S S

1 Welcome from the Chair

DECLARATIONS OF INTEREST

2 Members are requested to intimate any declarations of interest (Pages 3 - 4)

DETERMINATION OF EXEMPT BUSINESS

3 Members are requested to determine that any exempt business be considered with the press and public excluded

STANDING ITEMS

4 Minute of Board Meeting of 12 May 2020 (Pages 5 - 10)

5 Business Planner (Pages 11 - 14)

CHIEF OFFICER REPORT

- 6 Recovery: Operation Home First - HSCP20.007 (Pages 15 - 22)
- 7 Aberdeen City Primary Care Update - HSCP20.008 (Pages 23 - 32)

GOVERNANCE

- 8 Grant to Independent Sector Organisation - HSCP20.002 (Pages 33 - 44)
- 9 Service User Representative on IJB - HSCP20.006 (Pages 45 - 48)

PERFORMANCE AND FINANCE

- 10 National Principles for Sustainability Payments to Social Care Providers during Covid19 - HSCP20.004 (Pages 49 - 58)
- 12 External Audit Final Report 2019/2020 - HSCP20.010 (Pages 59 - 90)
- 13 Audited Final Accounts 2019/20 - HSCP20.009 (Pages 91 - 156)
- 14 Mobilisation Report - HSCP20.011 (Pages 157 - 168)

ITEMS THE BOARD MAY WISH TO CONSIDER IN PRIVATE

- 15 2020/21 Supplementary Procurement Work Plan - HSCP20.001 (Pages 169 - 188)

DATE OF NEXT MEETING

- 16 IJB Meeting - Tuesday 8 September 2020 at 10.00am

Should you require any further information about this agenda, please contact Derek Jamieson, tel 01224 523057 or email derjamieson@aberdeencity.gov.uk

DECLARATIONS OF INTEREST

You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether reports for meetings raise any issue of declaration of interest. Your declaration of interest must be made under the standing item on the agenda, however if you do identify the need for a declaration of interest only when a particular matter is being discussed then you must declare the interest as soon as you realise it is necessary. The following wording may be helpful for you in making your declaration.

I declare an interest in item (x) for the following reasons

For example, I know the applicant / I am a member of the Board of X / I am employed by...

and I will therefore withdraw from the meeting room during any discussion and voting on that item.

OR

I have considered whether I require to declare an interest in item (x) for the following reasons however, having applied the objective test, I consider that my interest is so remote / insignificant that it does not require me to remove myself from consideration of the item.

OR

I declare an interest in item (x) for the following reasons however I consider that a specific exclusion applies as my interest is as a member of xxxx, which is

- (a) a devolved public body as defined in Schedule 3 to the Act;
- (b) a public body established by enactment or in pursuance of statutory powers or by the authority of statute or a statutory scheme;
- (c) a body with whom there is in force an agreement which has been made in pursuance of Section 19 of the Enterprise and New Towns (Scotland) Act 1990 by Scottish Enterprise or Highlands and Islands Enterprise for the discharge by that body of any of the functions of Scottish Enterprise or, as the case may be, Highlands and Islands Enterprise; or
- (d) a body being a company:-
 - i. established wholly or mainly for the purpose of providing services to the Councillor's local authority; and
 - ii. which has entered into a contractual arrangement with that local authority for the supply of goods and/or services to that local authority.

OR

I declare an interest in item (x) for the following reasons.....and although the body is covered by a specific exclusion, the matter before the Committee is one that is quasi-judicial / regulatory in nature where the body I am a member of:

- is applying for a licence, a consent or an approval
- is making an objection or representation
- has a material interest concerning a licence consent or approval
- is the subject of a statutory order of a regulatory nature made or proposed to be made by the local authority.... and I will therefore withdraw from the meeting room during any discussion and voting on that item.



ABERDEEN, 12 May 2020. Minute of Meeting of the INTEGRATION JOINT BOARD.

Present:- Councillor Sarah Duncan, Chair; Luan Grugeon, Vice Chair; and Councillor Gill Al-Samarai, Councillor Philip Bell, Kim Cruttenden, Councillor Lesley Dunbar, Alan Gray, John Tomlinson, Mike Adams, Jim Currie, Dr Howard Gemmell, Dr Caroline Howarth, Jenny Gibb, Maggie Hepburn, Alison Murray, Shona McFarlane, Chris Littlejohn, Dr Malcolm Metcalfe, Graeme Simpson, Sandra MacLeod and Alex Stephen.

Also in attendance:- John Forsyth (Solicitor) and Derek Jamieson (Clerk).

Apologies:- Angela Scott (Chief Executive)

The agenda and reports associated with this minute can be found [here](#). Please note that if any changes are made to this minute at the point of approval, these will be outlined in the subsequent minute and this document will not be retrospectively altered.

INTRODUCTION

1. The Chair welcomed all Members and Officers to the meeting and advised that a short private presentation would follow on conclusion of the meeting.

The Chair updated members on the continuing communication plan and constant review of both communications and requirement to update members in a timely manner. The Board heard that the Chair and Vice-Chair now participated in a weekly update meeting with the Chief Officer, Chief Finance Officer and other Leadership Team members as required.

DECLARATIONS OF INTEREST

2. There were no declarations.

EXEMPT BUSINESS

3. There was no Exempt Business.

INTEGRATION JOINT BOARD
12 May 2020

MINUTE OF BOARD MEETING OF 24 MARCH 2020

4. The Board had before it the draft minute of its previous meeting.

The Board resolved :-

to approve the minute as a correct record.

RESUMPTION OF CLINICAL CARE GOVERNANCE COMMITTEE MEETINGS

5. The Board heard that further to the decision taken on 24 March 2020 to suspend meetings of both the Risk, Audit and Performance Committee (RAPC) and the Clinical Care Governance Committee (CCGC), it had proven appropriate to consider reconvening this business. At the request of the Chair of the CCG it had been suggested that extra-ordinary reports should be forwarded to the Committee for their awareness and to maintain assurance.

The Board resolved :-

- (i) to convene Extra-Ordinary meetings of the Clinical Care Governance Committee as required;
- (ii) to remind all Members that they may attend any meeting of any subordinate Committee as observers; and
- (iii) to provide interim delegated authority to the Chief Officer, ACHSCP, in addition to the Chair of the Clinical Care Governance Committee, to call any Extra-Ordinary meeting.

ANNUAL GOVERNANCE STATEMENT - HSCP19.125

6. The Board had before it a report from the Chief Finance Officer, ACHSCP which intended to provide assurance in relation to the governance arrangements and control environment.

The report recommended:-

that the Board comment on and approve the draft annual governance statement, as set out in appendix 1.

The Board resolved :-

to approve the recommendations.

INTEGRATION JOINT BOARD
12 May 2020

UN-AUDITED ACCOUNTS 2019/20- HSCP19.124

7. The Board had before it a report from the Chief Finance Officer, ACHSCP to allow the Integration Joint Board (IJB) to review and comment on the unaudited final accounts for 2019/20.

The report recommended:-

that the Board consider and comment on the Unaudited Accounts for 2019/20.

The Board heard of the changing landscape and its impact on the finances which were still being finalised. These works were being taken against an ever changing environment where uncertainty still existed on full demand and costs, together with Scottish Government amendments still to be confirmed.

The Board heard that a previous assumption on the full use of the ACHSCP reserves had since been averted and that the accounts were in a stronger position than the earlier plan.

The Board participated in discussion with the Chief Finance Officer and offered enhancements to the presented report.

The Board resolved :-

- (i) to approve the recommendations; and
- (ii) to instruct the Chief Finance Officer to introduce the comments provided by members into the document.

FINANCIAL MONITORING MARCH 2020 - HSCP19.126

8. The Board had before it a report from the Chief Finance Officer, ACHSCP which summarised the current year revenue budget performance for the services within the remit of the Integration Joint Board as at Period 12, end of March 2020, and advised on any areas of risk and management action relating to the revenue budget performance of the IJB services.

The report recommended:-

that the Board –

- (a) note this report in relation to the IJB budget and the information on areas of risk and management action that are contained herein; and
- (b) approve the budget virements indicated in Appendix E.

The Board participated in discussion with the Chief Finance Officer and offered enhancements to the presented report.

INTEGRATION JOINT BOARD
12 May 2020

The Board resolved :-

- (i) to approve the recommendations; and
- (ii) to instruct the Chief Finance Officer to introduce the comments provided by members into the document.

IJB WORKSHOP - TUESDAY 2 JUNE 2020 AT 9.00AM

9. The Board heard that a Workshop would be held on 2 June 2020 to discuss the opportunities and challenges of the future return to business of the ACHSCP, post Covid-19 lockdown arrangements.

The Board resolved:-

to note the details.

IJB MEETING - TUESDAY 25 JUNE 2020 AT 10.00AM

10. The Board heard that whilst the next approved meeting date was 25 June 2020, this may be subject to change to allow presentation of Audited Finance Reports for approval by the Board.

The Board resolved:-

to note the update.

- COUNCILLOR SARAH DUNCAN, Chairperson

INTEGRATION JOINT BOARD
12 May 2020

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INTEGRATION JOINT BOARD BUSINESS PLANNER									
The Business Planner details the reports which have been instructed by the Committee as well as reports which the Functions expect to be submitting for the calendar year.									
Date Created	Report Title	Minute Reference/Committee Decision or Purpose of Report	Report Number	Report Author	Lead Officer / Business Area	ORGANISATION ACHSCP/ACC/NHSG	Update/ Status (RAG)	Delayed/ Deferred or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
09 June 2020									
24.03.2020	IJB Standing Orders Amendment	The Board resolved :- (i) to approve the recommendations; and (ii) to cancel meetings of the Risk Audit and Performance Committee and the Clinical Care Governance Committee until further notice.	HSCP.19.122	Jess Anderson	ACC Legal	ACHSCP		D	For Review
24.03.2020	Business Planner	The Board resolved :- (i) to instruct the Chief Officer to update the Business Planner as necessary and to focus on Urgent/Emergency business only; (ii) to continue to submit Service Updates as appropriate; and (iii) to note the revised business planner.	n/a	Derek Jamieson	Committee Services	ACHSCP			For Discussion and Review
24.03.2020	Grampian-wide Strategic Framework for Mental Health and Learning Disability Service 2020-2025	The report recommended :- that the Board – a) approve the Grampian-wide Strategic Framework for Mental Health and Learning Disability (MHL) 2020-2025 [appendix a]; b) note Aberdeen City Health and Social Care Partnership (ACHSCP), Aberdeenshire HSCP (ASHSCP) and Moray HSCP (MHSCP) plan to refresh their respective Mental Health and Learning Disability Strategy/(ies) for community-based services in 2022; c) instruct the Chief Officer to report back on the Performance Framework and Programme Transformation Plan to Aberdeen City IJB on the 25 June 2020, Aberdeenshire IJB on 24 June and Moray IJB on 26 June to provide assurance of detailed plans for service redesign, timelines and measures to monitor progress and sustainability.	HSCP.19.108	Kay Dunn	Planning Manager Lead	ACHSCP		D	For Review
29.05.2020	Recovery Plan	Chief Officer to present report on Operation Home First	HSCP.20.007	Gail Woodcock	Transformation Lead	ACHSCP			
29.05.2020	External Auditor Report			Michael Wilkie	KPMG				
29.05.2020	Audited Accounts			Alex Stephen	Chief Finance Officer	ACHSCP			
29.05.2020	Mobilisation Framework			Alex Stephen	Chief Finance Officer	ACHSCP			
29.05.2020	Grant Report		HSCP20.002	Anne McKenzie	Chief Commissioning Lead	ACHSCP			
29.05.2020	Supplementary Work Plan		HSCP20.001	Jean Stewart-Coxon	Strategic Procurement Manager	ACHSCP			
29.05.2020	National Principles for Sustainability Payments to Social Care Providers during Covid19		HSCP20.004	Martin Allan	Business Lead	ACHSCP			
29.05.2020	Service Users Representative Report		HSCP20.006	Alison Macleod	Strategy and Performance Lead	ACHSCP			
FOR FUTURE REPORTING									
04.09.2019	Market Facilitation Update	Co-Vid-19 measures delay from 24/03/20	HSCP19114	Anne McKenzie	Commissioning Lead	ACHSCP	Candidate for August	D	
13.01.2020	Carers Expense Policy	Co-Vid-19 measures delay from 24/03/20	HSCP19118	Alison MacLeod	Performance Lead	ACHSCP	Candidate for August	D	
22.01.20	Strategic Risk Register	On 21.01.2020, from the report Strategic Risk - HSCP 19.086The Board resolved :- (i)to approve recommendations (a) and (c) (ii)to note recommendation (b) and instruct the Chief Officer to obtain legal direction to revisit Risk 1 specifically in regards to 'Provider of Last Resort' and to report to the Board on 11 February 2020. IJB on 11.02 deferred until 24.03.20		Martin Allan	Business Lead	ACHSCP	Candidate for August	D	CoVid-19 measures : IJB have had sight of risks recently -delay
19.11.2019	Review of commissioned Day Care Services - an update	On 19.11.2019, The Board resolved:- (i)to note progress made with the review, and that a final recommendation will be made to the IJB in March 2020.	HSCP19111	Anne McKenzie	Commissioning Lead	ACHSCP		D	CoVid-19 measures : Delay
25.02.2020	Scottish Public Services Ombudsman - Revised Model Complaints Handling Procedure	To provide an update on the the updated Model Complaints Handling Procedure (MCHP) for Scottish Government, Scottish Parliament and Associated Public Authorities.	HSCP19117	Martin Allan	Business Lead	ACHSCP	Candidate for August	D	CoVid-19 measures: consider Service Update or report to RAPC

	A	B	C	D	E	F	G	H	I	J
	Date Created	Report Title	Minute Reference/Committee Decision or Purpose of Report	Report Number	Report Author	Lead Officer / Business Area	ORGANISATION ACHSCP/ACC/NHSG	Update/ Status (RAG)	Delayed/ Deferred or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2										
21	Standing Item	Strategic Risk Register	Bi-Annual - January and June		Martin Allan	Business Lead	ACHSCP	Candidate for August	D	
22	19.11.19	Training and Development Plan for IJB			Martin Allan	Business Lead	ACHSCP	Candidate for September	D	
23	Standing Item	Annual Update Autism & Learning Disabilities	IJB 20200128 - move to June 2020		Kevin Dawson	Learning Disabilities Lead	ACHSCP	Candidate for September	D	
24	26.03.2019	Diet, Activity and Healthy Weight	IJB 26.03.19 Article 17 - The Board instructed the Chief Officer that an annual update on ACHSCP GCGF is presented to the IJB, and (v) Instruct the Chief Officer that the Grampian consultation strategies for Tobacco and Diet, Activity and Healthy Weight are presented to the Board. To be reported to 23.06.20 meeting from PreAgenda on 29.01.20, then IJB on 11.02.20		Gail Woodcock	Transformation Lead	ACHSCP	Candidate for September	D	
25	04.09.2019	Immunisations	Following comment at IJB on 03.09.2019, future reporting requested		Gail Woodcock	Transformation Lead	ACHSCP	Candidate for September	D	
26	Standing Item	Review of Scheme of Integration	Annual review. IJB 20200128 move to June 2020		Jess Anderson	Chief Officer - Governance	ACC	Candidate for December	D	
27	19.11.2019	Review of Governance (ACC)	On 19.11.2019, the IJB resolved to note that Aberdeen City Council is currently reviewing its Scheme of Governance. A report on this will be submitted to Council on 2 March 2020. Council Officers will evaluate these changes and inform the IJB of any changes that will impact the business of the ACHSCP or the IJB and its sub-committees. This update will be brought to the IJB meeting immediately following the March 2020 Council meeting. IJB 28.01.20 - can be heard in June 2020		Fraser Bell	Chief Officer - Governance	ACC	Candidate for August	D	
28	19.11.2019	Local Survey	On 19.11.2019, the IJB resolved to instruct the Chief Officer to bring forward a further report following publication of the results of the current national survey which are expected in April 2020 along with details of actions undertaken to address those areas of the survey which would benefit from improvement. This report will come to the June meeting of the IJB.		Alison MacLeod	Performance Lead	ACHSCP	Candidate for September	D	
29	11.11.2019	Livingwell with Dementia			Alison MacLeod	Performance Lead	ACHSCP	Candidate for December	D	
30	Standing Item	Annual Report on Alcohol and Drug Partnership	IJB 20200128 - moved to June 2020		Simon Rayner	Alcohol & Drug Lead	ACHSCP	Candidate for September	D	CoVid-19 measures : Report to next CCG then to IJB in September
31	30.09.2019	Social Care – Self-directed support: Transformational Funding 2019-21 and Reporting on Impact and Learning	To be reported to 23.06.20 meeting from PreAgenda on 29.01.20, then IJB on 11.02.20		Alison MacLeod	Performance Lead	ACHSCP		T	Going as Service Update March 2020
32	11.12.2018	Autism Strategy and Action Plan	IJB 11.12.18 Article 13 - The Board noted that progress reports on the implementation of the above would be provided annually, with updates to the Clinical Care and Governance Committee in the interim. Suggested April 2020, then To be reported to 23.06.20 meeting and combined with Annual Update (from PreAgenda on 29.01.20 and IJB on 11.02.20).		Kevin Dawson	Learning Disabilities Lead	ACHSCP		T	To be reported to 23.06.20 meeting and combined with Annual Update (from PreAgenda on 29.01.20) ; CoVid-19 measures : Report to CCG then Service Update to IJB
33	11.06.2019	MSG Self Evaluation for the Review of progress with Integration of Health and Social Care	IJB 11.06.2019 - Instructed the Chief Officer to provide an update on progress on delivery of the actions in March 2020. IJB 20200128 Move to June 2020	HSCP19120	Alison MacLeod	Performance Lead	ACHSCP	Candidate for September	D	CoVid-19 measures : Service Update to RAPC
34	08 September 2020									
35	Standing Item	Annual Report	The purpose of this report is to obtain IJB approval of the partnership's annual performance report for 2019-20 and its agreement that the approved report should be published and also presented to Aberdeen City Council and NHS Grampian for their information.		Alison MacLeod	Performance Lead	ACHSCP			
36	Standing Item	MSG & National Performance Report	Included within Annual Report	included within Annual Report	Alison MacLeod	Performance Lead	ACHSCP			
37	Standing Item	Winter Plan	The Aberdeen City Health and Social Care Partnership is required to develop a "Winter Plan" each year to reflect arrangements to support activity over the winter period. The draft Winter Plan before the IJB for period 2019/20 is contained in Appendix One to this report.		Jason Nicol	SOARs Lead	ACHSCP			

A	B	C	D	E	F	G	H	I	J
Date Created	Report Title	Minute Reference/Committee Decision or Purpose of Report	Report Number	Report Author	Lead Officer / Business Area	ORGANISATION ACHSCP/ACC/NHSG	Update/ Status (RAG)	Delayed/ Deferred or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
22.01.2020	Update on Tasking & Coordinating Group Activity within ADP	On 21.01.2020, from the Update on the Alcohol and Drug Partnership Delivery Plan and Investment - HSCP.19.087, the Board resolved :- (i)to approve the recommendations, (ii)to note the creation of a Tasking and Coordinating Group (TCG) to expedite the required spending, and (iii)to instruct the Chief Officer to report on the status of the TCG activities to IJB on 8 September 2020.		Simon Rayner	Alcohol & Drug Lead	ACHSCP			
38									
39	Standing Item	Chief Officer Report	A regular update from the Chief Officer	Martin Allan	Business Lead	ACHSCP			
40	01 December 2020								
41	19.11.2019	Localities - Reshaping Community Services	On 19.11.2019, the IJB resolved (vi) to instruct the Chief Officer, to report back on the progress towards integrated locality working, on 1 December 2020.	Gail Woodcock	Transformation Lead	ACHSCP			
42									
43	29.01.2020	Mental Health Delivery Plan	CoVid-19 measures : moved from 24/03/20 to 01/12/20	HSCP19113	Kevin D / Jenny Rae	Mental Health Lead	ACHSCP	T	
44	Standing Item	Chief Officer Report	A regular update from the Chief Officer	Martin Allan	Business Lead	ACHSCP			

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INTEGRATION JOINT BOARD

Date of Meeting	9 June 2020
Report Title	Recovery: Operation Home First
Report Number	HSCP.20.007
Lead Officer	Sandra Ross, Chief Officer
Report Author Details	Gail Woodcock Lead Transformation Manager gwoodcock@aberdeencity.gov.uk
Consultation Checklist Completed	Yes
Directions Required	No
Appendices	

1. Purpose of the Report

- 1.1. The purpose of this report is to provide an overview to the Integration Joint Board (IJB) on the current progress towards recovery from our Covid-19 response stage along with the current priorities.

2. Recommendations

- 2.1. It is recommended that the Integration Joint Board (IJB):
- a) Note the approach and priorities around the current stage of response and recovery.
 - b) Note that a further report will come to future Risk, Audit and Performance Committees and Integration Joint Board meetings providing progress on Operation Home First and information about our next stage priorities in our recovery progress.



INTEGRATION JOINT BOARD

3. Summary of Key Information

Background

- 3.1. The Covid-19 virus reached pandemic stage in March this year. The local response to this included a number of focussed activities which aimed to both reduce the risk of virus transmission across our staff and citizens and ensure that our health and social care systems were positioned to manage the predicted increase in demand.
- 3.2. The initial peak activity of the virus (in terms of virus spread and hospital usage) is now recognised to have passed, although it is important to stress that many of the health and social care partnership services are still in or approaching peak activity. In particular this would apply to our social care services as well as our mental health services.
- 3.3. As the lockdown restrictions start to be eased in a gradual manner (Scotland announced a move to phase 1 on Thursday 28th May), it is recognised that the impact of these changes may result in additional peaks, and potentially new staff shortages as a result of the test and protect phase.
- 3.4. It is anticipated that we will require to live with Covid-19 for a considerable period, which will require having systems and processes that both ensure that our staff and citizens continue to be protected, while seeking to maintain health and care services that are needed across the Aberdeen population.

Creating the environment where positive changes can be maintained: Operation Home First

- 3.5. It is clear that Covid-19 has created many challenges and unfortunately many, many sad outcomes. However, the need to respond, at pace, to minimise negative impact has enabled the fast-tracking of many of the plans that had previously been developing in line with our strategic plan.
- 3.6. For example, the use of remote digital systems to enable staff to work at home, and clinicians to conduct patient consultations. Aberdeen City Health



INTEGRATION JOINT BOARD

and Social Care Partnership (ACHSCP) and NHS Grampian (NHSG) already had well developing plans for the roll out of a digital system to facilitate remote contact between clinicians and patients, and the effectiveness and efficiency of this roll out has been evidenced through regular Scottish data which shows Grampian as delivering the highest number of online consultations across Scotland (Ref. week 11, Near Me COVID Scale up status reports)

- 3.7. The strong relationships between the ACHSCP and its partners, Aberdeen City Council (ACC) and NHSG, has also enabled swift, joined up cohesive responses in relation to both delivering services in new ways and ensuring people have the protections and supports in place to stay safe.
- 3.8. Effective governance has been mobilised to support progress at pace; operational staff have been empowered to make the right decisions; we have worked around limited resources, maximising what we have and meeting targets; and we have built stronger relationships through a sense of common purpose. This approach has ensured a clear direction, using systems thinking and collaborative working, supported by the ability to have decisions ratified quickly, in order to put in place what was and is needed. All of these aspects are things that will be valuable to the way that the partnership works moving forward.
- 3.9. However, as we approach the end of the initial emergency response stage, we are already beginning to see some of this change and these ways of working start to fray, with a pull back to old behaviours and focus becoming apparent. This presents a risk that the achievements we have made over a very short period of time may become unpicked.
- 3.10. When planning for the next stages of our response, as living with Covid-19 becomes our business as usual, the Chief Officers of the three Grampian health and social care partnerships, have had the support of the Chief Executives (Aberdeen City Council, Aberdeenshire Council, Moray Council and NHS Grampian) to identify and embed the priorities over the next few weeks and months. This will include staff/ public engagement and consideration of future redesigns from this new starting point. This approach is being referred to as “Operation Home First”.



INTEGRATION JOINT BOARD

Operation Home First

- 3.11.** Operation Home First refers to the next (current) stage of our ongoing response and early steps towards recovery. We have a unique opportunity to embed the transformation that has occurred. At the moment these new ways of working are new and fragile, lacking a firm footing in how we work. Operation Home First has identified a number of these transformational changes, all interconnected, that we need to provide focus to in order to ensure that they are embedded as our new normal system – these transformations cut across infrastructure, care pathways and culture.
- 3.12.** There are two aspects to Operation Home First: embedding the transformations that have taken place across Grampian and embedding our overall Home First principles:

Pan Grampian Transformations

Closure of Care of the Elderly beds at ARI
Shifting workforce and beds to Woodend.
Moving GMED from ARI to Health Village
Collective GP response calls
Near-me (digital consultation system)
Closure and shift of LD beds at Cornhill
Increased outreach from hospital-based services to support community-based care pathways.
Improved access to commissioned pathways
Reduction in minor injury and community beds
Reduction in A&E attendances due to shared intention of community support
Hospital @Home and virtual ward capacity due to consultant access

Operation Home First Principles

Build on initial response



INTEGRATION JOINT BOARD

Maintain our agile thinking and decision making
Retain ability to respond to Covid demand
Adopt home first principles for all care
Respond to prolonged period of physical distancing – impact on bed base, reduced footfall (staff and patients), need for technology
Avoidance of admission and delays at discharge
Maintain safe services for those shielding
Person centred care within community settings with removal of barriers between primary and secondary care

4. Implications for IJB

4.1. Equalities

The content of this paper aligns with our strategic plan, for which a full equalities and human rights impact assessment has been undertaken.

4.2. Fairer Scotland Duty

It is anticipated that the implementation of these plans, will have a positive impact on people affected by socio-economic disadvantage, as per the ambitions within our strategic plan.

4.3. Financial

There are no specific financial implications directly as a result of this report.

4.4. Workforce

Any required workforce changes will continue to be progressed in partnership with our staff side and trade union reps in line with usual process. During the Covid-19 response stage, staff side and trade unions have been integral members within our operational governance decision making processes.



INTEGRATION JOINT BOARD

4.5. Legal

There are no specific legal implications as a direct result of this report.

4.6. Other - NA

5. Links to ACHSCP Strategic Plan

5.1. The principles and transformations of Operation Home First fully align with and support the delivery of our strategic plan. Specifically:

- **Prevention:** maintaining safe services for those who are shielding will prevent potential negative health impacts if this vulnerable group were to contract COVID-19; closure and shift of LD beds at Cornhill, aligned with Action Plan for Learning Disabilities.
- **Resilience:** retaining the ability to respond to Covid demand; closure of Care of the Elderly beds at ARI; shifting workforce and beds to Woodend; moving GMED from ARI to Health Village; collective GP response calls; improved access to commissioned pathways; reduction in minor injury and community beds; and the reduction in A&E attendances due to shared intention of community support will all build resilience into our system
- **Personalisation:** avoidance of admission and delays at discharge, continuing to improve delayed discharge experience; adopting home first principles for all care; increasing outreach from hospital-based services to support community-based care pathways; and the scaling up of Hospital @Home and virtual ward capacity due to consultant access will help to ensure that people get the right care in the right place at the right time.
- **Connections:** responding to prolonged periods of physical distancing; and the use of Near-me (digital consultation system) will help people stay connected within their communities and reduce social isolation.
- **Communities:** person centred care within community settings with the removal of barriers between primary and secondary care will help develop a divers and sustainable care provision.



INTEGRATION JOINT BOARD

- 5.2.** It is highlighted that due to the nature and circumstances of the initial COVID response, most of the activities and principles that we are seeking to embed align most closely with the prevention, resilience and personalisation aims within our strategic plan, however there are aspects of these activities which cover more than one aim.
- 5.3.** We anticipate that the transformations will directly affect the following strategic plan indicators and progress will be tracked and reported to Risk, Audit and Performance Committee:
- Reduced attendances at A&E
 - Increase % of people living independently in the community
 - Improved healthy life expectancy
 - Increase in % of adults supported at home who agree that their services and support had an impact on improving or maintaining their quality of life
 - Increase in % of adults supported at home who agree that their health and social care services seemed to be well coordinated
 - Increase in % of adults receiving any care or support who rate it as excellent or good
 - Increase in number of people with positive experience of care provided by their GP practice

6. Management of Risk

6.1. Identified risks(s)

The main risk is that the positive transformations that have taken place during the last few weeks are unable to sufficiently embed within our culture and system.





INTEGRATION JOINT BOARD

6.2. Link to risks on strategic or operational risk register:

This report links to risks 11 on the strategic risk register: -

There is a risk that the Coronavirus (Covid-19) outbreak leads to high numbers of incidences within the city, impacting public health and the delivery of essential health and care services through significantly increased demand and reduced workforce capacity. This reduced capacity arising as a result of frontline workforce absence and self-isolation requirements.

Operation Home First is the beginning of our recovery from the initial phase of the Covid-19 pandemic, ensuring services can continue to be delivered in a safe, but transformed way, whilst also preparing to be equipped for any future re-emergence of virus within the community.

Approvals	
	Sandra Ross (Chief Officer)
	Alex Stephen (Chief Finance Officer)



INTEGRATION JOINT BOARD

Date of Meeting	09 June 2020
Report Title	Aberdeen City Primary Care Update
Report Number	HSCP.20.008
Lead Officer	Dr Caroline Howarth – Clinical Director
Report Author Details	Dr Caroline Howarth, Clinical Director, caroline.howarth1@nhs.net Dr Amir Iqbal, Clinical Lead. amir.iqbal@nhs.net
Directions Required	No
Appendices	No

1. Purpose of the Report

- 1.1. The purpose of this report is to update Integration Joint Board (IJB) on the delivery of Primary Care and General Medical Services (GMS) during the current Covid-19 pandemic.

2. Recommendations

- 2.1 It is recommended that the IJB note the contents of the report.

3. Summary of Key Information

3.1 Total Triage

Primary care has moved to a Total Triage model whereby all contacts are screened by telephone prior to being seen. This model has increased efficiency, with GPs being able to deal with more contacts than in normal times and has maintained patients' access to primary care. Using this model patients' medical needs are appropriately prioritised.



INTEGRATION JOINT BOARD

3.2 Near Me

Video consultations via the Near Me platform have accelerated exponentially since the start of the Covid-19 pandemic. NHS Grampian is amongst one the highest users in Scotland and very much leading on the use of this technology. Aberdeen City have two practices in the top three users in Grampian. Near Me allows increased access for patients to primary care services and enhances safety in terms of infection control in the context of Covid-19. Near Me is being used by GPs and other primary care clinicians.

During the week of 26 May 2020 there were a total of 273 Near Me consultations undertaken in General Practices across Aberdeen City.

Near Me COVID Scale Up – Status Report End Week 11

26/5/20

All Activity

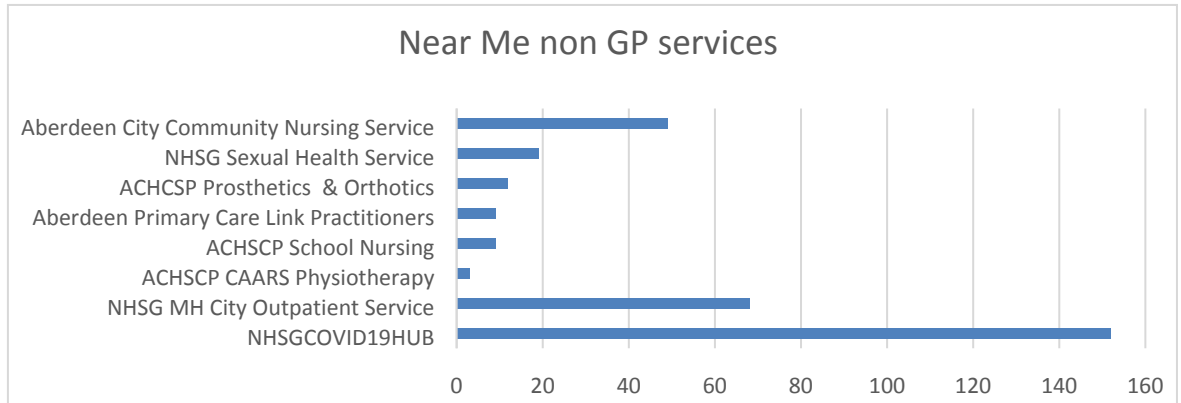
Call volumes have increased again and now stand at 14090 consults made in 1645 waiting areas. This represents an increase of around 7% over the previous week.

All Activity (inc GP)	Wk 0	Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7	Wk 8	Wk 9	Wk 10	Wk 11
Week commencing	1/3	8/3	15/3	22/3	29/3	5/4	12/4	19/4	26/4	3/5	10/5	17/5
Waiting Areas Active in Week	109	210	646	837	988	1070	1170	1351	1482	1456	1603	1645
Total Consultations	336	569	3034	4628	5904	6203	6780	9367	10770	10619	13206	14090
3rd Sector	6	11	58	35	156	120	121	170	213	207	234	189
NHS24	1	1	1	0	3	0	0	4	0	23	15	49
NHSAA	12	22	56	98	134	152	208	276	337	384	402	509
NHSBOR	7	4	22	50	98	93	116	170	205	217	339	387
NHSDG	14	16	90	156	186	180	193	330	425	414	521	555
NHSFIF	4	14	142	308	252	280	275	504	572	532	695	720
NHSFV	17	19	137	273	270	372	371	531	558	532	686	762
NHSG	83	122	686	864	1317	1453	1413	1749	2034	1978	2340	2496
NHSGGC	27	56	736	1210	1437	1285	1210	1743	1944	1899	2441	2476
NHSGJ	5	6	10	12	15	18	12	26	25	26	41	51
NHSH	86	94	200	190	270	438	523	676	726	713	907	911
NHSL	0	13	146	355	463	534	661	1049	1265	1342	1670	1842
NHSLAN	22	92	450	646	751	678	818	1077	1242	1295	1507	1686
NHSORK	11	16	49	81	82	69	95	104	96	113	126	136
NHSSAS		0	1	7	10	0	0	0	0	0	0	3
NHSSHE	3	5	14	39	28	33	72	78	68	60	91	69
NHST	20	46	174	186	331	346	553	689	793	639	898	925
NHSWI	8	14	30	92	75	90	59	79	128	109	128	149
Other	10	18	18	24	26	55	78	112	139	136	165	175
(blank)	0	0	14	2	0	7	2	0	0			



INTEGRATION JOINT BOARD

The graph below shows the number of Near Me consultations done by non-GP practice services during week of 26 May 2020.



Near Me has also been trialled as a platform to link with secondary care by clinicians working in the Covid Hub. This method of joined up decision making around patient care is being considered for use more widely as part of wider conversations around primary and secondary care interface.

Initially there was concern about how patients would take to using the new technology and whether it would be suitable for all. After each use the Near Me user is asked to complete a user satisfaction survey. The latest national results published are for April 2020. 3774 users in Scotland completed the survey and 89.7% were either satisfied or very satisfied with 97.81% being happy to use video consulting again. We will however review the use of this as part of the Operation Home First work, as part of the process for normalising service delivery changes

3.3 Asynchronous care models

Online consultation has also been introduced in several practices in Aberdeen City via the eConsult platform. This innovative approach has increased access of care for many patients and allowed GP practices to increase their capacity to meet demand by using email as a method of consulting with their GP. Going forward this is certain to be a model of care that will continue to be adopted in the ethos of providing care to the patient at the right time, right place and by the right person.



INTEGRATION JOINT BOARD

3.4 Level 2 primary care escalation plan

Primary care is currently operating at level 2 services with deferment of some chronic disease monitoring, selected screening tests and other routine care services, unless deemed urgent. In line with reducing infection spread, GPs and Primary care Services are managing patient's remotely as much as possible and limiting footfall for all services within practices. This has led to an adoption of new ways of working with increased use of telephone and video consultations and other remote consultation modalities.

3.5 Buddying and social distancing within practices

To ensure continuity of primary care services during the new Test and Protect program, GP practices have been aligning with other local practices in a "buddy" program. This will ensure that if there is a deficit of service in one practice, it can be supported by another.

To further mitigate risk from staff illness, physical distancing and remote working models have been initialised, with practices adopting a variety of innovative solutions ranging from shift style working of staff members and the formation of two or more discrete and separate teams within a practice

3.6 Green zones for shielding patients

Shielding patients need safe and accessible pathways to routine but essential healthcare. This includes a recognition of the impact on other household/family members and parents/carers/siblings of shielding children. These patients, by definition, have a higher need for some health services including phlebotomy, ECG's, wound management and drug delivery.

Green zones have therefore been planned for Aberdeen City to cater for the 5,600 patients that fall into this category. Proposed options for three possible green zones are currently in process of being approved.

Green zones will have very stringent protocols to ensure patients are screened for Covid symptoms before attending. The nursing staff working in these zones will also be screened for symptoms and will only be working with shielded patients on that day. The buildings will have separate entrances and exits to ensure safe patient flow. Investigations undertaken may be requested in primary or secondary care and there are now IT solutions in place to allow this. These zones will provide a useful test of processes required for the roll out of the Community Care and Treatment Services that are required as part of the Primary Care Improvement Plan.



INTEGRATION JOINT BOARD

3.7 2C Primary care services redesign-

We are still progressing with discussions around the redesign of our 2C practices and have seen many positive changes as part of the primary care Covid response that we will be able to build on in this regard. These will be used as part of a catalyst for change and redesign of the 2C model towards a more efficient service. The new ways of working highlighted above will be adopted.

Summary of updates from the other 2C practices:

- Carden Medical Practice successfully transitioned over to 2C on 5th May 2020 and will be fully staffed as of the 1 July 2020
- Torry has gained a GP Clinical Lead and is stable with recruitment ongoing

3.8 Immunisations

Services have been successfully moved to immunisation centres in Aberdeen City. The requirement for the HSCP to take over immunisations is in line with what is set out in our Primary Care Improvement Plan. It was escalated due to Covid and the need to move out of practices that were unable to provide clean areas for these to be done as safely as possible.

A more detailed report on Immunisations including uptake data will be produced for a future IJB.

3.9 The Grampian Covid Hub

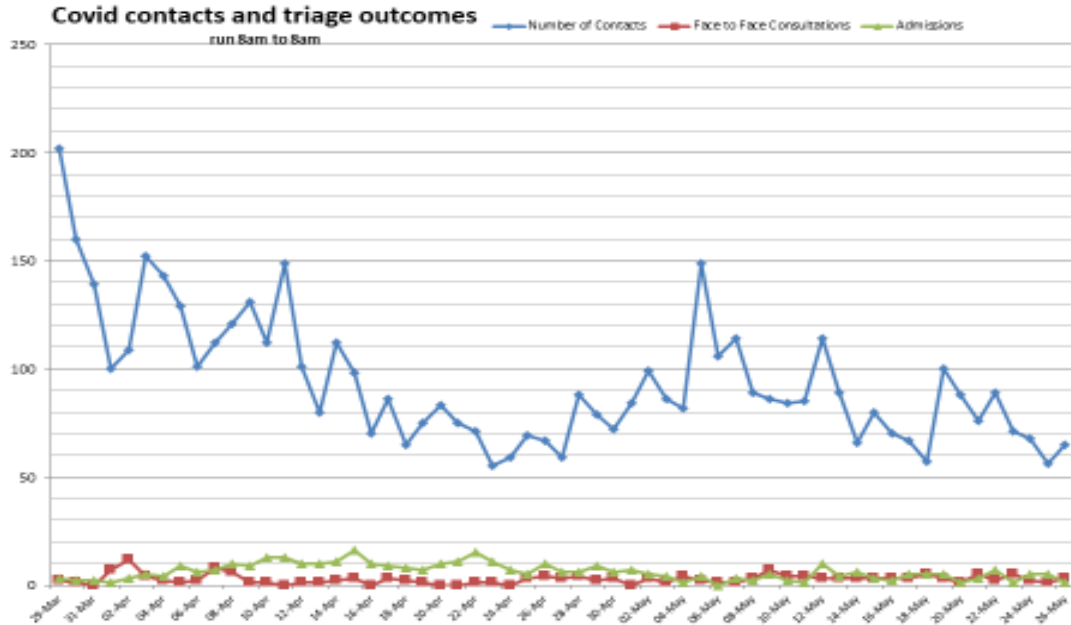
Since its inception, on 23 March 2020, the NHS Grampian Covid hub has successfully been managing the Covid pandemic surge. There has been great support from Grampian health care professionals, and allied staff, to get the service up and running optimally. NHS Grampian's approach has been lauded as one of the best organised and most innovative in Scotland.

A summary of activity is outlined below. Due to the use of remote assessment via Near Me, the Grampian Covid hub has one of the lowest rates of conversion to face to face assessment in Scotland. This has protected both patients and staff from transmission of Covid infection.

It is anticipated the hub will continue running indefinitely until the pandemic is over and new ways of working will be incorporated into the primary care model in Grampian.



INTEGRATION JOINT BOARD



3.10 Pharmacy

ACHSCP's primary care pharmacy team, along with all other pharmacy sectors are working under the Pharmacy Directorate of NHSG due to the smaller size of their professional teams and the specific skill set they have. They will revert to the Partnership when Operation Rainbow ceases.

3.11 Optometry

All independent community Optometrists are closed but are providing emergency cover and triage by phone/video. Patients with eye problems call their normal Optometrist who triages their symptoms and either gives advice over the phone or refers them to one of the two Emergency Eyecare Treatment Centres (EETC) that have been set up by NHSG in Aberdeen City. Only patients with sight-threatening conditions are referred to the EETC's. Near Me is in the process of being rolled out to Community Optometrists in the city. Guidance from Scottish Government regarding plans for recovery is eagerly awaited.



INTEGRATION JOINT BOARD

3.12 Psychology

The primary care psychological therapies team are working from home, using the phone and Near Me to provide clinical support to patients currently on their active case load. They are also dedicating time to the Psychology Hub set up by NHSG. A review of the demand for the hub has been undertaken recently. Staff now only need to sign up for one session per week until the end of June, this will allow staff to increase the number of patients supported from their active case load.

Since lockdown, referrals have continued to be accepted onto waiting lists however, new cases have not been taken off. GPs have been asked to refer patients to the Grampian Psychological Resilience Hub for online self-help, c-CBT and self-referrals for Psychological First Aid. Whilst patients may be offered support, this is not the same as treatment and so there have been no changes to the waiting times. Most, if not all, clinicians have seen a significant drop in new referrals, however, this is very unlikely due to change in need and more likely to GPs being aware of referrals not being taken off waiting lists and uncertainty as to when this will happen so the likelihood is that referrals will start to increase.

Secondary care have contacted patients on their waiting lists listing a number of on-line supports and Apps due to the longer waiting times due to Covid and we are currently considering doing something similar.

3.13 Dentistry

The Public Dental Service (PDS) is currently providing emergency treatment only from two main sites in the city. Patients experiencing dental problems call their normal dentist and are triaged and given advice, or medication if necessary. If the person triaging deems the problem an emergency, they refer the patient to the Dental Information & Advice Line (DIAL). DIAL will arrange for a dentist to call the patient back and COVID RAG status is decided by the triaging dentist. Depending on that status the patient will be seen at one of the two emergency dental centers in the city. Near Me has been rolled out to the PDS. Staff who can work from home are doing so or are coming into the office on a reduced number of days.

Recent guidance from Scottish Government outlining the phased recovery plan for General Dental Practitioners (GDP's) outlines three phases of recovery. Phase 1 will see the Urgent Dental Care Centres (UDCC's) increase the scope of treatments available to patients for acute and essential care. GDP's will remain closed to face-to-face patient consultation but will



INTEGRATION JOINT BOARD

be preparing to receive patients in phase 2. This entails opening up further PDS practices and planning is underway to enable this to happen. Phase 2 is separated into two further phases. Phase 2(a) will see all dental practices open for face-to-face consultation for patients in need of urgent care that can be provided using non-aerosol generating procedures. Phase 2(b) entails face-to-face consultation being expanded for patients that can be seen for routine care, including examination, and treatment that can also be provided using non-aerosol generating procedures. UDCCs will continue to see patients on referral for treatments involving aerosol generating procedures. Phase 3 envisages a limited introduction to aerosol generating procedures to dental practices, this will be dependent on evidence of risk and possible mitigation.

4. Implications for the Integration Joint Board

4.1. Equalities

Primary Care is a universal service and arrangements are made for it to include all areas of society.

4.2. Fairer Scotland Duty

There are no direct implications to the Fairer Scotland Duty arising from the recommendation in this report.

4.3. Financial

Any additional financial implications have been detailed in the Grampian Mobilisation Plan and we await confirmation from Scottish Government as to what level of additional funding we may receive to meet these costs. The Chief Finance Officer will bring forward a report to IJB in relation to the affect the overall response to Covid-19 will have on the IJB Budget.

4.4. Workforce

Staff have been asked to work differently as a result of the Covid-19 pandemic however this is being done sensitively in collaboration with staff. Most have embraced the new technology, in particular, wholeheartedly.

4.5. Legal

ACHSCP continue to deliver services with reference to the Coronavirus (Scotland) Act 2020.



INTEGRATION JOINT BOARD

4.6. Other

None.

5. Links to ACHSCP Strategic Plan

This report illustrates how the Primary Care services of ACHSCP have responded to the Covid-19 pandemic in particular in relation to the Personalisation aim delivering the right services, in the right place and at the right time.

6. Management of Risk

6.1. Identified risks(s)

Patients still experience ill health and require treatment and advice in a Covid-19 pandemic. There would be significant risk to their health and wellbeing, both now and in the future, if arrangements were not put in place to enable them to access services throughout this time.

6.2. Link to risks on strategic or operational risk register:

This report links to risk 11 on the strategic risk register: -



There is a risk that the Coronavirus (Covid-19) outbreak leads to high numbers of incidences within the city, impacting public health and the delivery of essential health and care services through significantly increased demand and reduced workforce capacity. This reduced capacity arising as a result of frontline workforce absence and self-isolation requirements.

6.3 How might the content of this report impact or mitigate these risks:

This report details the arrangements put in place for the continued safe delivery of Primary Care services to those who require them during the Covid-19 pandemic.



INTEGRATION JOINT BOARD

Approvals	
	Sandra Macleod (Chief Officer)
	Alex Stephen (Chief Finance Officer)



INTEGRATION JOINT BOARD

Date of Meeting	9 June 2020
Report Title	Grant to Independent Sector Organisation
Report Number	HSCP.20.002
Lead Officer	Sandra MacLeod, Chief Officer
Report Author Details	Name: Anne McKenzie Job Title: Lead Commissioner Email Address: anne.mckenzie@nhs.net Phone Number: 07977519136
Consultation Checklist Completed	Yes
Directions Required	Yes
Appendices	A. Direction to Aberdeen City Council

1. Purpose of the Report

- 1.1. The purpose of this report is to advise the Board of the commissioning intent for the independent sector organisation – Scottish Care - over the next three years, and to assure the Board that this intent is aligned to Aberdeen City Health and Social Care Partnership (ACHSCP) strategic aims.



INTEGRATION JOINT BOARD

2. Recommendations

- 2.1. It is recommended that the Integration Joint Board (IJB)
- a) approve the expenditure of up to £394,371 (over a total of three years) to provide grant funding to the independent sector organisation.
 - b) makes the direction as attached at appendix A and instructs the Chief Officer to issue a direction to ACC to procure the service provided by Scottish Care.
 - c) notes the key focus of attention expected by the independent sector organisation during this time, and the opportunities that this offers to the AHSCP strategic aims, and transformational activity.

3. Summary of Key Information

- 3.1. The Aberdeen City IJB agreed in March 2017 to fund Scottish Care to act at the interface between the ACHSCP and independent sector providers of social care in Aberdeen City. The total value agreed amounted to £423,498. The term of this arrangement finishes on the 31st July 2020
- 3.2. The major role of the independent sector organisation within the business case submitted in 2017, was:
- to ensure active participation and leadership from the independent sector providers in developing and delivering care
 - to contribute to reshaping market provision
 - to ensure broad input from the independent sector in Aberdeen city in developing and testing new models of integrated care and support
 - to make use of local assets within the independent sector
 - to develop an effective relationship with the third sector
- 3.3 The independent sector organisation has delivered on the broad aims of the business case since this time. Working in partnership with the third sector, they continue to support market facilitation opportunities, and actively represent the independent sector during discussion and planning with the ACHSCP.



INTEGRATION JOINT BOARD

- 3.4** In September 2019, the Chief Officer presented a report to the IJB advising on the future delivery of Health and Social Care in Aberdeen, for the period of the current strategic plan. In the report, the Chief Officer outlined the need for accelerated pace of change, and the size of the challenge of true transformational change.
- 3.5** In September, the IJB also approved the Joint Strategic Commissioning approach, delivered by the lead commissioner. Strategic Commissioning is regarded to be a key component in delivering transforming the delivery of services. This requires a system wide approach, shifting demand from negative to value demand, and focussing on early intervention and prevention.
- 3.6** Market sustainability and the risk of market failure within the independent sector features within the IJB strategic risk register and remains at a high-risk level with a low tolerance of this risk. Risks to the sustainability of the independent sector are of particular concern currently, and the current pandemic focusses all of our attention on the vital role that providers of social care play within our integrated health and care system
- 3.7** All of the above suggest that continued partnership arrangements with the independent sector are of significant importance for the foreseeable future. Securing sufficient capacity is necessary to ensure delivery of the pace of transformation.
- 3.8** The local independent sector partners for integration team has submitted a business proposal for consideration by the lead commissioner. The proposal aligns future activity to the five workstreams outlined within the Chief Officer's report.
- 3.9** The commissioning intentions for the next 3 years are as follows:
- Working collaboratively with the ACHSCP to deliver upon the outcomes of the Care at Home contract
 - Ensuring that providers of social care are clearly aligned to localities
 - Ensuring that providers of social care have the technological capacity to embrace new ways of working
 - Working collaboratively with the ACHSCP to ensure that there is a sustainable social care workforce



INTEGRATION JOINT BOARD

- Contribute to the publication of a market position statement
These themes are further developed as follows:
 - Programme 1 – Demand Management. Focussing on working with care at home providers to ensure delivery against the key outcomes laid out in the revised contract, ensuring an enabling and asset-based approach to care provision which ensures that individual outcomes are met. For care homes, working in partnership to better understand demand for unscheduled care services and working closely with professional and operational teams to ensure that care needs are met by a suitably trained and sustainable workforce.
 - Programme 2 – Early Intervention and Prevention. There are themes of early intervention and prevention which span both programme 1 and 2. Of particular relevance to this programme is encouraging providers to engage with locality activity – using an asset based approach for the delivery of care at home and exploring the opportunity for care homes to become an integrated part of local communities providing for example support for carers and addressing isolation.
 - Programme 3 – Digital and data. The provision of care and support through appropriate use of technology underpins the ambition for the care at home and supported living arrangements for the future. Equally connectivity between care homes and for residents within care homes is being put to the ultimate test as we continue to provide services throughout the pandemic. Further work is required to explore barriers to implementation of digital delivery, whether this be due to connectivity, access to hardware or necessary skills and confidence amongst providers and service users
 - Programme 4 – Conditions for change – the independent sector organisation will prioritise workforce related concerns through established support mechanisms. It is also essential that the organisation works in partnership with professional leaders to ensure a robust, vibrant and fit for purpose workforce within the independent care sector.



INTEGRATION JOINT BOARD

- Programme 5 – Infrastructure. The purpose of the delivery of a market position statement is to send a clear signal of intent from the partnership to the third and independent sector – both in terms of the people and infrastructure required to meet future demands. Developing and stabilising the market required to meet these demands is of paramount importance as is close partnership working between ACHSCP and the independent sector care provider organisations. Of equal importance is the work that the independent sector organisation will do to support the redesign of services including the potential for decommissioning.

- 3.10** It is therefore proposed that further investment is made in Scottish Care, for a further three-year period. Taking into consideration the financial pressures anticipated in the future, the IJB is requested to agree the following:

Funding over a 3-year period:

Year 1 - £149,383

Year 2 - £131,457

Year 3 - £113,531

Total value: £394,371

It is acknowledged that this presents a reduction in the monetary contribution made by the ACHSCP over the three-year period. It is anticipated that over this period of time, with market facilitation and continued improved working relationships, the interface between the ACHSCP and independent sector organisations will naturally strengthen. There is, however, an opportunity through the formal annual review to consider progress with this change. The annual review will be presented at the ACHSCP Strategic Commissioning Board, and any further recommendations will be made from this Board, to the Executive Programme Board, and ultimately the IJB if required.

- 3.11** Given the pace and scale of change, there will be a formal annual review of service delivered by Scottish Care, which will entail a review of progress against key milestones and the means by which this will be delivered over the coming year.

4. Implications for IJB



INTEGRATION JOINT BOARD

- 4.1 Equalities** - All contract award decisions are made taking equality factors into account. There are no specific equality implications with this report.
- 4.2 Fairer Scotland** – There are no direct implications for our Fairer Scotland Duty as a result of the recommendation in this report.
- 4.3 Financial** - Expenditure is within identified current budgets. There are no specific financial implications arising from this report, other than the ongoing grant which can be funded from within current budgets.
- 4.4 Workforce** - There are no specific workforce implications arising from this report.
- 4.5 Legal** - There are no specific legal implications arising from this report. All legal requirements in terms of procurement legislation will be met.
- 4.6 Other** – Nil

5. Links to ACHSCP Strategic Plan

This report links to all aims within the strategic plan and is clearly aligned to the Chief Officers report, and future transformational change

6. Management of Risk

6.1. Link to risks on strategic or operational risk register:



This option links directly to strategic risk 1 – market sustainability

6.2. How might the content of this report impact or mitigate these risks:

By strengthening the partnership working between Scottish Care and the ACHSCP, and by aligning this relationship around the key deliverables it is anticipated that the market will prioritise its activity appropriately and be strengthened through this alignment.



INTEGRATION JOINT BOARD

Approvals	
	Sandra Macleod (Chief Officer)
	Alex Stephen (Chief Finance Officer)

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INTEGRATION JOINT BOARD

DIRECTION

ISSUED UNDER S26-28 OF THE PUBLIC BODIES (JOINT WORKING) (SCOTLAND) ACT 2014

The **ABERDEEN CITY COUNCIL** is hereby directed to deliver for the Board, the services noted below in pursuance of the functions noted below and within the associated budget noted below.

Services will be provided in line with the Board's Strategic Plan and existing operational arrangements pending future directions from the Board.

Related Report Number: - HSCP20.002

Approval from IJB received on: -

Description of services/functions: -

To continue to provide the services currently as per the report, namely to continue to work at the interface between the Aberdeen City Health and Social Care Partnership and the independent care sector providers.

Reference to the integration scheme: - Annex 1 Part 2: Part 2: Social work services for adults and older people; Services and support for adults with physical disabilities and learning disabilities.

Link to strategic priorities (with reference to strategic plan and commissioning plan): -

The procurement of care and support services within the independent sector contracts fits closely with all 5 strategic aims for ACHSCP: prevention; resilience; enabling; connections; and communities. It also links to Enabler 7.2, Principled Commissioning, and the commitment that all commissioned services enhance the quality of life for people and their carers.

Timescales involved: -

Start date: - 31st July 2020

End date: - 30th July 2023

Prior to sending this direction, please attach a copy of the draft IJB minutes, original report and the completed consultation checklist.



Associated Budget:-

The business case notes a total spend of £394,371. Funding over a 3-year period:

Details of funding source: - current delegated IJB budgets

Availability: - Confirm

Prior to sending this direction, please attach a copy of the draft IJB minutes, original report and the completed consultation checklist.



Aberdeen City Health & Social Care Partnership
A caring partnership



Prior to sending this direction, please attach a copy of the draft IJB minutes, original report and the completed consultation checklist.....

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INTEGRATION JOINT BOARD

Date of Meeting	09 June 2020
Report Title	Service User Representative on IJB
Report Number	HSCP.20.006
Lead Officer	Sandra MacLeod, Chief Officer
Report Author Details	Alison MacLeod Lead Strategy and Performance Manager alimacleod@aberdeencity.gov.uk 07741 237034
Consultation Checklist Completed	Yes
Directions Required	No
Appendices	No

1. Purpose of the Report

- 1.1. The purpose of this report is to seek agreement to extend the term of office for the current Service User Representative on the Integration Joint Board (IJB) to 31 March 2021.

2. Recommendations

- 2.1. It is recommended that the IJB:
- a) Approves the extension of the term of office of the current Service User Representative on the IJB until 31 March 2021.

3. Summary of Key Information

- 3.1 The Health and Social Care Integration Scheme for Aberdeen City states that the non-voting membership of the IJB is set out in the IJB Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 and includes at least one service user residing in the area of the local authority.



INTEGRATION JOINT BOARD

- 3.2** The current Service User representative, Howard Gemmell's term of office on the IJB technically came to an end on 31st March 2019. It was intended to undertake a similar recruitment process for this vacancy as we did for the IJB carers representatives once that process was completed, however the this took longer than anticipated and was only completed in March 2020. The Covid-19 crisis then halted any progress we could make with the recruitment of a Service User representative.
- 3.3** The recruitment process for the IJB Carers Representatives consisted of a number of group meetings to ensure candidates understood the way the IJB worked and the expectations of their role, enabling them to pose questions to officers and allowing them to reach a conclusion in terms of comfortably putting themselves forward for the role. With Covid-19 still present in the community, it is suggested that now, and possibly not for some time to come, it is not appropriate to bring together some of the most vulnerable in society together for this purpose.
- 3.4** The carers representatives have just been appointed for three years, taking their term of office to 31st March 2023. It is proposed that the IJB Service User Representative should be offered an extension to their term of office taking him to 31st March 2021. We would intend to schedule a recruitment campaign to renew the Service User Representative term of office around November 2020 with a view to that term commencing from March 2021 for a 3-year period. This way we would have a staggered recruitment commitment going forward for both the Service User and the Carer representatives.
- 3.5** Legal advice on this extension was sought and we are advised that the extension proposed is possible but requires approval of the IJB. The proposal has been discussed with Howard Gemmell, the current Service User Representative and he is content with this.

4. Implications for the Integration Joint Board

4.1. Equalities

Having a Service User on the IJB aims to give equality of approach to decision making ensuring the voices of our service users are heard at the highest level of decision-making.

4.2. Fairer Scotland Duty

There are no direct implications to the Fairer Scotland Duty arising from the recommendation in this report.



INTEGRATION JOINT BOARD

4.3. Financial

There are no additional financial implications arising from the recommendation in this report. Any expenses in relation to the role of IJB Service User Representative will continue to be met as usual from existing budgets.

4.4. Workforce

There are no Workforce implications arising from the recommendations in this report. Officers will continue to provide support to the Service User Representative as happens currently.

4.5. Legal

By extending the term of office of the Service User Representative on the IJB we will continue to meet our obligations in the Integration Scheme by including at least one service user member residing in the area of the local authority.

4.6. Other

None.

5. Links to ACHSCP Strategic Plan

The recommendation in this report links directly to the partnership working and community empowerment aspect of the Strategic Plan ensuring that we are strengthening the voices of our communities in decisions about public services. It also links to the Personalisation aim. By taking account of Service User views we are helping to ensure people get the right care, in the right place at the right time.

6. Management of Risk

6.1. Identified risks(s)

If we do not extend the term of office for the current Service User Representative, there is a risk that service users residing in the area of the local authority will not be included in the decision making of the IJB and it may be some time before we can carry out a recruitment exercise to that role in a safe manner.



INTEGRATION JOINT BOARD



6.2. Link to risks on strategic or operational risk register:

This report links to risk 5 on the strategic risk register: -

There is a risk that the IJB, and the services that it directs and has operational oversight of, fail to meet both performance standards/outcomes as set by regulatory bodies and those locally-determined performance standards as set by the board itself. This may result in harm or risk of harm to people.

6.3. How might the content of this report impact or mitigate these risks:

By involving Service Users in the decision making of the IJB we are meeting the requirements as set out in the Integration Scheme and ensuring service developments are person centred.

Approvals	
	Sandra Macleod (Chief Officer)
	Alex Stephen (Chief Finance Officer)



INTEGRATION JOINT BOARD

Date of Meeting	09 June 2020
Report Title	National Principles for Sustainability Payments to Social Care Providers during Covid19
Report Number	HSCP.20.004
Lead Officer	<i>Sandra Macleod</i>
Report Author Details	<i>Sandra Macleod Chief Officer samacleod@aberdeencity.gov.uk</i>
Consultation Checklist Completed	Yes
Directions Required	Yes
Appendices	Direction to Aberdeen City Council

1. Purpose of the Report

- 1.1. The purpose of the report is to provide the Integration Joint Board (IJB) with information on the development of a consistent set of principles to ensure that the social care sector remains sustainable during the emergency response to COVID 19. These principles may result in a change to payment processes; all other contract and operational processes will remain in place.

2. Recommendations

- 2.1. It is recommended that the Integration Joint Board:

- a) note the principles agreed nationally to support social care providers (as detailed in the report);
- b) agree to support the social care providers and fund this additional financial support from the initial mobilisation payment;
- c) agree to support payments above the available confirmed funding level of £1.018 million, providing the Chief Finance Officer is satisfied that additional funding will be recovered through the mobilisation plan; and



INTEGRATION JOINT BOARD

- d) issue a Direction (as detailed in the Appendix to this report) to Aberdeen City Council to make the payments to the social care suppliers on the basis of the nationally agreed principles.

3. Summary of Key Information

- 3.1. Social Care Providers are facing considerable operational and financial challenges during the current COVID-19 pandemic. In order to protect social care providers financially, principles have been developed by Chief Finance Officers and agreed by COSLA Leaders and Scottish Government. They are based on the agreement from the Scottish Government that they will meet all reasonable additional provider costs as they are aligned to mobilisation plans. These principles will apply till the end of June 2020 when they will be reviewed. The reconciliation process will identify the payments which need to be made.

At this point, confirmation has not been received as to the level of funding which the Scottish Government will provide to fund these additional costs, although £50 million was distributed nationally to IJBs, via the NHS, on the 12 May 2020 using the NRAC\GAE formula. For Aberdeen City this amounts to £1.856 million. The funding letter from the Cabinet Secretary for Health and Sport indicates that these funds *'will support sustainability across the sector and ongoing provision of social care, while further work is undertaken to provide me with the necessary assurance for further allocations of funding to support additional costs'*.

It is proposed that these payments be funded from the £1.856 million which has been allocated initially to support social care, although this amount will be reduced by £838,000 in relation to the costs predicted to be spent over the first three months on additional care home capacity. This will leave £1.018 million available to support these payments.

At present there is uncertainty about the level of funding which will be provided to cover the mobilisation plans, which these costs form part of. In normal circumstances we would come back to the IJB and seek approval to increase this amount once the funding had been confirmed. However, in this case it is likely that funding will not be confirmed before the payments



INTEGRATION JOINT BOARD

are made, although it is likely that direct costs such as these will be funded given the nationally agreed principles. Therefore, it is proposed that approval be provided for funding about the level of confirmed funding, on the understanding that the Chief Finance Officer is satisfied that these costs will be recovered fully through the mobilisation plan.

- 3.2. Contained in the principles are details of what Providers, Integrated Authorities, Local Authorities, Care at Home and community-based services are required to progress, as well as details on the effect that Covid19 has had on care home occupancy.

In terms of Providers, the principles outline that they are expected to complete a supplier relief form and declaration to confirm they will;

- Use any national relief and business grants they are eligible for in the first instance and ensure that payments are not received that duplicate support (<https://findbusinesssupport.gov.scot/coronavirus-advice/sources-of-funding>.)
- Consider where costs can be reduced in their business models such as redeployment of staff.
- Continue to employ and pay staff including for sickness in line with their organisations terms and conditions and ensure sub-contractors are paid.
- Agree an open book basis between commissioners and providers where sustainability payments have been made to ensure there is no duplication of support.
- On request, evidence that monies paid out have been used as intended. Where it has not monies paid out can be recovered by public bodies.

- 3.3. In relation to Integration Authorities and Local Authorities the principles outline that they will;

- Ensure arrangements are in place to support sustainability for the social care sector until the end of June when a further review will be undertaken.
- Ensure fast, regular payments are made to support providers cash flow.



INTEGRATION JOINT BOARD

- Ensure any retrospective reconciliation is only completed where necessary and is done transparently and through discussion with providers.
- Work collaboratively across areas to share information to prevent duplication for providers.

3.4. In terms of Care Home Occupancy, the principles outline:

- The National Care Home Contract (NCHC) is a spot purchased contract with a payment made per resident per week, it does not contain any clauses to protect providers from financial unsustainability during COVID 19.
- Care Homes will be supported for sustainability by the Local Authority in the care homes boundary area and additional costs aligned to their mobilisation plans.
- Where a care home is impacted by a reduction in occupancy because it is clinically unsafe to admit people or due to a reduction in admissions caused by COVID 19 then a sustainability payment will be made to the care home.
- These payments are made on the basis that care homes continue to admit residents where they are able to.
- For care homes where the NCHC is in place, the payment will be made on the basis of 80% of the NCHC rate (this aligns with Clause A.7.1 and C.6 for temporary absence from a care home) excluding any provision for return for the provider or costs that can be reduced. The weekly payments are Residential Care - £508.63 per week and Nursing - £592 per week.
- These principles apply to voids caused by COVID 19 for places commissioned by the Local Authority or people funding their own care. No increased rate will be paid where a care home does not accept the NCHC rate or to account for care homes who charge higher self-funding fees.
- For other care home placements such as care homes for adults where the national arrangement is not in place a local agreement will be made using the same principles.
- Occupancy will be calculated locally by using data submitted by providers to commissioners of average occupancy of the three-month period prior to 23rd March 2020.



INTEGRATION JOINT BOARD

- This will be reviewed on a monthly basis to ensure payments are responsive to changing occupancy levels in a care home.
- 3.5.** In terms of Care at Home and Community based services, the principles outline:
- As there is no national agreement for these services a local assessment will be undertaken to determine the impact of a reduction in payments to providers.
 - Sustainability payments will be based on a planned care approach to continue payments to providers in line with advice in SPPN5/2020 (<https://www.gov.scot/publications/coronavirus-covid-19-supplier-relief/>).
 - The payments will be agreed locally.
- 3.6.** In terms of Additional Costs for all social care providers, the principles outline:
- Providers will experience additional costs, most commonly increased staffing costs, sickness cost, infection control and Personal Protective Equipment.
 - Providers should identify and submit these additional costs on a template provided by the Authority.
 - Authorities should work with neighbouring areas to use the same cost template to reduce burden on providers.
 - Providers will be supported for additional costs by the Authority where they are registered.
 - Providers must ensure they can evidence the additionality of these payments.
 - Payment should be made in line with normal payment cycles with no delay to payment terms.
- 3.7.** In terms of retrospective reconciliation work, meetings have been held between representatives of the three Health and Social Care Partnerships, with the aim of having a consistent approach (as far as possible) to reconciliation of provider additional costs/sustainability payments. Officers have been working on a process that includes an application form, guidance for providers and a rationale for agreeing what will be paid. A joint Panel is to be set up to determine payments in the City and Shire. The process accords with all national guidance, including this document, COSLA



INTEGRATION JOINT BOARD

guidance on commissioning during Covid, SPPN 04 and 05/2020
(https://www.cosla.gov.uk/_data/assets/pdf_file/0026/15569/coslaguidanceforcommissionedservices170420.pdf)

4. Implications for IJB

- 4.1. **Equalities** – there are no direct implications in relation to our duty under the Equalities Act 2010
- 4.2. **Fairer Scotland Duty** - there are no direct implications in relation to the Fairer Scotland Duty
- 4.3. **Financial** – These payments will be funded via the mobilisation plan, £1.856 million that has been allocated initially to support social care.
- 4.4. **Workforce** – there are no immediate workforce implications arising from this report.
- 4.5. **Legal** – there are no immediate legal implications arising from this report
- 4.6. **Other**- there are no other immediate implications arising from this report.

5. Links to ACHSCP Strategic Plan

- 5.1. This report is linked to the Strategic Plan, including the aims of prevention, personalisation and connections.

6. Management of Risk

6.1 Identified risks

There is a risk that some providers in the City will be faced with financial instability through their continued response to Covid19, due to increased costs, reduced occupancy whilst maintaining staffing levels. There is a financial risk that the monies allocated to the payments will not be sufficient.



INTEGRATION JOINT BOARD



6.2 Link to risks on strategic or operational risk register:

The main issues in this report directly link to the following Risks on the Strategic Risk Register:

1-There is a risk that there is insufficient capacity in the market (or appropriate infrastructure in-house) to fulfil the IJB’s duties as outlined in the integration scheme. This includes commissioned services and general medical services.

6.3 How might the content of this report impact or mitigate these risks:

This report details the mitigating action being taken to manage these risks, specifically the development of a consistent set of principles to ensure that the social care sector remains sustainable during the emergency response to COVID 19. The establishment of a joint Panel to determine payments in the City and Shire will also help mitigate the risks. In terms of the financial risk, it is proposed that approval be provided for funding regarding the level of confirmed funding, on the understanding that the Chief Finance Officer is satisfied that these costs will be recovered fully through the mobilisation plan.

Approvals	
	Sandra Macleod (Chief Officer)
	Alex Stephen (Chief Finance Officer)



INTEGRATION JOINT BOARD

APPENDIX

INTEGRATION JOINT BOARD

DIRECTION

ISSUED UNDER S26-28 OF THE PUBLIC BODIES (JOINT WORKING)
(SCOTLAND) ACT 2014

The **ABERDEEN CITY COUNCIL** is hereby directed to deliver for the Board, the services noted below in pursuance of the functions noted below and within the associated budget noted below.

Services will be provided in line with the Board's Strategic Plan and existing operational arrangements pending future directions from the Board.

Related Report Number: - HSCP.20.004

Approval from IJB received on: - tbc

Description of services/functions: -

1. Care Home Services-Additional Payments made under the basis of National Principles for Sustainability Payments to Social Care Providers during Covid19

Reference to the integration scheme: - Annex 2 Part 2-Services Currently Provided by Local Authority which are to be integrated-Care Home Services

Link to strategic priorities (with reference to strategic plan and commissioning

plan):-

This initiative ties closely with all 5 strategic aims for ACHSCP:
prevention; resilience; enabling; connections; and communities.



INTEGRATION JOINT BOARD

Timescales involved: -

Start date: - 09.06.2020

End date: - 30.06.2020-The Principles will be reviewed at this stage.

Associated Budget: -

The Scottish Government has allocated £50 million to be distributed nationally to IJBs, via the NHS, on the 12 May 2020 using the NRAC\GAE formula. For Aberdeen City this amounts to £1.856 million. It is proposed that these payments be funded from the £1.856 million which has been allocated initially to support social care, although this amount will be reduced by £838,000 in relation to the costs predicted to be spent over the first three months on additional care home capacity. This will leave £1.018 million available to support these payments.

Availability: - Confirmed

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Integration Joint Board

Date of Meeting	09.06.2020
Report Title	External Audit Final Report
Report Number	HSCP.20.010
Lead Officer	Michael Wilkie, External Auditor (KPMG)
Report Author Details	Michael Wilkie, External Auditor (KPMG)
Consultation Checklist Completed	No
Appendices	Appendix A – Annual Audit Report to the Members of Aberdeen Integration Joint Board and the Controller of Audit for the year ended 31 March 2020

1. Purpose of the Report

- 1.1. The purpose of this report is to present the Integration Joint Board (IJB) with the external audit report '*Annual Audit Report to the Members of Aberdeen Integration Joint Board and the Controller of Audit for the year ended 31 March 2020*' for discussion and noting.

2. Recommendations

It is recommended that the Audit & Performance Systems Committee:

- 1) Note the contents of the report.

3. Summary of Key Information

- 3.1. The Accounts Commission has appointed KPMG LLP as auditor of the Aberdeen City Integration Joint Board (IJB).
- 3.2. This report to those charged with governance is designed to summarise the external auditor's opinions and conclusions on significant issues arising from



Integration Joint Board

the audit of the financial statements for Aberdeen City IJB for the financial period 2019/20.

- 3.3. The scope and nature of the audit was set out in the audit strategy document, which was presented to the Risk, Audit and Performance committee at the outset of the audit.
- 3.4. There were not any new audit recommendations identified during the audit for the year ended 31 March 2020.

4. Implications for IJB

- 4.1. **Equalities** – there are no direct implications arising from this report.
- 4.2. **Fairer Scotland Duty** – there are no direct implications arising from this report.
- 4.3. **Financial** – there are no direct implications arising from this report.
- 4.4. **Workforce** - there are no direct implications arising from this report.
- 4.5. **Legal** – there are no direct implications arising from this report.
- 4.6. **Other** - NA

5. Links to ACHSCP Strategic Plan

- 5.1. Ensuring good governance will support the IJB to achieve all elements of its strategic plan.

6. Management of Risk

- 6.1. **Identified risks(s):** The External Audit process considers risks involved in the areas subject to review. Any risk implications identified through the External Audit process are as detailed in the resultant report.
- 6.2. **Link to risks on strategic risk register:** There is a risk of financial failure, that demand outstrips budget and IJB cannot deliver on priorities, statutory work, and projects an overspend.
- 6.3. **How might the content of this report impact or mitigate these risks:** Where risks have been identified during the External Audit process,



Integration Joint Board

recommendations have been made to management in order to mitigate these risks.

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Aberdeen City Integration Joint Board

Annual Audit Report to the Members of Aberdeen Integration Joint Board and the Controller of Audit for the year ended 31 March 2020

3 June 2020

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Contents

DRAFT

	Page
Executive summary	3
Scope and responsibilities	4
Financial statements and accounting	5
Wider scope and Best Value	15
Appendices	24

About this report

This report has been prepared in accordance with the responsibilities set out within the Audit Scotland's *Code of Audit Practice* ("the Code").

This report is for the benefit of Aberdeen City Integration Joint Board ("IJB") and is made available to Audit Scotland and the Controller of Audit (together "the Beneficiaries"). This report has not been designed to be of benefit to anyone except the Beneficiaries. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Beneficiaries, even though we may have been aware that others might read this report. We have prepared this report for the benefit of the Beneficiaries alone. Nothing in this report constitutes an opinion on a valuation or legal advice.

We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the introduction and responsibilities sections of this report.

This report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the Beneficiaries) for any purpose or in any context. Any party other than the Beneficiaries that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Beneficiary's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Beneficiaries.

Complaints

If at any time you would like to discuss with us how our services can be improved or if you have a complaint about them, you are invited to contact Andy Shaw, who is the engagement leader for our services to the IJB, telephone 0131 527 6673, email: andrew.shaw@kpmg.co.uk who will try to resolve your complaint. If your problem is not resolved, you should contact Hugh Harvie, our Head of Audit in Scotland, either by writing to him at Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG or by telephoning 0131 527 6682 or email to hugh.harvie@kpmg.co.uk. We will investigate any complaint promptly and do what we can to resolve the difficulties. After this, if you are still dissatisfied with how your complaint has been handled you can refer the matter to Fiona Kordiak, Director of Audit Services, Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN.

Executive summary

Audit conclusions

Page 8

We expect to issue an unqualified audit opinion on the annual accounts of Aberdeen City Integration Joint Board (“the IJB” or “the Board”) following their approval by the IJB.

We identified one significant risk in the audit of the IJB at the outset of the audit, being the management override of controls fraud risk. As documented on pages 10 to 12, we have concluded satisfactorily in respect of the significant risk and the audit focus areas identified in the audit strategy document.

The annual accounts, governance statement and remuneration report were received at the start of the audit fieldwork. We have no matters to highlight in respect of adjusted audit differences or our independence.

Financial management and financial sustainability

Page 16

DRAFT

The IJB faces ongoing financial pressures due to increasing needs, funding constraints and the cost pressures faced by the two partners. Both partners have budgeted for required savings within their respective organisations. We propose to conclude that the IJB is a going concern as a result of the Integration Scheme and the financial sustainability of the partners, together with the £1.3 million risk fund held by the IJB, however, at the time of drafting internal technical consultation regarding going concern is incomplete (page 8). We are satisfied that the annual refreshing of a five year medium term financial framework helps the IJB to plan for future pressures, and it supports officers in discussions of future budget settlements. At the same time we note that the savings target for the 2019-20 was not achieved and the IJB had to use its risk fund in the year (reserves). Additional risks and uncertainty, including future financial sustainability are created by the COVID-19 impact.

Financial position

Page 5

The IJB has a responsibility to set a breakeven budget each year and had set a budget of £313.7 million which was then revised during the year to £327.3 million. The Board planned to deliver savings of £4.1 million. Due to the pressures in 2019-20 the IJB overspent its budget and had to use £1.2 million of its risk fund (reserves) to break even. The Board decided not to replenish the risk fund to its opening balance of £2.5 million and plans to decide on the fund future during 2020-21.

At the year end the Board has not delivered £2.6 million of its planned savings in areas of medicine management and service redesign. Savings targets of £5.7 million have been incorporated within the 2020-21 budget and further pressures are being assessed which are expected as a result of COVID-19.

COVID-19 impact

COVID-19 impacted the IJB during the last month of the 2019-20 financial year, primarily with increased spend on prescribing. This has been mitigated by additional funding of £0.7 million as provided via NHS Grampian allocation, ultimately funded by the Scottish Government.

Further impact on the current and the future financial years is uncertain. The IJB has developed initial estimates ranging from £8.1 million to £20.9 million for 2020-21 which have yet to be considered by the Board at the time of drafting. In May 2020 additional funding from Scottish Government of £1.8 million was provided for immediate response to the COVID-19. Further funding was agreed in principle, but is subject to several conditions outlined by the Scottish Government with limited clarity.

COVID-19 impact is managed by the IJB and partners at the Regional and Local Resilience Partnerships levels. The IJB updates the associated risk register weekly.

Scope and responsibilities

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Purpose of this report

The Accounts Commission has appointed KPMG LLP as auditor of Aberdeen City Integration Joint Board under part VII of the Local Government (Scotland) Act 1973 (“the Act”). The period of appointment is 2016-17 to 2021-22, inclusive.

Our annual audit report is designed to summarise our opinions and conclusions on significant issues arising from our audit. It is addressed to both those charged with governance at the IJB and the Controller of Audit. The scope and nature of our audit are set out in our audit strategy document which was presented to the Risk, Audit and Performance Systems Committee (“the RAPS”) on 25 February 2020.

Audit Scotland’s Code of Audit Practice (“the Code”) sets out the wider dimensions of public sector audit which involves not only the audit of the financial statements but also consideration areas such as financial performance and corporate governance.

Accountable officer responsibilities

The Code sets out the IJB’s responsibilities in respect of:

- corporate governance;
- financial statements and related reports;
- standards of conduct for prevention and detection of fraud and error;
- financial position; and
- Best Value

Auditor responsibilities

This report reflects our overall responsibility to carry out an audit in accordance with our statutory responsibilities under the Act and in accordance with International Standards on Auditing (UK) (“ISAs”) issued by the Financial Reporting Council and the Code. Appendix one sets out how we have met each of the responsibilities set out in the Code.

Scope

An audit of the financial statements is not designed to identify all matters that may be relevant to those charged with governance.

Weaknesses or risks identified are only those which have come to our attention during our normal audit work in accordance with the Code, and may not be all that exist.

Communication by auditors of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Under the requirements of ISA 260 *Communication with those charged with governance*, we are required to communicate audit matters arising from the audit of financial statements to those charged with governance of an entity.

This report to those charged with governance, and our presentation to the Integration Joint Board, together with previous reports to the RAPS throughout the year, discharges the requirements of ISA 260.

Financial position

Overview

The Public Bodies (Joint Working) (Scotland) Act 2014 specifies that Integration Joint Boards should be treated as if they were bodies falling within section 106 of the Local Government (Scotland) Act 1973. The financial statements of the IJB should therefore be prepared in accordance with the 1973 Act and the 2019-20 Code of Practice on Local Authority Accounting in the United Kingdom (“the CIPFA Code”).

The Board is responsible for the strategic planning and delivery of health and adult social care services in Aberdeen. The Board is responsible for the services as set out in the Integration Scheme, which includes ‘hosted’ services which are provided by the IJB on behalf of the other Integration Joint Boards in Grampian: Aberdeenshire and Moray.

Financial management overview

The IJB budget process begins in September each year with final approval by March.

The Board does not have any fixed assets, nor does it directly incur expenditure or employ staff (other than the Chief Officer and the Chief Finance Officer). All funding and expenditure is delegated to the partner organisations and is recorded in the partner organisation’s accounting records.

Snapshot of 2019-20

Planned/budget

Funding contributions from Aberdeen City Council £91.3 million	Funding contributions from NHS Grampian £236.4 million	Net expenditure £327.3 million	Deficit on provision of services £0.4 million
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Actual

Funding contributions from Aberdeen City Council £90.9 million	Funding contributions from NHS Grampian £236.4 million	Net expenditure £330.3 million	Deficit on provision of services £2.9 million
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Legislation empowers the Board to hold reserves. The Integration Scheme and the reserves strategy set out the arrangements between the partners for addressing and financing any overspends or underspends. It highlights that in the event of an underspend at the year end, it will be retained by the IJB as reserves following agreement with the partners, unless the following conditions apply:

- where a clear error has been made in calculating the budget requisition; or
- in other circumstances agreed through a tri-partite agreement between the partners and the IJB.

During 2019-20, the IJB overspent against budget. The recognised overspend has been appropriately reflected as part of the IJB’s reserves movements during the year.

Reserves Movement	£ million
Opening balance as at 31 March 2019	(5.6)
Planned income	(327.7)
Less difference of actual receipt (*)	0.4
Planned expenditure	327.3
Additional expenditure	2.9
Closing balance as 31 March 2020	(2.6)

* £0.4 million relates to an adjustment for Housing Revenue Account expenditure and budget delegated to the IJB

Financial position (continued)

2019-20 Financial position

A deficit of £3 million is reported in the comprehensive income and expenditure statement ("CIES"), which was funded from brought forward reserves.

Comprehensive income and expenditure statement

The IJB has a responsibility to set a breakeven budget each year. For 2019-20 this was achieved from an agreed use of Integration and Change Funds from carried forward reserves, in addition to budgeted Integration and Change Fund utilisation.

The budget is updated and revised throughout the year, based on known pressures and actual results achieved. This is reported to the Board to challenge and approve the amendments.

Key CIES underspends and overspends

- Community health services: underspend £1.6 million. Primarily due to challenges in recruitment, in particular with respect to relying on agency staff.
- Aberdeen City share of hosted health services overspend £1.3 million.
- Primary care prescribing: the overspend of £0.9 million was due to an increase in demand and price influenced by Brexit deadlines. The overspend started to stabilise towards the end of the financial year however costs started to increase in March 2020 due to the uncertainty regarding COVID-19. The Scottish Government has provided additional funding to cover any additional prescribing costs related to COVID-19.

Savings target

The IJB had a savings target of £4.1 million in its financial management strategy. The overspend of £2.9 million in the year means that this target was not met though this relates to both under delivery of savings and additional cost pressures arising during the year. The IJB updates the Board on a quarterly basis on its savings target.

Expenditure	Full year revised budget (£000)	2019-20 Actual (£000)	(Under) / over spend (£000)
Community health services	35,658	34,797	(861)
Aberdeen City share of hosted health services	22,893	24,234	1,341
Learning disabilities	35,102	35,146	44
Mental health and addictions	19,955	20,240	285
Older people and physical and sensory disabilities	77,108	78,466	1,358
Directorate	2,030	1,783	(247)
Criminal Justice	92	92	0
Housing	1,477	1,477	(0)
Primary care prescribing	39,991	40,843	852
Primary care	41,374	41,141	(234)
Out of area treatments	1,700	2,001	301
Set-Aside	46,416	46,416	0
Transformation funding	1,3678	1,185	(183)
Total mainstream	325,164	327,821	2,657
Integration and change	0	0	0
Primary care improvement fund	1,770	1,817	48
Action 15 mental health	408	589	182
Alcohol drugs partnership	0.5	90	90
Total mainstream and funds	327,342	330,318	2,976

Source: Finance update as at 31 March 2020

Financial position (continued)

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Balance sheet

As the IJB does not own fixed assets or hold bank accounts, the balance sheet is made up solely of amounts owing to and from the partner organisations and the resulting reserves.

The debtors and creditors balances as at 31 March 2020 consist of £2.6 million owed by NHS Grampian (“NHSG”) and £24,644 owed to Aberdeen City Council (“ACC”). These amounts relate to Integration and Change Fund expenditure which has been committed but not yet spent.

Balance sheet	2019-20 (£000)	2018-19 (£000)
Short term debtors	2,627	8,147
Short term creditors	(25)	(2,569)
Net assets	2,602	5,578
Useable reserves	(2,602)	(5,578)
Total reserves	2,602	(5,578)

Source: Audited annual accounts for the year ended 31 March 2020

The IJB utilised £3 million of reserves brought forward from 2018-19, being the deficit for the year. Of the closing reserves position of £2.6 million, £1.3 million has been earmarked in a risk fund. The risk fund is intended to support the health and social care services provision and protect against any budget pressures during the year.

We provide further narrative on financial sustainability and financial management on pages 16 to 20.

Audit opinion

Following approval of the annual accounts by the IJB, we expect to issue an unqualified opinion on the truth and fairness of the state of the IJB's affairs as at 31 March 2020, and of the deficit for the year then ended.

KPMG has determined that for 2019-20, there is a rebuttable presumption that at least a material uncertainty will exist in relation to going concern in all audit opinions. Rebuttal requires consultation and approval with our technical team. The consultation on proposed rebuttal is ongoing at the time of drafting.

There were no matters identified on which we are required to report by exception.

Financial reporting framework, legislation and other reporting requirements

The IJB is required to prepare its annual accounts in accordance with International Financial Reporting Standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20 ("the CIPFA Code"), and in accordance with the Local Authority Accounts (Scotland) Regulations 2014. Our audit confirmed that the financial statements have been prepared in accordance with the CIPFA Code and relevant legislation.

Statutory reports

We have not identified any circumstances to notify the Controller of Audit that indicate a statutory report may be required.

Other communications

We did not encounter any significant difficulties during the audit. There were no other significant matters arising from the audit that were discussed, or subject to correspondence with management that have not been included within this report. There are no other matters arising from the audit, that, in our professional judgement, are significant to the oversight of the financial reporting process.

Audit misstatements

There were no misstatements identified during the audit. There were two issues noted in the financial statements proactively by management. These concerned the set aside total and the Chief Officer's pension disclosure. These were updated and are not considered audit adjustments. There were also minor presentational and disclosure adjustments made by management as a result of our audit.

Written representations

Our representation letter did not include any additional representations to those that are standard as required for our audit.

Materiality and summary of risk areas

Materiality

We summarised our approach to materiality in the audit strategy document. On receipt of the annual accounts and following completion of audit testing we reviewed our materiality levels and concluded that the level of materiality set at planning was still relevant.

We used a materiality of £3.25 million for the IJB's annual accounts. This equates to 1% of cost of services expenditure. We designed our procedures to detect errors in specific accounts at a lower level of precision than our materiality. Our performance materiality was £2.438 million. We report all misstatements greater than £162,500.

Forming our opinions and conclusions

In gathering the evidence for the above opinions and conclusions we:

- performed substantive procedures to ensure that key risks to the annual accounts have been covered;
- reviewed internal audit reports as issued to the RAPS to ensure all key risk areas which may be viewed to have an impact on the annual accounts had been considered;
- reviewed estimates and accounting judgments made by management and considered these for appropriateness;
- considered the potential effect of fraud on the annual accounts through discussions with senior management and internal audit to gain a better understanding of the work performed in relation to the prevention and detection of fraud; and
- attended RAPS meetings to communicate our findings to those charged with governance, and to update our understanding of the key governance processes.

Financial statements preparation

Draft financial statements were published online in line with Section 195 of Local Government (Scotland) Act 1973, this included the management commentary and Annual Governance Statement.

In advance of our audit fieldwork we issued a 'prepared by management' request setting out a list of required analyses and supporting documentation. We received working papers of good quality, and draft financial statements were provided on at the start of the audit fieldwork, including the management commentary and the remuneration report.

There were two issues noted in the financial statements proactively by management. These concerned the set aside total and the Chief Officer's pension disclosure. These were updated and are not considered audit adjustments.

Significant risks and other focus areas in relation to the audit of the financial statements

We summarise below the risks of material misstatement as reported within the audit strategy document.

Significant risks (page ten of this report):

- management override of controls fraud risk

Other focus areas (page 11 and 12 of this report):

- financial sustainability (also a wider scope area)
- completeness and accuracy of expenditure; and
- COVID-19 impact (identified after the planning stage)

Wider scope areas (page 15 of this report):

- financial sustainability;
- financial management;
- value for money; and
- governance and transparency.

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Financial statements and accounting

Significant risks

DRAFT

Page 72

SIGNIFICANT RISK	OUR RESPONSE	AUDIT CONCLUSION
<p>Management override of controls fraud risk*</p> <p>Professional standards require us to communicate the fraud risk from management override of controls as a significant risk; as management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<p>Our audit methodology incorporates the risk of management override as a default significant risk. We have not identified any specific additional risks of management override relating to the audit of the IJB.</p> <p>Strong oversight of finances by IJB management, as well as management at the executive level, provides additional review of potential material errors caused by management override of controls.</p> <p>We agreed the total income, expenditure and debtor balances to confirmations from the external partner organisations.</p>	<p>There were no specific circumstances identified which would indicate additional risk of management override of controls. No overrides in controls were identified.</p>
<p>Income recognition fraud risk (rebutted)</p> <p>Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.</p>	<p>As set out in our audit strategy document, the Board receives funding from ACC and NHSG. These are agreed in advance of the year, with any changes arising from changes in need, requiring approval from each body. There is no estimation or judgement in recognising this stream of income and we do not regard the risk of fraud to be significant.</p> <p>We have obtained confirmations of income from each of the partner organisations. We have also considered funding of £0.7 million received from the Scottish Government to cover the additional cost of COVID-19 related increased prescribing demand.</p>	<p>No exceptions were noted in agreeing income to partner organisation confirmations.</p> <p>We are satisfied that income is recognised appropriately, in the correct financial year and in line with the CIPFA Code.</p> <p>We concluded that additional funding received from the Scottish Government for the prescribing cost was accounted for correctly.</p>

* We set out above the significant risk identified in the audit, together with our conclusion. The audit opinion within the annual accounts includes a reference to the most significant assessed risks of material misstatement, which is the significant risk included in this annual audit report. This annual audit report does not constitute our audit opinion; the opinion is included within the annual accounts.

Financial statements and accounting

Other focus areas

DRAFT

Page 73

OTHER FOCUS AREA	OUR RESPONSE	AUDIT CONCLUSION
<p>Financial sustainability</p> <p>Financial sustainability looks forward to the medium and longer term to consider whether the Board is planning effectively to continue to deliver its services or the way in which they should be delivered. This is inherently a risk to the Board given the challenging environment where funding is reduced and efficiency savings are required</p>	<p>In order to assess the ability of the IJB to continue to deliver services in the medium to long term, we have reviewed the following key documents:</p> <ul style="list-style-type: none"> — Integration Scheme (as updated in March 2018). — Reserves strategy. — Medium term financial framework. — Transformation programme. 	<p>The IJB has detailed plans in place over the medium term to consider how services will be provided in future years. These take into consideration known and expected budget pressures. In response, plans have been prepared to close the funding gap through a combination of service transformation, efficiency savings and service redesign.</p> <p>During the year the total reserves reduced from £5.6 million to £2.6. The IJB used the earmarked part of the risk fund and reduced it from £2.5 million to £1.3 million at the year end. This was a result of the budget pressures and not achieving its savings target. The Board planned to achieve £4.1 million of the savings during 2019-20, however £2.6 million of that amount was not delivered.</p> <p>The expected impact of the COVID-19 mobilisation plan on 2020-21 budget is estimated by the IJB to be in range of between £8.1 million to £20.9 million. The funding, in the first instance is to be provided by its partner organisation. The Scottish Government approved the funding 'in principle' but the level and terms of this support have not been confirmed.</p> <p>In view of the medium term financial strategy, reserves position and the financial position of the partner organisations, we consider that the IJB is financially sustainable. Management should continue to ensure that the financial plans are robustly monitored closely to identify any potential overspends as soon as possible to allow mitigating action to be taken.</p>

Financial statements and accounting

Other focus areas (continued)

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OTHER FOCUS AREA	OUR RESPONSE	AUDIT CONCLUSION
<p>Completeness and accuracy of expenditure</p> <p>The Board receives expenditure forecasts from Aberdeen City Council and NHS Grampian as part of the annual budgeting process. There is a risk that actual expenditure and resulting funding requisition income is not correctly captured.</p>	<p>The closing balances with the partner organisations were agreed to confirmations from each body, and the split of expenditure on the comprehensive income and expenditure statement agreed to reports from the partner organisations.</p> <p>The IJB does not post journals throughout the year, with financial processing taking place at the partner bodies. Adjustments are posted as part of the year end accounts preparation process. These post-closing entries were tested without exceptions identified.</p>	<p>The expenditure disclosed in the accounts is complete and accurate.</p>
<p>COVID-19 impact</p> <p>This is a new arising risk identified after our planning work was completed early in January. The risk impacts on number of areas, specifically financial sustainability and financial position post year end where the impact is uncertain. Being an over-arching risk</p>	<p>We have investigated and reviewed management's analysis of the impact on the key areas of the IJB activities, its customers, key stakeholders.</p> <p>We have also considered re-forecasted budgeting scenarios as provided by the IJB and as commented below in the financial sustainability section.</p> <p>We considered the changes made to the governance arrangements as commented on page 21.</p> <p>We reviewed the correspondence from the Scottish Government, and between</p>	<p>The consequences of COVID-19 on health sector and the UK economy are still uncertain. The impact on 2019-20 has been limited to the additional cost of prescribing and has been covered by the Scottish Government funding of £0.7 million.</p> <p>The IJB created three scenarios of the potential financial impact on 2020-21 ranging from £8.1m million (low), £14.6 million (medium), to £20.9 million (high). The IJB is working with its funding partners and estimates are updated weekly as part of NHS Grampian submissions to the Scottish Government.</p> <p>There are governance arrangements in place in both partner organisations and the IJB, which are linked where relevant. Multi-agency coordination in Scotland is based on regional and local partnerships. The Grampian Local Resilience Partnerships is one of 12 in Scotland and consist of NHS Grampian, a number of councils, police and fire and rescue services and other organisations. There is also a Grampian Coronavirus Assistance Hub.</p> <p>The IJB is now updated on a weekly basis as to the key risks in relation to the COVID-19 and ongoing mitigations. This includes the in-house services, commissioned services, GP services and their capacity, demand pressures and delivery.</p>

Management reporting in financial statements

REPORT	SUMMARY OBSERVATIONS	AUDIT CONCLUSION
<p>Management commentary</p>	<p>The Local Authority Accounts (Scotland) Regulations 2014 require the inclusion of a management commentary within the annual accounts, similar to the Companies Act requirements for listed entity financial statements. The requirements are outlined in the Local Government finance circular 5/2015.</p> <p>We are required to read the management commentary and express an opinion as to whether it is consistent with the information provided in the annual accounts.</p> <p>We also review the contents of the management commentary against the guidance contained in the CIPFA template IJB accounts.</p>	<p>The information contained within the management commentary is consistent with the annual accounts.</p> <p>We reviewed the contents of the management commentary against the guidance contained in the Local Government finance circular 5/2015 and are content with the proposed report.</p>
<p>Remuneration report</p>	<p>The remuneration report was included within the unaudited annual accounts and supporting reports and working papers were provided.</p>	<p>The information contained within the revised remuneration report is consistent with the underlying records and the annual accounts and all required disclosures have been made.</p> <p>Our independent auditor's report confirms that the part of the remuneration report subject to audit has been properly prepared.</p>
<p>Annual governance statement</p>	<p>The statement for 2019-20 outlines the corporate governance and risk management arrangements in operation in the financial year. It provides detail on the IJB's governance framework, review of effectiveness, continuous improvement agenda, and analyses the efficiency and effectiveness of these elements of the framework. It also goes on to suggest improvement activities undertaken during the year over specific corporate governance principles.</p> <p>We review the annual governance statement to ensure that management's disclosure is consistent with the annual accounts, and that management have disclosed that which is required under the delivering good governance in local government framework.</p>	<p>We had discussions with the IJB, reviewed early draft of the Annual Governance Statement and shared applicable guidance.</p> <p>We understand the challenges of updating the review of the system of internal controls in the current situation and note that a review has been undertaken to the extent possible.</p> <p>We are satisfied with the approach taken by the IJB and consider the governance framework and revised annual governance statement to be appropriate for the IJB and that it is in accordance with guidance and reflects our understanding of the IJB.</p>

Qualitative aspects and future developments

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Qualitative aspects

ISA 260 requires us to report to those charged with governance our views about significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.

We consider the accounting policies adopted by IJB to be appropriate. There are no significant accounting practices which depart from what is acceptable under the Code of Practice on Local Authority Accounting.

Financial statement disclosures were considered against requirements for the Code of Practice on Local Authority Accounting, relevant legislation and IFRS. No departures from these requirements were identified.

There were no new accounting standards adopted by the Code of Practice on Local Authority Accounting during 2019-20 which affected the IJB.

There are no significant accounting estimates other than those relating to the calculation of the pension assets and liabilities previously summarised.

Financial statement disclosures were considered against requirements of Code of Practice on Local Authority Accounting, relevant legislation and IFRS. No departures from these requirements were identified.

Future accounting and audit developments

The new standards will be set out in Appendix C to the 2020-21 Code of Local Practice on Local Authority Accounting in the United Kingdom and are expected to include IFRS 16 Leases. This is not expected to have an impact on the IJB's annual accounts.

Wider scope and Best Value

Audit dimensions introduction and conclusions

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The Code of Audit Practice sets out four audit dimensions which, alongside Best Value in the local government sector, set a common framework for all the audit work conducted for the Controller of Audit and for the Accounts Commission: financial sustainability; financial management; governance and transparency; and value for money.

It remains the responsibility of the audited body to ensure that it has proper arrangements across each of these audit dimensions. These arrangements should be appropriate to the nature of the audited body and the services and functions that it has been created to deliver. We review and come to a conclusion on these proper arrangements.

During our work on the audit dimensions we considered the work carried out by internal audit and other scrutiny bodies to ensure our work meets the proportionate and integrated principles contained within the Code of Audit Practice.

Financial sustainability

During the year the total reserves halved from £5.6 million to £2.6 million and achieving the savings target proved to be challenging. The medium term financial strategy has ambitious savings targets planned for the next five years and the impact of COVID-19 is still an estimate.

The IJB has a strong transformation governance structure in place to monitor delivery of savings. The IJB is planning to deliver transformational change over the longer term in order to address some of the financial challenges.

Given that ACC and NHSG fund the IJB in accordance with the Integration Scheme, together with the IJB's control over transformation, we consider that the IJB is financially sustainable. However, there is a risk and uncertainty in respect of the impact of COVID-19.

Governance and transparency

We consider that the IJB has appropriate governance arrangements and they provide a framework for effective organisational decision making.

We consider that scrutiny is robust, specifically in respect of the RAPS where members demonstrate proportionate challenge.

The IJB is committed to transparency, with committee papers being publically available.

Aberdeen
City IJB

Value for money

We consider that the IJB has appropriate arrangements for using resources effectively and continually improving services.

Following our prior years recommendation, the Board approved its workforce plan in March 2019 which is aimed at supporting the staff in delivering the IJB's objectives. The work on implementing the plan is progressing with focus on attracting future workforce and its health and wellbeing.

Financial management

The IJB has strong controls over the monitoring of expenditure against budget, with quarterly reports being presented at board meetings and evident scrutiny of costs.

Financial capacity is appropriate, and is well supported by the leadership team.

No audit adjustments were identified in the external audit and we consider that the control environment is robust. Management performed well to work to an accelerated preparation of the annual accounts and audit timetable.

The arrangements for monitoring against fraud in procurement are appropriate.

Wider scope and Best Value

Financial sustainability

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Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

Financial sustainability is a risk to the IJB given the challenging environment, where funding is reducing in real terms and efficiency savings are required. In assessing financial sustainability we consider whether the IJB is able to balance budgets in the short term and whether longer term financial pressures are understood and are planned for, as evidenced by the IJB's financial strategies and plans.

Budget setting

The IJB receives budget allocations from NHSG and ACC. The IJB budget is set one year in advance, in line with the current practice of single year budget allocations from Scottish Government. Management used the confirmed funding for the 2020-21 budget to develop a five year medium term financial strategy. Projections for 2020-21 are based on historic trends and planning assumptions. The strategy is assumptions are based on the current Scottish Budget process.

The total final approved funding for IJB in 2020-21 is £330.3 million, which is a 5% increase from the £313.7 million prior year initial budget. Around 70% of this funding comes from NHSG and 30% from ACC. The increase in funding is a combination of the Council passing on its share of an increased allocation including £4 million of additional funding for social care and of additional NHSG grant income to cover pay awards. This year the Council decided to not to offset its adult social care allocation and the full amount of £3.5 million was passed to the IJB.

Both partners are facing financial challenges with demand exceeding resources available and transformation programmes being underway. Aberdeen City Council identified a £37.9 million saving target over 2020-21. NHS Grampian has an estimated savings target of £20 million per annum over the next four years. These financial pressures directly impact the IJB as funding from partners is the IJB's sole source of recurring funding, and the partners' savings targets are naturally reflected within the IJB budget.

Local pressures have also impacted the five year financial plan, such as a projected 3% pay award per annum, pressures from transitioning children with learning disabilities into the adult care and prescribing and community mental health spend.

Five year budget pressures and savings targets

	2020-21	2021-22	2022-23	2023-24	2024-25
	£000	£000	£000	£000	£000
Budget pressures	10,082	8,388	7,406	7,593	7,699
New requirements	3,323	3,483	3,587	3,695	3,806
Total pressures	13,405	11,871	10,993	11,288	11,505
Funding estimates from the Council	(3,531)	(1,590)	(1,590)	(1,590)	(1,590)
Funding estimates from the NHS	(4,184)	(4,184)	(4,184)	(4,184)	(4,184)
Total funding adjustments	(7,715)	(5,774)	(5,774)	(5,774)	(5,774)
Savings target	5,690	6,097	5,219	5,514	5,731

Source: Medium term financial framework (10 March 2020)

Every year the Board refreshes its five year medium term financial strategy. In the previous years the IJB used the risk fund for any contingencies. There is £1.3 million of the fund left in the reserves and the Board is currently considering its future use.

We note that the level of savings required next year is £5.7 million and that the 2019-20 target of £4 million was not met. This combined with the challenging savings targets indicates that the total reserves of £2.6 million might be fully utilised in 2020-21. This presents a financial sustainability challenge in the future years.

Wider scope and Best Value

Financial sustainability (continued)

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Reserves strategy

The IJB approved a reserves policy in October 2016 which sets out the statutory and regulatory framework for reserves and its operation. The position, set out in the table below, includes a £1.3 million risk fund which was approved by the Board in 2016. The IJB does not plan to replenish the risk fund and is planning to consider the future of the fund in the current financial year.

2019-20 reserves movements	£ million
Budgeted opening reserves	5.6
Primary care reserve utilisation	(1.8)
Risk fund	(1.2)
Closing reserves (at 31 March 2020)	2.6

Source: Annual Accounts 2019-20

Risk sharing

The Integration Scheme sets out the process to be followed should the IJB overspend against the agreed budget. The Chief Finance Officer is expected to manage the budget to ensure that there are no overspends. Where an unexpected overspend is likely, the Chief Finance Officer should agree corrective action to mitigate the overspend. Where this does not resolve the gap, agreement must be made between the partners, in conjunction with the executive team, to agree a recovery plan to balance the budget.

Where this is unsuccessful and the IJB overspends at the year end, uncommitted reserves are applied to the overspend firstly and the remaining overspend is either met by a voluntary additional one-off payment from a partner or the partners make joint additional payments proportionate with their respective share of the IJB baseline budget.

This arrangement gives the IJB comfort that overspends will ultimately be met by the partners.

While the reserves levels are decreasing the existence of this legal framework allows the IJB to prepare the annual accounts on a going concern basis.

COVID-19 impact

The 2020-21 budget and the Medium Term Financial Framework were approved before the overarching risk of COVID-19 developed. Its impact on the 2019-20 financial year was not significant and the IJB received additional funding from the Scottish Government of £0.7 million to cover the cost of the increased demand in prescribing. The Scottish Government requested that the IJBs produce a mobilisation plan early in April and initial costs of the COVID-19 going forward were estimated at £15.6 million. The Cabinet Secretary approved the funding in principle, however the level, method and terms of support has not been confirmed and is subject to being aligned with the mobilisation plans, accurately recorded, timely shared, and being reasonable.

The IJB produced various scenarios for 2020-21 with ranges based on the estimated impact from £8.1m million (low), £14.6 million (medium), to £20.9 million (high). The medium scenario aligns with the latest estimates that NHS Grampian presents to the Scottish Government on a weekly basis.

The three types of cost management identify as likely to arise as a consequence of COVID-19 are:

- direct cost locally agreed, including additional capacity require for the care homes;
- direct cost nationally influenced, in relation to social care providers and PPE;
- indirect costs, including prescribing costs.

The additional funding allocated so far was £50 million that was distributed nationally to IJBs, via the NHS, on the 12 May 2020 and for Aberdeen City this amounts to £1.8 million. This is the initial finding to support immediate challenges in the social care sector.

Wider scope and Best Value

Financial sustainability (continued)

DRAFT

COVID-19 introduced a new layer of financial pressures and there is an expectation that the care and health services will be delivered by the public service organisations, including IJBs.

Transformation programme

The IJB is in its fourth year of operation and has ongoing transformation programme. The Board receives regular updates on progress towards transformation projects. Key decisions are presented to the Board for approval. The RAPS also receives detailed updates into transformation progress including 'deep dives' into specific areas at request. Following its revised strategy plan, the IJB refreshed its priorities in September 2019 and has the following high level programmes:

- Demand Management
- Prevention
- Data & Digital
- Conditions for Change
- Accessible & Responsive Infrastructure

The Transformation Programme was updated in line with the Strategic Plan

As noted in our previous Annual Audit Reports, a strong governance structure has been put in place to ensure effective operational and executive oversight of the transformation program. The programme has priority projects which are considered to have the largest potential impact and those that support the IJB's plans to shift towards a more person-centred and community-focussed health and social care service.

Efficiency savings

Wider efficiency savings have been identified as part of the five year plan, acknowledging that transformational savings will take longer to realise. These measures include:

- Service redesign: focus on delivering savings from continuous review of service provision to ensure the best service can be delivered within budget.
- Medicines management: focus on mitigating the risk of rising costs of primary care medicines, by introducing a range of measures to control prescribing volumes and reduce costs per item.
- Other efficiency savings including review of pricing policies and review of services.

Conclusion

Given that ACC and NHSG fund the IJB in accordance with the Integration Scheme, together with the IJB's control over transformation, we consider that the IJB is financially sustainable. However, there is a risk and uncertainty in respect of the impact of COVID-19.

Significant budget savings are included within the five year plan and the IJB has a strong transformation governance structure to monitor delivery of savings. High level themes have been developed to support budget savings, however the target savings for 2019-20 were not delivered. The challenging targets and uncertain impact of COVID-19 and financing arrangements for it indicate that the arrangements for financial sustainability have to be strengthened.

Wider scope and Best Value Financial management

DRAFT

Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

The Chief Finance Officer is responsible for ensuring that appropriate financial services are available to the IJB and the chief officer.

Budgetary controls

The IJB's financial management comes under an appropriate degree of scrutiny, with budgets monitored at IJB, Local Authority and NHS level.

The IJB produces a quarterly finance update which is taken to both the Board and the RAPS. From a review of the minutes and attendance at meetings, it is evident that there is a sufficient level of scrutiny, and these reports have allowed the IJB to address overspends in a timely fashion.

Furthermore, a monthly finance update is provided from NHS Grampian to IJB management.

We reviewed the budgeting process including the monitoring of budgets throughout the year. We found that budget reports were presented to the Board and RAPS on a timely basis and that overspends are appropriately discussed and challenged.

Audit Scotland focus area: risk of fraud and corruption in procurement

The IJB does not have its own procurement section and is relying on the processes put in place by its funding bodies. We enquired as to how the IJB is getting assurances that these processes are effective and help mitigating risk of fraud in corruption.

The IJB directs the Council to carry out procurements and enter into contracts for social care services. The IJB then has the assurance that the Commercial and Procurement Shared Service (CPSS), including the social care team, follow the Aberdeen City Council scheme of governance and Procurement Regulations for all its activity.

All staff have to have delegated procurement authority, after undertaking the appropriate training.

We consider the IJB arrangements in relation to procurement appropriate.

Financial regulations

The IJB has standing financial regulations which determine how spend can be authorised. The highest expenditure that can be approved by the Chief Officer is £50,000, with anything above that level having to go through the Board, which conducts its meetings in public.

Finance function capacity

The S95 officer is the chief finance officer, therefore has appropriate status within the IJB and access to the partner chief executive officers and Board members. The finance function consists of the chief finance officer, and other resources are used as required from ACC and NHSG finance teams. Finance function capacity is considered to be appropriate, and is supported by a full leadership team.

The IJB provides induction and ongoing training for both elected members and other Board members. There is an ongoing calendar of workshops which take place after most Board meetings to address upcoming subjects and are intended to give members the knowledge they need in order to provide appropriate scrutiny.

Wider scope and Best Value Financial management (continued)

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Annual accounts

The same as last year the annual accounts preparation continuous to be brought forward in order to adhere to the ACC accelerated timetable. Officers issued unaudited annual accounts to the Integration Joint Board on 6 May 2020. The audit was conducted from 18 May 2020 and no audit adjustments were identified. Management performed well to accelerate the timetable whilst maintaining quality for the third year in a row.

Conclusion

The IJB has appropriate controls over the monitoring of expenditure against budget, with quarterly reports going to public board meetings and evident scrutiny of costs.

Financial capacity is appropriate, and is well supported by the executive team.

Management performed well to further accelerate the annual accounts preparation and audit timetable.

Page 82

Wider scope and Best Value

Governance and transparency

DRAFT

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.

Governance framework and decision making

The Board is responsible for establishing arrangements for ensuring the proper conduct of the affairs of the IJB and for monitoring the adequacy of these arrangements. To assist in this role, the IJB developed an assurance framework called the Local Code of Governance in conjunction with the Good Governance Institute, which provides readers with an understanding of the governance framework and the assurances that can be obtained from it. This Local Code is reviewed on an annual basis.

The Integration Scheme between ACC and NHSG also sets out key governance arrangements. The Board comprises a wide range of service users and partners including elected councillors nominated by ACC and directors nominated by NHSG. The RAPS reviews the overall internal control arrangements of the Board and makes recommendations to the IJB regarding signing of the Annual Governance Statement.

A second committee, the Clinical Care and Governance Committee, focuses on clinical assurance.

The Board and RAPS each met on a regular basis throughout the year. We review minutes from each to assess their effectiveness. We also periodically attend meetings of the RAPS. From this we have concluded that the committee is effective and provides robust challenge.

The board assurance and escalation framework sets out how the Board obtains the appropriate assurances on its activities. This framework includes the governance structure, systems and performance outcomes through which the Board receives assurance. It also describes the escalation process.

The Chief Officer provides overall strategic and operational advice to the IJB and is accountable for the delivery of services. The Chief Officer is also accountable to both the Chief Executive of ACC and the Chief Executive of NHSG and provides regular reports to both the council and the NHS Board.

On 3 September 2018 Sandra Macleod was appointed as the permanent Chief Officer, having previously been in the role of Managing Director of Bon Accord Care.

In response to the COVID-19 pandemic the IJB's decision making structure was streamlined. This was agreed to at a Board meeting on 24 March 2020. The temporary standing order was approved allowing members to participate in meetings remotely. This temporary order will be reviewed in the later part of 2020 as part of a larger reviewed of the IJB's Scheme of Governance.

Risk management

The risk management processes are based on IJB's work with the Good Governance Institute from 2016 when all of the IJB's governance arrangements, including carrying out a review of the IJB's assurance framework, were reviewed. This provided assurance that key risks to the achievement of integration objectives have been appropriately identified, communicated and addressed. The IJB has set out its risk appetite in its strategic plan and the risk appetite is reviewed by the Board on an annual basis. Risk registers are regularly updated and scrutinised by management and the RAPS.

The IJB is now updated on a weekly basis as to the key risks in relation to the COVID-19 and ongoing work to mitigate those. This includes the in-house services, commissioned services, GP services and their capacity, demand pressures and ability to deliver the services.

Wider scope and Best Value

Governance and transparency (continued)

DRAFT

Internal control

ACC and NHSG are the partner bodies. All financial transactions of the Board are processed through the financial systems of the partner bodies and are subject to the same controls and scrutiny as the council and health board, including the work performed by internal audit.

Internal audit

The IJB has an internal audit function which undertakes reviews at both the IJB level and ACC level. NHS Grampian has its own internal audit function, however any reviews specific to the IJB are shared with the Board and RAPS. Internal audit completed three audits during 2019-20, including two carried forward from 2018-19 with one still in progress due to the Coronavirus pandemic impact. There were no recommendations graded as 'major'.

The chief internal audit auditor concluded in the annual audit report that sufficient work was completed during the year, or was sufficiently advanced to enable it to conclude that reasonable assurance can be placed upon the adequacy and effectiveness of the Board's framework of governance, risk management and control.

We considered the activities of internal audit against the requirements of Public Sector Internal Audit Standards ("PSIAS"), focusing our review on the public sector requirements of the attribute and performance standards contained within PSIAS. We reviewed internal audit reports and conclusions, and through discussion obtained the views of internal audit of risks of fraud within the Council.

The review of internal audit reports and conclusions did not indicate additional risks and there was no impact on our audit approach.

Fraud

Arrangements are in place to ensure that suspected or alleged frauds or irregularities are investigated by one of the partner bodies internal audit sections. Since the Board does not directly employ staff, investigations will be carried out by the internal audit service of the partner body where any fraud or irregularity originates. NHSG can also call on the expertise of Counter Fraud Services provided through NHS National Services Scotland.

Transparency

The public should be able to hold the IJB to account for the services it provides. Transparency means that the public has ready access to understandable, relevant and timely information about how the IJB is taking decisions and how it is using its resources.

Full details of the meetings held by the IJB and the RAPS committee are available through the ACC website. Members of the public can access committee papers and minutes of meetings, with exempt items minimised as much as possible. Reasons for papers being discussed in private are given in the meeting minutes. Members of the public are welcome to attend board meetings and RAPS meetings.

We have not found evidence to suggest that information is unjustifiably withheld from public scrutiny. Furthermore, members of the public can attend meetings of the IJB. Overall we concluded that the IJB is open and transparent.

Conclusion

We consider that the IJB has appropriate governance arrangements and they provide a framework for effective organisational decision making.

The IJB considered the governance framework at its formation, including working with the Good Governance Institute to ensure that structures and processes are appropriate.

We consider that scrutiny is robust and transparent.

Wider scope and Best Value (continued)

Value for money

DRAFT

Value for money is concerned with using resources effectively and continually improving services.

The Public Bodies (Joint Working) (Scotland) Act 2014 sets out a broad framework for creating integration authorities. This allowed boards flexibility to enable them to develop integrated services that best suited local circumstances.

The Integration Scheme specifies the range of functions delegated by the ACC and NHSG to the IJB. The IJB is responsible for establishing effective arrangements for scrutinising performance, monitoring progress towards its strategic objectives, and holding partners to account.

Performance indicators

Integration authorities are required to contribute towards nine national health and wellbeing outcomes which are intended to focus on the needs of the individual to promote their health and wellbeing, and in particular, to enable people to live healthier lives in their community. In order to review performance the IJB developed a performance management framework. The performance reports summarise performance to date towards the nine national health and wellbeing outcomes and the IJB's local strategic outcomes.

During 2018-19 the IJB refined its approach and re-mapped its 60 performance strategic indicators to the revised five strategic aims. The IJB considers its performance reports quarterly by both the RAPS and the Board. The IJB will summarise its performance in its annual performance report planned for the September meeting. With the new approach the Board will also receive reports on the national and the ministerial strategic group indicators after the financial year end and this is planned for June meeting.

Value for money in key decisions

The Board considers and discusses difficult decisions throughout the year as appropriate. For example, the transformational change projects to prioritise. These are supported by options appraisals and business cases where appropriate.

Learning from projects

The Board ran a number of projects in the year including Integrated Neighbourhood Care Aberdeen and West Visiting Service. These projects were aimed at implementing and testing new ways of working in care delivery and establishing integrated local teams. In both cases these pilot projects were used by the IJB to self-evaluate and to identify benefits, efficiencies and further ways to improve the services and their delivery. This work helps to identify efficiencies and supports culture of continuous improvement.

Conclusion








Overall, we consider that the IJB has appropriate arrangements for using resources effectively and continually improving services.









Appendices

Required communications with the RAPS

DRAFT

Type	Response
Our draft management representation letter	 We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2020.
Adjusted audit differences	 There were no adjusted audit differences.
Unadjusted audit differences	 There were no unadjusted audit differences.
Related parties	 There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit and Performance Committee	 There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies	 We did not test any internal controls during our audit, and therefore have no deficiencies to report. Management retain the responsibility for maintaining an effective system of internal control.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts	 No actual or suspected fraud involving group or component management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements were identified during the audit.

Type	Response
Significant difficulties	 No significant difficulties were encountered during the audit.
Modifications to auditor's report	 There were no modifications to the auditor's report.
Disagreements with management or scope limitations	 The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information	 No material inconsistencies were identified related to other information in the annual report, management commentary and annual governance statement. The management commentary is fair, balanced and comprehensive, and complies with the law.
Breaches of independence	 No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.
Accounting practices	 Over the course of our audit, we have evaluated the appropriateness of the IJB's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.

Appointed auditor's responsibilities

DRAFT

AREA	APPOINTED AUDITOR'S RESPONSIBILITIES	HOW WE HAVE MET OUR RESPONSIBILITIES
Statutory duties	Undertake statutory duties, and comply with professional engagement and ethical standards.	Appendix two outlines our approach to independence.
Financial statements and related reports	<p>Provide an opinion on audited bodies' financial statements and, where appropriate, the regularity of transactions.</p> <p>Review and report on, as appropriate, other information such as annual governance statements, management commentaries, and remuneration report.</p>	<p>Page 8 summarises the opinions we have provided.</p> <p>Page 13 reports on the other information contained in the financial statements, covering the management commentary, remuneration report and annual governance statement.</p>
Financial statements and related reports	Notify the Auditor General or Controller of Audit when circumstances indicate that a statutory report may be required.	Reviewed and concluded on the effectiveness and appropriateness of arrangements and systems of internal control, including risk management, internal audit, financial, operational and compliance controls.
Wider audit dimensions	<p>Demonstrate compliance with the wider public audit scope by reviewing and providing judgements and conclusions on the audited bodies':</p> <ul style="list-style-type: none"> - Effectiveness in the use of public money and assets; - Suitability and effectiveness of corporate governance arrangements; - Financial position and arrangements for securing financial sustainability; - Effectiveness of arrangements to achieve best value; - Suitability of arrangements for preparing and publishing statutory performance information 	We have set our conclusions over the audit dimensions on page 15.

Auditor independence

Assessment of our objectivity and independence as auditor of Aberdeen City Integration Joint Board (“the IJB”)

Professional ethical standards require us to provide to you at the conclusion of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP’s objectivity and independence, the threats to KPMG LLP’s independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP’s objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity

Independence and objectivity considerations relating to the provision of non-audit services

Summary of fees

We have considered the fees charged by us to the entity for professional services provided by us during the reporting period.

Total fees charged by us for the period ending 31 March 2020 can be analysed as follows:	2019-20 £	2018-19 £
Audit of the Aberdeen City IJB financial statements	20,950	21,600
Total audit services	20,950	21,600
Non-audit services	-	-
Total	20,950	21,600

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the IJB.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the IJB and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully,

KPMG LLP



The contacts at KPMG in connection with this report are:

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Audit and Performance Systems Committee

Date of Meeting	09.06.2020
Report Title	Audited Final Accounts 2019/20
Report Number	HSCP.20.009
Lead Officer	Alex Stephen, Chief Finance Officer
Report Author Details	Alex Stephen, Chief Finance Officer
Consultation Checklist Completed	No
Appendices	A: Letter of Representation B: Audited Final Accounts 2019/20

1. Purpose of the Report

- 1.1. The Integration Joint Board reviewed and considered the unaudited final accounts at its meeting on the 12 May 2020;
- 1.2. The purpose of this report is to allow the Integration Joint Board to consider and approve the audited final accounts for 2019/20;

2. Recommendations

It is recommended that the Integration Joint Board:

- a) Consider and agree the Integration Joint Board's Audited Accounts for 2019/20, as attached at appendix A.
- b) Instruct Officers to submit the approved audited accounts to NHS Grampian and Aberdeen City Council.
- c) Instruct the Chief Finance Officer to sign the representation letter, as attached at appendix B.



Audit and Performance Systems Committee

3. Summary of Key Information

- 3.1. This is the third time that a full set of accounts have been prepared for the Integration Joint Board (IJB).
- 3.2. A great deal of work has been undertaken at a national level to agree on a proposed approach to the Integration Joint Board Accounts. Even then there will be changes in format and the disclosures contained in the accounts based on local circumstances. However, the major disclosures and format is based on a template commissioned by the Scottish Government with the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 3.3. The accounts are based on the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the Code) and follow the format of the accounts used by local authorities as the IJB is recognised as a local government body, under Part VII of the Local Government (Scotland) Act 1973.
- 3.4. The audit of the accounts took place the week beginning the 18 May 2020. The final audited accounts have been brought back to the IJB for approval. During the audit process some minor changes were made to the accounts, largely presentational changes in relation to the management commentary. The pension information for the Chief Officer and the set aside information for the financial year were also updated, as the information was not available for the un-audited accounts.
- 3.5. Aberdeen City Council have embarked on a process to shorten the timescale for closing the final accounts. As the IJB accounts feed into the Aberdeen City Council accounts, the IJB accounts have been collated quicker than most other IJBs in Scotland. The intention is that the Aberdeen City Council accounts, including the group accounts, will be drafted, audited and approved by 30 June at the latest.
- 3.6. The accounts follow the following format:
 - **Management Commentary** - Explains the performance over the last financial year and highlights some of the potential risks during the next financial year.
 - **Remuneration Note** – contains details of the pay and pension benefits accrued by the senior officers of the IJB during 2019/20.



Audit and Performance Systems Committee

- **Annual Governance Statement** – Highlights the Governance Framework in place and describes performance and improvements against the local code of governance.
 - **Financial Statements** – contains details of the financial transactions, including the Income & Expenditure Account, Balance Sheet and Movement in Reserves Statement.
 - **Notes to the Accounts** – including the financial policies used by the IJB over this period and the relevant disclosures required through the code.
- 3.7. At the end of the financial year the IJB has £2,601,896 in its useable reserve at the end of the financial year, which has largely been allocated by the IJB for specific integration and change projects.

4. Implications for IJB

- 4.1. **Equalities** – There are no equalities implications arising from this report.
- 4.2. **Fairer Scotland Duty** – there are no direct implications for the Fairer Scotland Duty arising from this report.
- 4.3. **Financial** – the financial implications are highlighted throughout the report and in the appendix.
- 4.4. **Workforce** - there are no direct implications arising from this report.
- 4.5. **Legal** – publishing annual accounts is a requirement under the Local Authority Accounts (Scotland) Regulations 2014, which set out the statutory requirements on the IJB in respect to the annual accounts, their availability for public inspection and the consideration and signing by the IJB.
- 4.6. Other - NA

5. Links to ACHSCP Strategic Plan

- 5.1. Sustainable finance is highlighted as one of the fundamental elements which we need to develop further in order to meet all our strategic objectives. The audited annual accounts provide an independent opinion on the financial statements.

6. Management of Risk





Audit and Performance Systems Committee

6.1. Identified risks(s) and link to risks on strategic risk register:

- **Strategic Risk 2:** There is a risk of financial failure, that demand outstrips budget and IJB cannot deliver on priorities, statutory work, and project an overspend.
- **Strategic Risk 4:** There is a risk that relationship arrangements between the IJB and its partner organisations (Aberdeen City Council and NHS Grampian) are not managed to maximise the full potentials of integrated & collaborative working. This risk covers the arrangements between partner organisations in areas such as governance; corporate service; and performance.
- **Strategic Risk 6:** There is a risk of reputational damage to the IJB and its partner organisations resulting from complexity of function, delegation and delivery of services across health and social care.
- **Strategic Risk 7:** There is a risk of failure to deliver transformation at a pace or scale required by the demographic and financial pressures in the system.

6.2. How might the content of this report impact or mitigate these risks:

The audited accounts are an important document for the IJB, demonstrating financial performance over the year and are independently audited. Recommendations could be received from the external auditors which impact on any of the strategic risks highlighted above.

Approvals	
	Sandra Macleod (Chief Officer)
	Alex Stephen (Chief Finance Officer)



09.06.2020

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Aberdeen
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Ref:
Your Ref:

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Aberdeen City Integration Joint Board (“the Board”), for the year ended 31 March 2020, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the state of the Board’s affairs as at 31 March 2020 and of the Board’s surplus or deficit for the financial year then ended;
- ii. whether the financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20; and
- iii. whether the financial statements have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2015, and the Public Bodies (Joint Working) (Scotland) Act 2014.

These financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance sheet and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Board confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Board confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Board has fulfilled its responsibilities, as set out in the terms of the audit engagement dated 31 May 2016, for the preparation of financial statements that:
 - i. give a true and fair view of the state of the Board's affairs as at the end of its financial year and of its surplus or deficit for that financial year;
 - ii. have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRSs"), as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20; and
 - iii. have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2015, and the Public Bodies (Joint Working) (Scotland) Act 2014.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Board in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which IAS 10 *Events after the reporting period* requires adjustment or disclosure have been adjusted or disclosed.

Information provided

4. The Board has provided you with:

- access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
- additional information that you have requested from the Board for the purpose of the audit; and
- unrestricted access to persons within the Board from whom you determined it necessary to obtain audit evidence.

5. All transactions have been recorded in the accounting records and are reflected in the financial statements.

6. The Board confirms the following:

- i) The Board has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

- ii) The Board has disclosed to you all information in relation to:

- a) Fraud or suspected fraud that it is aware of and that affects the Board and involves:
- management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and
- b) allegations of fraud, or suspected fraud, affecting the Board's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Board acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

7. The Board has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
8. The Board has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
9. The Board has disclosed to you the identity of the Board's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 *Related Party Disclosures*.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in IAS 24.

10. The Board confirms that:

- a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Board's ability to continue as a going concern as required to provide a true and fair view.
- b) No events or conditions have been identified that may cast significant doubt on the ability of the Board to continue as a going concern.

This letter was agreed at the meeting of the Integration Joint Board on 9 June 2020.

Yours faithfully,

Alex Stephen

Chief Finance Officer

Appendix to the Board Representation Letter of Aberdeen City Integration Joint Board: Definitions

Financial Statements

IAS 1.10 states that “a complete set of financial statements comprises:

- a statement of financial position as at the end of the period;
- a statement of profit or loss and other comprehensive income for the period;
- a statement of changes in equity for the period;
- a statement of cash flows for the period;
- notes, comprising a summary of significant accounting policies and other explanatory information;
- comparative information in respect of the preceding period as specified in paragraphs 38 and 38A; and
- a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 40A-40D.

An entity may use titles for the statements other than those used in this Standard. For example, an entity may use the title ‘statement of comprehensive income’ instead of ‘statement of profit or loss and other comprehensive income’.”

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

“Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on

the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.”

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity’s assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity’s financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to “management” should be read as “management and, where appropriate, those charged with governance”.

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”).

- a) A person or a close member of that person’s family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled, or jointly controlled by a person identified in (a).
 - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a) a government that has control or joint control of, or significant influence over, the reporting entity; and
- b) another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.



Aberdeen City Health & Social Care Partnership
A caring partnership



Aberdeen City Integration Joint Board

Audited Annual Accounts 2019/20



CONTENTS

Management Commentary	3
Independent auditor’s report to the members of Aberdeen City Integration Joint Board and the Accounts Commission	16
Statement of Responsibilities	20
Remuneration Report	23
Annual Governance Statement	26
Movement in Reserves Statement	39
Balance Sheet	40
Notes to the Financial Statements	41
1. Significant Accounting Policies	41
2. Critical Judgements and Estimation Uncertainty	43
3. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors	43
4. Expenditure and Income Analysis by Nature	45
5. Taxation and Non-Specific Grant Income	45
6. Debtors	46
7. Creditors	46
8. Usable Reserve: General Fund	46
9. Agency Income and Expenditure	47
10. Related Party Transactions.....	48
11. VAT	50
Glossary of Terms	51

Management Commentary

The Role and Remit of the Integration Joint Board (“IJB”)

The Integration Joint Board (IJB) was formed as a result of the Public Bodies (Joint Working) (Scotland) Act 2014. The Act provides a framework for the integration of adult community health and social care services. The strategic planning for, and/or delivery of, these services was previously the responsibility of NHS Grampian and Aberdeen City Council respectively and was delegated to the IJB with effect from 1 April 2016. Some services such as adult social care, GP services, district nursing, and allied health professionals are fully delegated and the IJB has responsibility both for the strategic planning and governing oversight of these. Other services are Grampian-wide services which Aberdeen City IJB “host” on behalf of all three IJBs in the NHS Grampian area. There are also hospital-based services. Aberdeen City IJB has responsibility for the strategic planning of both hosted and hospital-based services

Hosted Services

Intermediate care of the elderly and specialist rehabilitation

Sexual health

Acute mental health and learning disability

Hospital-Based Services

Accident and emergency services provided in a hospital

Inpatient hospital services relating to the following branches of medicine:

- (a) general medicine
- (b) geriatric medicine
- (c) rehabilitation medicine
- (d) respiratory medicine
- (e) palliative care
- (f) mental health
- (g) psychiatry of learning disability

The policy ambition is to improve the quality and consistency of services to patients, carers, service users and their families; to provide seamless, joined-up, quality health and social care services in order to care for people in their own homes or a homely setting where it is safe to do so; and to ensure resources are used effectively and efficiently to deliver services that meet the increasing number of people with longer-term and often complex needs, many of whom are older. The IJB has governing oversight, whilst Aberdeen City Health & Social Care Partnership (ACHSCP) has responsibility for the operational delivery of these services.

The IJB sets the direction of ACHSCP via the preparation and implementation of the Strategic Plan and seeks assurance on the management and delivery of the

integrated services through appropriate scrutiny and performance monitoring, whilst ensuring the effective use of resources.

The IJB's Operations for the Year

Aberdeen is the third largest city in Scotland and provides Scotland with 15% of its Gross Added Value. Much of this value has come from the oil and gas industry. The oil price reduction in 2014 significantly affected the local economy and although there had been signs of recovery in recent years the coronavirus pandemic has again brought uncertainty to the economic future of the area.

Aberdeen has an estimated population (2018) of 227,560. This population is expected to rise to 229,783 (1.1 % increase) in ten years and 232,863 (2.3% increase) in twenty-five years. There is a mixture of affluent and deprived areas in the city with 29 of its 283 data zones recognised as being in the 20% of most deprived areas in the country (national share 2.08%). In terms of health and social care, the demand for services continues to rise each year. It is estimated that the over-65s accounted for 15.6% of the total population in Aberdeen in 2018 and this is forecast to increase to 17.8% (40,926) of the total population in ten years and to 19.3% (44,981) of the total population in twenty-five years.

Alongside this increase in demand there are rising costs and reduced funding available. We need to pick up the pace of transformation and start to do things differently in order to be able to continue to deliver services and positive outcomes for the people who use them.

During the financial year 2019/20 the IJB committed to:

- deliver the commitments and Year 1 priorities of the Strategic Plan;
- implement the three-locality model, developing closer links with our community planning partners;
- embed transformational activity into mainstream service delivery;
- undertake a number of strategic commissioning projects that will transform service delivery, introduce co-design and co-production with our third and independent provider partners, and help develop a sustainable market in Aberdeen;
- consolidate the Leadership Team structure;
- continue to focus on delivering the Medium-Term Financial Framework;
- continue to engage with the public to provide information on our services and why are we seeking to transform.

Good progress has been made in terms of delivery on these commitments.

In terms of the Strategic Plan, twelve specific year one commitments were made. Eight of these have been fully delivered with two others significantly progressed. For example, our Alcohol and Drugs, Mental Health, and Dental, Commissioning Plans have all been approved and work on our Living Well with Dementia and Transitions Plans is well progressed along with the development of local approaches to healthy diet and weight.

In addition, we are progressing the delivery of our Primary Care Improvement Plan and our work to support unpaid carers in Aberdeen. The Community Links Worker model has been fully rolled out and is delivering benefits in terms of linking people to appropriate service provision and enabling GPs to focus on patients with the highest needs. Our Delayed Discharge figures continue to fall, and we have created a multi-agency Disabled Adaptations Group to ensure the use of adapted housing stock across all tenures is maximised, reducing wait times for those most in need and minimising the need for expensive fit outs and refits where suitable property already exists within the City.

Progress has also been made on some of our Enablers, including developing and supporting our workforce, expanding our digital transformation (new and improved website and intranet, introduction of Office 365, and digitisation of health visiting), and making headway on some of our primary care infrastructure projects most notably the interim solution for the major Countesswells development to the south of the City

The revised partnership Strategic Plan 2019 – 22 identified the new three locality model which aims to ensure closer alignment with community planning structures and activities, better partner collaborations, more public clarity and a better focus on areas where people experience poorer outcomes.

A phased approach is being adopted, utilising a community engagement and empowerment approach to ensure that our citizens, people and partners work together through our localities to deliver our strategic plan. These phases are:

1. Supporting the establishment and development of three locality empowerment groups;
2. Redesign of staffing teams, aligned with our localities;
3. Upskilling and development of both locality empowerment groups and operational teams;
4. Integrated Locality Working.

These phases are not linear and during 2019/20 strong foundations have been put in place for phases 1, 2 & 3.

Towards the end of 2019/20 saw the start of the Covid-19 pandemic. As well as presenting a tremendous challenge to our citizens, staff and partners, the crisis also creates an opportunity to build on existing and newly forming community connections. Early plans are developing, working with the people in our communities to explore what opportunities for community resilience can be developed during the crisis to ensure strong, sustainable, supportive communities into the future.

In September 2019, the IJB approved a revised programme of transformation which aligns to support the delivery of our revised strategic plan. The programme covers the breadth of our partnership and is embedded into our revised leadership team structure, ensuring that it is aligned with mainstream service delivery.

The five programmes are:

- Demand Management,
- Prevention,
- Digital & Data,
- Conditions for Change,
- Accessible and Responsive Infrastructure.

The Medium-Term Financial Framework (MTFF) approved by the IJB on 10 March 2020 includes a forecast of the financial position for the next five financial years and will be reviewed annually. Contained in the MTFF were proposals to balance the 2020/21 budget which were fully aligned to the programme of transformation. The IJB continues to work to deliver on the ambitions of this MTFF and ensure financial balance.

During the financial year significant work was undertaken on our approach to strategic commissioning. This approach was approved by the IJB in September 2019. It guides the future commissioning activity within all aspects of the Partnership, and links to the demand management approach which allows us to focus our attention on value demand, ensuring the most appropriate and efficient means of meeting the needs of the population in the future.

Finally, the leadership team have been through a restructuring process. The new structure has been developed to aid delivery of the new IJB Strategic Plan, support better working between the sectors delegated to the IJB and ensure more cross system working.

The IJB's Position at 31 March 2020

The accounts for the year ended 31 March 2020 show a usable reserves position of £2,601,896 (£5,578,337 2018/19). A significant element of the 2018/19 funds has been committed and used in 2019/20. All the recurring funding has now been allocated and the IJB had agreed, through its Medium-Term Financial Framework, to use these funds. The IJB has a reserves strategy and during the 2017/18 budget process, they agreed to hold back £2.5 million earmarked reserves as a risk fund. As a result of additional financial pressures in 2019/20 this risk fund was used and now £1.3 million remains. It was agreed at the budget meeting on the 10 March 2020 not to replenish the risk fund due to the level of budget savings requiring to be achieved.

The majority of public sector organisations are facing challenges balancing their budgets in a context of increasing demand and costs, while the funding available is reducing in real terms. The 2020/21 budget was agreed on 10 March 2020 and included £5.7 million of budget reductions.

The major risk in terms of funding to the Integration Joint Board is the level of funding delegated from Aberdeen City Council and NHS Grampian and whether this is sufficient to sustain future service delivery. There is also a risk of additional funding being ring-fenced for specific priorities and policies, which means introducing

new projects and initiatives at a time when financial pressure is being faced on mainstream budgets.

The IJB has made arrangements with adult social care providers to allow the Scottish Living Wage to be paid in 2019/20. Local negotiations will be undertaken with social care providers to provide funding to pay the Scottish Living Wage of £9.30 per hour from 1 April 2020. This was possible due to additional funding being made available from the Scottish Government to implement this policy commitment.

Demand is expected to continue to rise given the increase in the number of over-65s forecast. At the same time the complexity of the care required is increasing due to improvements in medicine and the increased average life expectancy evidenced over the last few decades. This is evidenced by our increasing social care spend on clients with learning disabilities. Also, there are greater expectations being placed on our services by clients, and this, along with expectations from our other stakeholders, continues to drive performance on targets such as waiting times.

At the time of preparing the final accounts for 2019/20 and producing the 2020/21 Medium Term Financial Framework the impact of the coronavirus on the finances of the IJB were uncertain. Some of these financial consequences of the coronavirus will receive additional funding from the Scottish Government, however, at this time the position about where the additional costs will be incurred, and the level of any additional funding, requires further work. A report is being presented to the Integration Joint Board on 9 June which will explain the context and provide scenarios on potential funding levels. Discussions continue with Aberdeen City Council and NHS Grampian about their level of financial exposure and the IJB risk register is in the process of being updated to reflect the additional risk.

The IJB's Strategy and Business Model

Following approval of the refreshed Strategic Plan by the IJB in March 2019, work has been progressing on its implementation as detailed above.

When setting the Medium-Term Financial Framework and identifying the solutions to balance the 2020/21 budget the IJB agreed key objectives aligned to the programme of transformation that it will seek to deliver: -

Managing Demand

Review of pricing/charging – A workstream has been developed to review the charges included in the IJB budget. Whilst the budget for fees & charges was delegated to the IJB, the charging policy remains with the Council. Therefore, approval will be required from the Council to increase the fees & charges. The workstream will continue to review charges throughout the year with the intention of delivering an additional £300,000 per annum. The purpose of fees & charges for social care is to provide equity based on a financial assessment and to allow services to continue to be delivered to support the population.

Commissioned Services – Aberdeen City commissions the vast majority of its social care from third sector and independent care providers. Commissioning is the largest part of our available budget, accounting for over £100 million. A Strategic Commissioning Board has been established to review our contracts and the services which we commission. The focus of this Board will not only be to deliver services of a better or equivalent quality than currently commissioned, but also to do so at less cost. Commissioning decisions will continue to be made at the Integration Joint Board throughout the financial year.

Conditions for Change

Locums and Agency Staff – A review of the use of locum and agency staff within the Partnership to reduce the level of spend primarily in Woodend Hospital, Mental Health Community Services and the directly run medical practices. A cross-system group has been established to look at ways to fill these vacancies and, where this is not possible, consider redesigning services. The cross-system group has both management and clinical representation from the services identified above. Having clinical representation allows a balance to be maintained between reducing costs and clinical safety. In addition, we will place a strong focus on understanding and improving unplanned staff absences to reduce the reliance on supplementary staff. This will be aligned with service redesign to ensure we have workforce requirements which reflect available resource and future sustainable models of service delivery.

Localities – Work has commenced at a management level to engage with and support service managers as we move to a locality model which aims to maintain a sense of city wide, cross-system working. We will use a three-stage model to support the move to localities. Understanding what new models can and will look like will be an underpinning feature. This process will allow us to review and align our headcount as new models of care are developed. We have placed a conservative target on current figures of turnover and vacancies to identify the commitment and requirement to reduce the headcount to match available resources. It will reduce by 60 FTE as a result of this work and these reductions will come naturally.

Accessible and responsive infrastructure:

Medical Practices – Currently the Partnership manages six 2c (directly run) medical practices within the city. The remaining practices are run by GPs as independent contractors. The Partnership and will seek to develop new models for the 2c practices which encourage better collaboration and more cross-system working. This review will be data led and take consideration of the patient profile and the implications any changes may have on the wider health and social care system.

Data and Digital/Prevention:

Sustainable Services – This objective has a number of themes, such as seeking to reduce:

- the number of GP callouts,
- care home residents admitted to hospital, and
- the cost and volume of medicines being prescribed.

These themes will lead to improvements across both primary and secondary care sectors. The majority of the savings will come from seeking alternatives to medicines (social prescribing), ensuring our prescribing processes and management of patients using medicines is as efficient as it can be and also stopping the prescription of drugs where there is evidence of little clinical value. A cross-Grampian prescribing group provides recommendations to the Partnership on all prescribing matters. In addition, a key driver will be the use of technology to develop more efficient systems across community care which will impact on the key drivers.

Key Risks and Uncertainties

The key strategic risks (High risks), as contained in the Strategic Risk Register, along with an assessment of the level of risk facing the IJB, are as indicated below.

The Strategic Risk Register is monitored and updated frequently by the Partnership Leadership Team, who in turn report to the IJB and Risk, Audit & Performance Committee and the IJB on a regular basis.

The IJB held a workshop in April 2018 on the Strategic Risk Register and the Board's Risk Appetite. As a result of the workshop, the revisions to both the Register and the Appetite Statement were submitted to the Audit & Performance Systems Committee for approval.

The committee at its meeting on the 11 September 2018 approved the revised Strategic Risk Register and Risk Appetite Statement and agreed to monitor three risks within the Strategic Risk Register on an ongoing basis at the committee up to the next formal review of the register by the IJB.

At its meeting on 12 February 2019, the committee monitored strategic risks 1-3 and provided comments which the Risk Owners have considered as part of the ongoing monitoring of the risks. At its meeting on 21 January 2020, the IJB resolved to approve the revised Risk Appetite Statement and the Strategic Risk Register. The risks that are classed as **High or Very High** risk on the Strategic Risk Register are detailed below.

1. There is a risk that there is insufficient capacity in the market (or appropriate infrastructure in-house) to fulfil the IJB's duties as outlined in the integration scheme. Commissioned services in this context include third and independent providers of care and supported living and independent providers of general medical services. Additional pressures from other parts of the system also add to market instability. For example, recruitment of care staff within a competing

market, reduction of available beds and the requirement to care for more complex people at home.

Mitigating Actions -

- The IJB's commissioning model has an influence on creating capacity and capability to manage and facilitate the market
 - Development of provider forum and peer mentorship to support relationship and market management. This includes a workshop on business continuity.
 - Risk fund set aside with transformation funding
 - Approved Reimaging Primary Care Vision and currently implementing the Primary Care Improvement Plan
 - Implementation of the new GMS Contract.
 - Provider Forum business continuity plan workshop
 - The development of risk predictor tools in association with the care inspectorate, and individual team escalation plans
2. There is a risk of IJB financial failure and projecting an overspend, due to demand outstripping available budget, which would impact on the IJB's ability to deliver on its strategic plan (including statutory work).

Mitigating Actions-

- Financial information is reported regularly to the Risk, Audit & Performance Committee, the Integration Joint Board and the Leadership Team.
 - Approved reserves strategy, including risk fund.
 - Robust financial monitoring and budget setting procedures including regular budget monitoring and budget meeting with budget holders.
 - Medium-Term Financial Framework was reviewed and approved at the IJB on 10th March 2020.
 - Risk, Audit & Performance Committee receives regular updates on transformation programme and spend.
 - The Leadership Team are committed to driving out efficiencies, encouraging self-management and moving forward the prevention agenda to help manage future demand for services. Lean Six Sigma methodology is being applied to carry out process improvements
3. There is a risk that hosted services do not deliver the expected outcomes, fail to deliver transformation of services, or face service failure and that the IJB fails to identify such non-performance through its own systems and pan-Grampian governance arrangements. This risk relates to services that Aberdeen IJB hosts on behalf of Moray and Aberdeenshire, and those hosted by those IJBs and delivered on behalf of Aberdeen City.

Mitigating Actions-

- This is discussed regularly by the three North East Chief Officers
- Regular discussion regarding budget with relevant finance colleagues.
- Chief Officers are beginning to consider the disaggregation of hosted services.

4. Failure of the transformation to delivery sustainable systems change, which helps the IJB deliver its strategic priorities, in the face of demographic & financial pressures

Mitigating Actions-

- Programme management approach being taken across whole of the transformation programme
 - Transformation team in place and all trained in Managing Successful Programmes methodology
 - Regular reporting to Executive Programme Board and Portfolio Programme Boards
 - Regular reporting to Risk, Audit and Performance Committee and Integration Joint Board
 - Six Sigma methodology being used to support delivery of the Strategic Plan, Medium Term Financial Framework and to ensure sustainability. An evaluation process is in place to track the delivery of change and efficiencies. A prioritisation process is in place to prioritise allocation of transformation resource.
 - A number of plans and frameworks have been developed to underpin our transformation activity across our wider system including: Reimagining Primary and Community Care Vision, Transformation Plan, Primary Care Improvement Plan, and Action 15 Plan.
 - Transformation team amalgamated with public health and wellbeing to give greater focus to localities.
5. There is a risk that the IJB does not maximise the opportunities offered by locality working.

Mitigating Actions-

- Continued broad engagement on locality working and requested development of comprehensive communication plan
 - Position Statement issued in August 2019
6. There is a risk that if the System does not redesign services from traditional models in line with the current workforce marketplace in the City this will have an impact on the delivery of the IJB Strategic Plan.

Mitigating Actions:

- ACHSCP Workforce Plan
- Active engagement with schools to raise ACHSCP profile (e.g. Developing the Young Workforce, Career Ready)
- Active work with training providers and employers to encourage careers in Health and Social Care (e.g. Foundation Apprenticeships/Modern Apprenticeships through NESCOL, working with Department for Work and Pensions)
- Greater use of commissioning model to encourage training of staff

- Increased emphasis on health/wellbeing of staff
 - Increased emphasis on communication with staff
 - Greater promotion of flexible working
 - Increased collaboration and integration between professional disciplines, third sector, independent sector and communities through Localities.
 - Increased monitoring of staff statistics (sickness, turnover, CPD, complaints etc) through Performance Dashboard, identifying trends.
 - Developing greater digitisation opportunities, e.g. using Text Messaging to shift emphasis from GPs to increased use of texts for pharmacology
7. There is a risk that ACHSCP is not sufficiently prepared to deal with the impacts of Brexit on areas of our business, including affecting the available workforce and supply chain.

Whilst the impact on health and social care services of leaving the EU is impossible to forecast, it is clear that a number of issues will need to be resolved. Key areas for health and social care organisations to consider include staffing; medical supplies; accessing treatment; regulation (such as working time directive and procurement/competition law, for example); and cross border issues.

Mitigating Actions-

- Mitigating actions have been developed on a national and local level through Scottish Government guidance and the ACC and NHSG EU exit steering groups respectively. These actions are linked to the Scottish Planning Assumptions (based on the reasonable worst-case scenario-no deal).
- The assumptions are:
 - Travel, Freight and Borders
 - Disruption of Services
 - Information and Data Sharing
 - Demonstrations and Disorder
 - Remote and Rural Scotland
 - Scottish Workforce
- As the Partnership does not directly employ staff, the Chief Officer will work closely with partners to ensure that as implications become clear the Partnership are able to best represent and meet the needs of all staff.
- The Partnership's Business Continuity Planning process is established which will identify key services to prioritise in any contingency event.
- Review Arm's Length External Organisations (ALEO) contingency plans. Request evidence of risk assessment and mitigation from ALEOS for assurance of ability to deliver against contract. This is being considered and scrutinised through the ALEO Hub governance arrangements.
- Survey of providers asking key questions on preparedness.
- A joint City and Shire Care Home providers workshop was held in May 2019 to discuss with providers their preparedness for any EU exit.
- Partnership took part in Exercise Pisces run by NHSG on the 19th of March 2020. This exercise tested the preparedness and reporting processes ahead of any EU exit situation.

8. There is a risk that the Coronavirus (Covid-19) outbreak leads to high numbers of incidences within the city, impacting public health and the delivery of essential health and care services through significantly increased demand and reduced workforce capacity. This reduced capacity arising as a result of frontline workforce absence and self-isolation requirements.

Mitigating Actions

- The Delay phase aims to:
 1. Slow the spread (and protect staff)
 2. Lower peak impact
 3. Push away from the winter season

- The Mitigate phase aims to:
 1. Deliver best care for those that are ill
 2. Support hospitals to deliver essential services
 3. Encourage people in the community who are ill to reduce the risk to others

- The Research Phase aims to:
 - Be flexible and responsive to current advice

Future challenges are to achieve financial savings from mainstream services in order to sustain the financial viability of the IJB. Also, it will be challenging to transform service delivery while trying to maintain the services required by our service users.

The risk register is currently being updated on a weekly basis and passed through to the IJB so they can see the movements.

Analysis of the Financial Statements

The accounts show usable reserves of £2,601,896 at 31 March 2020 (£5,578,337 at 31 March 2019). This is largely due to unspent integration and change funds provided by the Scottish Government to the IJB via NHS Grampian. This level of reserve held is slightly improved from the level anticipated throughout the year in the budget monitoring reports.

Prescribing continues to be a major financial risk for the IJB. In 2019/20 this budget has overspent by £852,000 there was an increase in demand and price throughout the year, with the demand being influenced by the Brexit deadlines. Towards the end of 2019/20 the level of overspend started to stabilise, however, the by the middle of March 2020, costs started to increase due to the coronavirus pandemic. Additional funding was provided by the Scottish Government to cover any additional prescribing costs for this. This funding may require to be repaid from reductions in 2020/21 prescribing spend.

Hosted services continue to experience financial pressure (£1,341,000) with budget savings identified from temporarily closing a ward at Woodend Hospital not being achieved as a result of supplementary staffing to cover for sicknesses. A workstream has been developed which is seeking to reduce sickness levels and supplementary staffing across the IJB budgets in 2020/21.

Budgets for large hospitals are managed by NHS Grampian. The IJB has a notional budget representing the consumption of these services by residents. Under the Integration Scheme, the IJB is responsible for the strategic planning for these services.

The services covered include:

- accident and emergency services at Aberdeen Royal Infirmary and Dr Gray's - inpatient & outpatient;
- inpatient hospital services relating to general medicine, geriatric medicine, rehabilitation medicine, respiratory medicine, learning disabilities, old age psychiatry, general psychiatry;
- palliative care services provided at Roxburghe House, Aberdeen, and The Oaks, Elgin.

One of the key priorities of the IJB and reasons why the IJBs were established is to improve pathways and reduce the use of these services. During the financial year NHS Grampian advised that the Aberdeen City IJB's use of these services had increased slightly as highlighted below.

Set Aside	2016/17	2017/18	2018/19	2019/20
Budget	£46,732,000	£41,344,000	£46,416,000	£46,410,000
Days used	152,498	142,349	143,055	137,732

Aberdeen City IJB used 5,323 days less of the hospital services than in 2019/20. The reduced number of days have largely been negated by increases in the cost per bed days for the services. The IJB Senior Leadership Team are in the process of reviewing this data to see what actions can be taken to reduce hospital usage.

Cllr Sarah Duncan
IJB Chair
9 June 2020

Sandra Macleod
Chief Officer
9 June 2020

Alex Stephen
Chief Finance Officer
9 June 2020



**Independent auditor's report to the members of Aberdeen City Integration
Joint Board and the Accounts Commission**

Report on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Aberdeen City Integration Joint Board for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the 2019/20 Code).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2019/20 Code of the state of affairs of the body as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2019/20 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 31 May 2016. The period of total uninterrupted appointment is 5 years. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Finance Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risk of material misstatement

We have reported in a separate Annual Audit Report, which is available from the Audit Scotland website, the most significant assessed risk of material misstatement that we identified and our conclusion thereon.

Responsibilities of the Chief Finance Officer and the Integration Joint Board for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Integration Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. We therefore design and perform audit procedures which respond to the assessed risk of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other information in the annual accounts

The Chief Finance Officer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In our opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which we are required to report by exception

We are required by the Accounts Commission to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Michael Wilkie (for and on behalf of KPMG LLP)

20 Castle Terrace

Edinburgh

EH1 2EG

June 2020

Statement of Responsibilities

Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the Proper Officer of the Board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973); in this authority, that officer is the Chief Finance Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland act 2003).
- approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature.

Signed on behalf of the Aberdeen City Integration Joint Board

Sarah Duncan

IJB Chair

9 June 2020

Responsibilities of the Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the IJB's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the local authority Code (in so far as it is compatible with legislation).

The Chief Finance Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the Aberdeen City Integration Joint Board as at 31 March 2020 and the transactions for the year then ended.

Alex Stephen

Chief Finance Officer

9 June 2020

Remuneration Report

Introduction

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It discloses information relating to the remuneration and pension benefits of specified IJB members and staff.

The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditor to ensure it is consistent with the financial statements.

Remuneration: IJB Chair and Vice-Chair

The voting members of the IJB are appointed through nomination by Aberdeen City Council and NHS Grampian. The positions of IJB Chair and Vice-Chair alternate between a Councillor and a Health Board representative every two years.

The IJB does not provide any additional remuneration to the Chair, Vice-Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. The details of the Chair and Vice-Chair appointments and any taxable expenses paid by the IJB are shown below.

Taxable Expenses 2018/19 £	Name	Post(s) Held	Nominated by	Taxable Expenses 2019/20 £
Nil	Jonathan Passmore	Chair 01/04/17 to 31/12/18 Vice Chair 01/01/19 to 26/3/19	NHS Grampian	Nil
Nil	Cllr Sarah Duncan	Chair 01/01/19 to 31/03/20 Vice Chair 18/05/17 to 31/12/18	Aberdeen City Council	Nil
Nil	Luan Grugeon	Vice-Chair 27/03/19 to 31/03/20	NHS Grampian	Nil
Nil	Total			Nil

The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of voting IJB members. Therefore, no pension rights disclosures are provided for the Chair or Vice-Chair.

Remuneration: Officers of the IJB

The IJB does not directly employ any staff in its own right, however specific post-holding officers are non-voting members of the Board.

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014, a Chief Officer for the IJB must be appointed and the employing partner must formally second the officer to the IJB. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the IJB.

Other Officers

No other staff are appointed by the IJB under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below.

Total 2018/19 £	Senior Employees	Salary, Fees & Allowances £	Taxable Expenses £	Total 2019/20 £
9,365	Judith Proctor Chief Officer 01/02/16 to 27/04/18 (FYE £112,383)	-	-	-
41,359	Sally Shaw Chief Officer 01/04/18 to 31/08/18	-	-	-
61,115	Sandra Macleod Chief Officer 3/09/18 to 31/03/20 (FYE £106,768)	106,768	-	106,768
71,214	Alex Stephen Chief Finance Officer 04/07/16 to 31/03/20	85,597	-	85,597
183,053	Total	192,365	-	192,365

FYE = Full Year Equivalent

In respect of officers' pension benefits the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.

The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Officer Name	Responsibility	Pension as at 31/3/2020 £000	Pension Difference from 31/3/2019 £000	Lump Sum as at 31/3/2020 £000	Lump Sum Difference from 31/3/2019 £000	Pension Contribution 2019/2020 £	Pension Contribution 2018/2019 £
Judith Proctor	Chief Officer 01/02/2016 – 27/04/2018	-	-	-	-	-	1,395
Sally Shaw	Chief Officer 01/04/18 - 31/08/18	-	-	-	-	-	7,982
Sandra Macleod	Chief Officer 3/09/18 to 31/03/20	3	2	-	-	22,941	9,106
Alex Stephen	Chief Finance Officer 01/07/2016 – 31/03/2020	24	2	33	1	16,520	13,744
						39,461	32,227

The IJB does not have its own pension scheme, however, details of the North East of Scotland Pension scheme can be found in Aberdeen City Council's accounts and details of the NHS pension scheme can be found NHS Grampian's accounts. Both documents are available on their respective websites.

Disclosure by Pay Bands

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50,000 or above, in bands of £5,000.

Number of Employees in Band -2018/19	Remuneration Band	Number of Employees in Band – 2019/20
1	£60,000 - £64,999	0
1	£70,000 - £74,999	0
0	£85,000 - £89,999	1
0	£105,000 - £109,999	1

Exit Packages

No exit packages were paid to IJB staff during this period or the previous period.

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Sandra Macleod

Chief Officer

9 June 2020

Sarah Duncan

Chair

9 June 2020

Annual Governance Statement

Scope of Responsibility

The Integration Joint Board (IJB) is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, safeguarding public funds and assets and making arrangements to secure best value in their use.

In discharging this responsibility, the Chief Officer has put in place arrangements for governance which include the system of internal control. This is designed to manage risk to a reasonable level but cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable but not absolute assurance of effectiveness.

The IJB has a reliance on the Aberdeen City Council and NHS Grampian systems of internal control, which support compliance with both organisations' policies and promote achievement of each organisation's aims and objectives, as well as those of the IJB.

The result of this is a situation where assurances are required on the effectiveness of the governance arrangements from the three partners. This means that a significant failure in the internal control environment of one of the three partners may require to be disclosed in the accounts of all three partners and not just the IJB and the partner where the issue occurred.

The Governance Framework

In this complex environment of circular assurances, it is important that the IJB has its own local code of corporate governance and regularly reviews performance against the governance principles included within this code. The IJB has developed an Assurance Framework in conjunction with the Good Governance Institute which provides readers with an understanding of the governance framework and the assurances that can be obtained from it.

The IJB agreed on 11 April 2017 at the Audit & Performance Systems Committee to adopt a local code of corporate governance which was built around the principles identified in the CIPFA\SOLACE¹ Delivering Good Governance in Local Government Framework (2016 Edition). The local code of governance is normally reviewed annually and reported to the same audit committee where the annual governance statement is approved. This code provides a list of documents\activities from an IJB, NHS Grampian and Aberdeen City Council perspective which provide assurance on the governance framework. However, this financial year it has not been reviewed due to the impact of the coronavirus on staffing levels. Therefore, the IJB will need to take assurance that the control environment and governance of the organisation has remained largely unchanged since the assurance received in 2018/19.

¹ CIPFA - The Chartered Institute of Public Finance and Accountancy

SOLACE – The Society of Local Authority Chief Executives

At the same meeting a review is normally undertaken by the Chief Finance Officer evaluating the IJB's governance environment against the governance principles detailed in the CIPFA document titled the 'The role of the chief financial officer in local government'. Again, this review has not been undertaken due to the impact of the coronavirus on staffing levels and assurance will need to be taken from the 2018/19 review.

A reliance has been placed on the previous versions of these documents where these arrangements remain unchanged, given the movements in control and governance environments has been minimal and these documents have been considered when preparing the Annual Governance Statement. This Annual Governance Statement was reviewed by the IJB on 12 May 2020.

Whilst both these documents were specifically written for local government the governance principles can be used by other public sector organisations. Also, the IJB is defined as a local government organisation per the Local Government (Scotland) Act 1973 and Aberdeen City Council has also adopted the governance principles from the delivering good governance document in its own local code of corporate governance.

Coronavirus Arrangements

In relation to the coronavirus pandemic the Partnership reduced its service delivery and prioritised services to allow it to deal with the implications of the coronavirus and support a reduction in the spread of the virus by undertaking social distancing and reducing contact with service users. In terms of the pandemic governance arrangements, the Partnership has reported through the business continuity arrangements of both the Council and the NHS. Governance arrangements have also been established in the Partnership where there are a number of meetings in the morning to assess the status of service delivery and this is reported to a daily meeting of the leadership team, staff side/unions and Bon Accord Care. At this meeting it is agreed what needs to be escalated and what can be agreed using the delegated authority of either the Chief Officer or Chief Finance Officer. These meetings are documented and supported by our Control Room which was established to aid the flow of information. The IJB has met twice since the start of the pandemic, the Clinical Care & Governance Committee has met once and the Risk, Audit and Performance Committee is due to start up again late August/early September.

Seven Governance Principles of local governance framework.

Against each of the seven governance principles adopted by the IJB there are key documents, activities, policies and arrangements which help address these. For the IJB some of these documents belong to NHS Grampian and Aberdeen City Council given their operational delivery role and the fact that the staff have remained employed by the partner bodies.

The seven governance principles identified in the local code of corporate governance and recommended in the CIPFA/SOLACE Framework are identified below, along with narratives evidencing compliance with the principles.

Principle 1 – Behaving with integrity, demonstrating strong commitment to ethical values and representing the rule of law,

Integrity: The following values of the IJB are indicated in the Strategic Plan:

- caring
- person-centred
- enabling

These values form part of the decision-making process of the IJB and are evident in the actions and decisions made by the Board. The IJB has appointed a Standards Officer who is responsible, amongst other things, for the maintaining of Registers of Interests, Registers of Gifts and Hospitality and training on the Model Code of Conduct for Members of Devolved Public Bodies.

Ethical Values: The IJB has agreed in principle to adopt the Unison Ethical Care Charter and has provided funding to care providers to allow the Scottish Living Wage to be paid.

Rule of Law: A comprehensive consultation process has been developed with officers from Aberdeen City Council and NHS Grampian to ensure that decisions and reports comply with legislation. A member of the Council's Governance Team attends the IJB to ensure that decisions taken are in line with any legislative requirements. The IJB has appointed a Chief Finance Officer to ensure that the accounts and finances are in line with the statutory accounting environment. The IJB has Standing Orders and an Integration Scheme which provide information on where decisions can be made. Two sub committees have been created and each has its own terms of reference.

Improvement activities undertaken during the year: The Standing Orders of the IJB have been reviewed and updated and were approved on 19 November 2019. The Terms of Reference for the two sub committees were reviewed and update at the same IJB meeting. A new Standards Officer was agreed by the IJB on 3 September 2019.

Principle 2 – Ensuring openness and comprehensive stakeholder engagement,

Openness: The IJB is a public board where members of the public and press can attend and agendas, reports and minutes are available publicly to review. Therefore, members of the public can assess whether they believe that decisions are being taken in the public interest. The Risk, Audit and Performance Committee is also a public meeting. The IJB has its own complaints handling procedure which complies with Scottish Public Services Ombudsman’s guidance.

Stakeholder Engagement: The non-voting membership of the IJB is set out in the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014. This comprises seven professional members and a minimum of four stakeholder representatives for each of the following groups - staff, third sector bodies, service users and carers. The IJB agreed a budget protocol on the 7 March 2017 which sought to formalise stakeholder engagement with the partner organisations around the budget process. Care providers are very much thought of as a key part of the partnership and invited to the majority of the events the IJB hosts. The IJB has established the Aberdeen City Joint Staff Forum, which includes representation from the trade unions and the staff partnership, as a forum for workforce issues affecting social care and health staff.

Improvement activities undertaken during the year: The IJB approved a new Strategic Plan covering the next three financial years on 26 March 2019. This plan and a decision to alter the number of localities were widely consulted on with our partners, the third sector and residents. A significant engagement process was undertaken on the new care at home recommissioning exercise and the final specification was agreed on the 11th February 2020. An engagement and consultation protocol with the trade unions was agreed at the IJB on 21 January 2020.

Principle 3 – Defining outcomes in terms of sustainable economic, social and environmental benefits,

Economic: The IJB has agreed a Medium-Term Financial Framework which is updated annually. The transformation programme and IJB report format specifically highlight the economic impact of the decisions being taken on current and future financial years. Work has been undertaken to establish the financial and operational benefits of the major transformation projects.

Social: The IJB has published a revised Strategic Plan which identifies outcomes and the direction of travel over the next few years. The majority of outcomes are closely linked to how social care and health services will be delivered and improved over the life of the Strategic Plan.

Environmental: A public bodies climate change duties report is collated and submitted annually on behalf of the IJB.

Improvement activities undertaken during the year: The partnership has adopted the lean six sigma quality improvement methodology, has trained relevant staff and has undertaken and implemented several improvement projects using this methodology. The outcomes of some of these projects are directly informing, wider transformational activity across the partnership including the redesign of staffing teams aligned to localities and are part of our conditions for change programme. A strategic planning framework has been agreed and implemented for the large hospital services. A governance structure has been implemented to support this work including a cross system transformation board which include senior officers from the Council, NHSG and the IJBs.

Principle 4 - Determining the interventions necessary to optimise the achievement of intended outcomes,

Interventions: A transformation programme has been developed which will help support the delivery of the Strategic Plan. This programme is monitored on a regular basis and information on progress is received by the IJB and the Risk, Audit and Performance Committee for scrutiny and challenge. Decisions to procure services costing over £50,000 are taken by the IJB in so far as they relate to a Direction made to the NHS or Aberdeen City Council in respect of a delegated function and each report contains a section on risk. The Executive Programme Board monitors any new projects ensuring that an option appraisal and project plans are developed in line with best practice. The benefits, both financial and non-financial, are highlighted and contained in the project plans.

Improvement activities undertaken during the year: The transformation programme fully aligns to the new Strategic Plan and seeks to mainstream existing projects, focusing on strategic performance indicators to measure impact and demonstrate meaningful change. The new plan requires greater focus on prevention, early intervention and addressing health inequalities which will have an impact on improving outcomes. A new governance structure has been implemented to support the programme.

Future Developments: Develop a programme to support the delivery of the leadership team objectives which will help deliver the savings identified in the Medium-Term Financial Framework.

Principle 5 – Developing the entity’s capacity, including the capability of its leadership and the individuals within it,

Entity’s Capacity: A workforce plan has been developed for the IJB covering health and social care services. Capacity is further developed and scrutinised by having stakeholders out with those employed by the IJB, ACC or NHS Grampian around the IJB and many of its working groups.

Leadership: The IJB has set itself goals and has evaluated their performance against these goals. An organisational development plan has been developed and agreed which has a focus on leadership. A conference was held by the partnership during the year focussing on social care and health which was well attended.

Individuals: An induction programme has been established for the IJB which complements the induction programmes of NHS Grampian and Aberdeen City Council. Monthly newsletters are sent to all staff and an awards ceremony was held to celebrate achievements during the year. Staff surveys have been undertaken for Council staff and the 'iMatter' survey is undertaken annually. The outputs from these surveys are discussed by the IJB Leadership Team and any necessary improvement actions implemented.

Improvement activities undertaken during the year: The career ready programme and modern apprenticeships have been established within services. The Chief Officer is undertaking quarterly staff forums. Regular meetings have been held with the direct reports of the leadership team to promote the localities model and the leadership team objectives. A new leadership team structure has been implemented to allow Strategic Plan outcomes to be achieved.

Future Developments: Establish a leadership programme which helps instil the principles of cross system leadership throughout the partnership.

Principle 6 - Managing risk and performance through robust internal control and strong public financial management,

Risk: Two risk registers have been developed. The first is an IJB Strategic Risk Register and this documents the risk that the IJB may face in delivery of the Strategic Plan. The second register covers operational risks and is a summary of the departmental operational risk registers. The Strategic Risk Register is updated frequently and reported to the Risk, Audit and Performance Committee and the IJB.

Performance: A performance management framework has been developed for the IJB and is reported frequently to the Risk, Audit and Performance Committee and the IJB. Performance is also monitored by bi-monthly city sector performance review meetings, where the Chief Executives and senior finance officers from NHS Grampian and Aberdeen City Council discuss performance and finance in a structured meeting with the Chief Officer and Chief Finance Officer. Performance management information is provided at a national NHS level and also contained within the statutory performance indicators reported by the Council. An annual performance report is required as defined in the legislation (Public Bodies (Joint Working) (Scotland) Act 2014) underpinning the creation of the IJB.

Internal Controls: The internal control environment is largely delivered by the partner organisations given their operational remit. However, internal controls are evidenced in the IJB Integration Scheme and Financial Regulations. A review of the IJB internal controls is undertaken annually by the Chief Internal Auditor and his opinion on the adequacy of the internal control environment is highlighted below.

Financial Management: The IJB has received quarterly reports on the financial position as indicated in the Integration Scheme. All IJB reports contain a financial implications section advising the IJB on the budget implications of agreeing the recommendations of the report.

Improvement activities undertaken during the year: The Strategic Risk Register and Risk Appetite Statement were reviewed by the IJB in a workshop and subsequently formally approved. A performance dashboard has been implemented using an NHS software system called Tableau. The dashboard is the basis of all reporting from operational to strategic level.

Principle 7 – Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Transparency: The IJB meetings are held in public and the agendas, reports and minutes are available for the public to inspect. Public attendance is welcome at the IJB meetings. The Risk, Audit and Performance committee is also held in public. The IJB has developed a Publication Scheme as required under the Freedom of Information (Scotland) Act 2002.

Reporting: The annual accounts management commentary section will have a focus on both financial and service performance over the last financial year.

Audit: The 2018/19 accounts received an unqualified audit opinion. The Risk, Audit and Performance Committee has received an internal audit plan from the Chief Internal Auditor and internal audit reports over the last financial year.

Improvement activities undertaken during the year: Work has been undertaken to review the clinical care governance arrangements in the partnership and the role of the Clinical Care Governance Committee in this process. A review has been undertaken of the role of the North East Partnership which has strengthen governance arrangements for hosted and large hospital services.

Future Developments: Continue to review and refine the clinical care governance framework and arrangements.

Review of Effectiveness

The IJB has responsibility for conducting, at least annually, a review of the effectiveness of the governance arrangements, including the system of internal control. The review is informed by the work of the IJB Leadership Team (who have responsibility for the development and maintenance of the internal control framework environment), the work of the internal auditor and the Chief Internal Auditor’s annual report, and reports from the external auditor and other review agencies and inspectorates.

The Chief Internal Auditor has reviewed the IJB’s internal control framework and in his opinion reasonable assurance can be placed upon the adequacy and effectiveness of the Board’s framework of governance, risk management and control in the year to 31 March 2020.

Whilst recommendations for improvement were identified in audits that have been completed, as reported to the Risk, Audit and Performance Committee, areas of good practice, improvement, and procedural compliance were also identified.

The governance framework was reviewed by the IJB Leadership Team against the governance principles identified in the CIPFA Role of the Chief Finance Officer Framework. The Audit and Performance Systems Committee was updated on progress with the implementation of improvement actions identified on the 30 April 2019.

The local code of corporate governance was agreed by the Audit and Performance Systems Committee on 11 April 2017 and progress against the seven principles is detailed above. At Audit and Performance Systems Committee on 10 April 2018 and the 30 April 2019 an update was provided on the sources of assurance contained in the local code of governance.

The work undertaken against the improvement actions highlighted in the 2019/20 annual governance statement is detailed in the improvement activities undertaken during the year sections detailed above.

It is recognised that the IJB’s governance framework is evolving as it matures, and that future development work is required to provide further assurance against the governance principles. A summarised list of the 2020/21 improvement actions is shown directly below:

	Area for Improvement and Outcome to Be Achieved	Improvement Action Agreed	Responsible Party	Completion Date
1.	Transformation Programme	Create Programme Management Structure	Transformation Lead	31 March 2021
2.	Clinical Care Governance	Review arrangements	Clinical Lead	31 March 2021
3.	Leadership Development	Implement new programme to support cross system leadership	SOARS Lead	31 March 2021

In addition, the review of the effectiveness of the governance arrangements and systems of internal control within Aberdeen City Council and NHS Grampian places reliance upon the individual bodies’ management assurances in relation to the soundness of their systems of internal control.

Accordingly, the following notes support the reliance that is placed upon those systems:

i) Aberdeen City Council’s governance framework

Aberdeen City Council’s governance framework comprises the systems and processes, culture and values by which the Council is directed and controlled, and the activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its outcomes given the crucial role

of governance, performance management and risk management in improving stewardship and how we do business. Reviewing our governance activity enables us to consider whether those objectives have led to the delivery of appropriate, cost effective services to the citizens of Aberdeen.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, or comply with controls, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to: -

- identify and prioritise the risks to the achievement of the Council's outcomes;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage those risks efficiently, effectively and economically.

The Audit, Risk & Scrutiny Committee has a key role in this, and an annual report of its activities and effectiveness will be considered by the committee and referred to Council for its consideration. This demonstrates improved transparency, understanding and challenge of the activity and outcomes from the Audit, Risk & Scrutiny Committee. The Council has an approved Local Code of Corporate Governance which sets out their commitment to the seven principles recommended in the CIPFA / SOLACE Framework 2016, by citing the primary sources of assurance which demonstrate the effectiveness of the systems of internal control.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Principle B: Ensuring openness and comprehensive stakeholder engagement

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Principle F: Managing risk and performance through robust internal control and strong public financial management

Principle G: Implementing good practices in transparency, reporting and audit, to deliver effective accountability

The Code, approved by Council on 15 March 2017, can be viewed on the Council's website.

In summary the Council has undertaken a self-evaluation of its Local Code of Corporate Governance as at 31 March 2020. This demonstrates that reasonable assurance can be placed upon the adequacy and effectiveness of Aberdeen City Council and its systems of governance. As the interim transitional structure continues to embed and as working practices are improved through digital design and delivery, levels of assurance are expected to increase.

The Chief Executive and Co-Leaders of the Council have certified that this review demonstrates sufficient evidence that the Code of Corporate Governance operates effectively and provides a clear pathway for the enhancement of the governance arrangements over the coming year. They are satisfied that the programme of improvement actions will help to raise the standard of governance and provide assurance to their internal and external auditors, and other bodies with a role to play in evaluating their structures. They are also satisfied that their implementation and operation will be monitored closely as part of the next annual review.

ii) NHS Grampian governance framework

NHS Grampian is required to operate within the aspects of the Scottish Public Finance Manual (SPFM) which are set out within the guidance issued to Chief Executives and more generally to all Board members by the Scottish Government Health and Social Care Directorates as being applicable to NHS Boards. The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for efficiency, effectiveness and economy, and promotes good practice and high standards of propriety.

As Accountable Officer, the Chief Executive is responsible for maintaining an adequate and effective system of internal control that identifies, prioritises and manages the principal risks facing the organisation, promotes achievement of the organisation's aims and objectives and supports compliance with the organisation's policies and safeguarding public funds.

The Board continually monitors and reviews the effectiveness of the system of internal control with a specific focus on the delivery of safe and effective patient care, achievement of national and local targets and demonstrating best value and the efficient use of resources. Key elements of the system of internal control include:

- A Board which meets regularly to discharge its governance responsibilities, set the strategic direction for the organisation and approve decisions in line with the Scheme of Delegation. The Board comprises the Executive Directors and Non-Executive members. The Board activity is open to public scrutiny with minutes of meetings publicly available;
- The Board receives regular reports on Healthcare Associated Infection and reducing infection as well as ensuring that health and safety, cleanliness and good clinical practice are high priorities;

- Scheme of Delegation, Standing Orders and Standing Financial Instructions approved by the Board are subject to regular review to assess whether they are relevant and fully reflective of both best practice and mandatory requirements;
- Mature and organisation wide risk management arrangements built on localised risk registers and processes which ensure, as appropriate, escalation of significant instances of non-compliance with applicable laws and regulations;
- Dedicated full time members of staff for key statutory compliance functions including Information Governance, Health and Safety, fire and asbestos, tasked with ensuring they are up to date with all relevant legislation and are responsible for co-ordinating management action in these areas.
- A focus on best value and commitment to ensuring that resources are used efficiently, effectively and economically taking into consideration equal opportunities and sustainable development requirements;
- Consideration by the Board of regular reports from the chairs of the performance governance, engagement and participation, staff governance, clinical governance, audit committee and from the Chair of the Endowment Trustees concerning any significant matters on governance, risk and internal controls;
- Each key governance committee is supported by a designated lead Executive Director who has the delegated management accountability for statutory and regulatory matters.
- Regular review of financial performance, risk management arrangements and non-financial performance against key service measures and standards by the Performance Governance Committee;
- Regular review of service quality against recognised professional clinical standards by the Clinical Governance Committee;
- Regular review of workforce arrangements and implementation of the NHS Scotland Staff Governance standards by the Staff Governance Committee;
- An active joint management and staff partnership forum with staff side representation embedded in all key management teams and a dedicated full time Employee Director who is a member of the Board;
- Regular review of priorities for infrastructure investment and progress against the agreed Asset Management Plan by an Asset Management Group chaired by a Board Executive Director and including management representatives from all operational sectors and representation from the clinical advisory structure;
- Clear allocation of responsibilities to ensure we review and develop our organisational arrangements and services in line with national standards and guidance including consultation with all stakeholders on service change proposals to inform decision making;
- Promotion of effective cross sector governance arrangements through participation by the IJB Board members and the Chief executives of each of the partner organisations in the North East Partnership forum, regular meetings between the Chief Executives of all Public Sector organisations in Grampian and performance review meetings with each IJB Chief Officer to further develop and drive improvement through integrated service delivery;
- A patient feedback service to record and investigate complaints and policies to protect employees who raise concerns in relation to suspected wrongdoing such as clinical malpractice, fraud and health and safety breaches; and
- Separate governance arrangements for the NHS Grampian Endowment Funds including a separate and distinct Chair of the Trustees, elected from within the

body of the Trustees, an annual general meeting of all Trustees to agree all policy matters and an Endowment Sub Committee of Trustees with delegated authority to manage the day to day operational matters of the charity.

Based on the evidence considered during the review of the effectiveness of the internal control environment operating within NHS Grampian, the Chief Executive has confirmed that they are not aware of any outstanding significant control weaknesses or other failures to achieve the standards set out in the guidance that applies to NHS Boards in relation to governance, risk management and internal control.

Certification: Subject to the above, and on the basis of assurances provided, we consider that the internal control environment operating during the reporting period provides reasonable and objective assurance that any significant risks impacting upon the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the internal control environment and action plans are in place to identify areas for improvement. It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Aberdeen City Integration Joint Board's systems of governance.

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Sandra Macleod

Sarah Duncan

Chief Officer

Chair

9 June 2020

9 June 2020

Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices.

2018/19			2019/20			
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	
£	£	£	£	£	£	
31,594,608	0	31,594,608	Community Health Services	34,797,252	0	34,797,252
22,330,324	0	22,330,324	Aberdeen City share of Hosted Services (health)	24,234,025	0	24,234,025
34,621,408	0	34,621,408	Learning Disabilities	35,146,542	0	35,146,542
19,992,884	0	19,992,884	Mental Health & Addictions	20,240,395	0	20,240,395
74,255,297	0	74,255,297	Older People & Physical and Sensory Disabilities	78,465,627	0	78,465,627
171,352	0	171,352	Head office/Admin	1,783,412	0	1,783,412
5,110,341	(5,011,925)	98,416	Criminal Justice	4,734,327	(4,642,640)	91,687
1,860,555	0	1,860,555	Housing	1,477,205	0	1,477,205
40,316,656	0	40,316,656	Primary Care Prescribing	40,842,789	0	40,842,789
38,885,208	0	38,885,208	Primary Care	41,140,761	0	41,140,761
1,689,920	0	1,689,920	Out of Area Treatments	2,000,719	0	2,000,719
46,416,000	0	46,416,000	Set Aside Services	46,410,000	0	46,410,000
5,652,733	0	5,652,733	Transformation	3,778,609	(96,814)	3,681,795
322,897,286	(5,011,925)	317,885,361	Cost of Services	335,051,663	(4,739,454)	330,312,209
0	(315,156,733)	(315,156,733)	Taxation and Non-Specific Grant Income (Note 5)	0	(327,335,768)	(327,335,768)
322,897,286	(320,168,658)	2,728,628	Surplus or Deficit on Provision of Services	335,051,663	(332,075,222)	2,976,441
		2,728,628	Total Comprehensive Income and Expenditure			2,976,441

There are no statutory or presentation adjustments which affect the IJB's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not provided in these annual accounts.

Movement in Reserves Statement

This statement shows the movement in the year on the IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

Movements in Reserves During 2019/20	General Fund Balance	Total Reserves
	£	£
Opening Balance at 31 March 2019	(5,578,337)	(5,578,337)
Total Comprehensive Income and Expenditure	2,976,441	2,976,441
Adjustments between accounting basis and funding basis under regulation	-	-
(Increase) or Decrease in 2019/20	2,976,441	2,976,441
Closing Balance at 31 March 2020	(2,601,896)	(2,601,896)
<hr/>		
Movements in Reserves During 2018/19	General Fund Balance	Total Reserves
	£	£
Opening Balance at 31 March 2018	(8,306,965)	(8,306,965)
Total Comprehensive Income and Expenditure	2,728,628	2,728,628
Adjustments between accounting basis and funding basis under regulation	-	-
(Increase) or Decrease in 2018/19	2,728,628	2,728,628
Closing Balance at 31 March 2019	(5,578,337)	(5,578,337)
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Balance Sheet

The Balance Sheet shows the value of the IJB's assets and liabilities as at the balance sheet date. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 Mar 2019		Notes	31 Mar 2020
£			£
8,147,834	Short term Debtors	(6)	2,626,540
8,147,834	Current Assets		2,626,540
(2,569,497)	Short term Creditors	(7)	(24,644)
(2,569,497)	Current Liabilities		(24,644)
5,578,337	Net Assets		2,601,896
(5,578,337)	Usable Reserve: General Fund	(8)	(2,601,896)
-	Unusable Reserve:		-
(5,578,337)	Total Reserves		(2,601,896)

The audited accounts were issued on 9 June 2020

Alex Stephen

Chief Finance Officer
9 June 2020

Usable reserves may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Unusable Reserves includes reserves relating to statutory adjustments as shown in the Movement in Reserves Statement.

Notes to the Financial Statements

1. Significant Accounting Policies

General Principles

The Financial Statements summarises the authority's transactions for the 2019/20 financial year and its position at the year-end of 31 March 2020.

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The accounts are prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received, and their benefits are used by the IJB.
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down

Funding

The IJB is primarily funded through funding contributions from the statutory funding partners, Aberdeen City Council and NHS Grampian. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in Aberdeen City.

Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently, the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet or a cashflow statement. The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet.

Employee Benefits

The IJB does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a Pensions Liability on its Balance Sheet.

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. Where material the Chief Officer's absence entitlement as at 31 March is accrued, for example in relation to annual leave earned but not yet taken. In the case of Aberdeen City IJB any annual leave earned but not yet taken is not considered to be material.

Reserves

The IJB is permitted to set aside specific amounts as reserves for future policy purposes. Reserves are generally held to do three things:

- create a working balance to help cushion the impact of uneven cash flows – this forms part of general reserves;
- create a risk fund to cushion the impact of unexpected events or emergencies; and
- create a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

The balance of the reserves normally comprises:

- funds that are earmarked or set aside for specific purposes; and
- funds which are not earmarked for specific purposes but are set aside to deal with unexpected events or emergencies.

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged against the appropriate line in the Income and Expenditure Statement in that year to score against the Surplus/Deficit on the Provision of Services. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement.

The IJB's reserves are classified as either Usable or Unusable Reserves.

The IJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the IJB can use in later years to support service provision.

Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Grampian and Aberdeen City Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the IJB does not have any 'shared risk' exposure from participation in CNORIS. The IJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material the overall expected value of known claims taking probability of settlement into consideration, is provided for in the IJB's Balance Sheet.

The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where material, presented as either a debtor or disclosed as a contingent asset.

Support Services

Corporate support services (finance, legal and strategy) are provided by Aberdeen City Council and NHS Grampian at no cost to the IJB and it is not possible to separately identify these costs. To the extent that delegated services include an element of overheads and support services costs, these will be included within the appropriate line within the Income and Expenditure statement.

2. Critical Judgements and Estimation Uncertainty

The Financial Statements include some estimated figures. Estimates are made taking into account the best available information, however actual results could be materially different from the assumptions and estimates used. The key items in this respect are listed below.

Provisions

No financial provision for any future events has been made by the IJB in this accounting period.

3. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the IJB's financial position or financial performance. Where a change is made, it is applied retrospectively by

adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

The Audited Annual Accounts were authorised for issue by the Chief Finance Officer on 9 June 2020. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

4. Expenditure and Income Analysis by Nature

2018/19		2019/20
£		£
128,849,426	Services commissioned from Aberdeen City Council	132,700,907
194,018,459	Services commissioned from NHS Grampian	202,321,356
-	Employee Benefits Expenditure	-
-	Insurance and Related Expenditure	-
29,400	Auditor Fee: External Audit	29,400
-	Auditor Fee: Other	-
(5,011,925)	Service Income: Aberdeen City Council	(4,739,454)
-	Service Income: NHS Grampian	-
(315,156,732)	Partners Funding Contributions and Non-Specific Grant Income	(327,335,768)
2,728,628	(Surplus) or Deficit on the Provision of Services	2,976,441

5. Taxation and Non-Specific Grant Income

2018/19		2019/20
£		£
(86,855,919)	Funding Contribution from Aberdeen City Council	(90,909,671)
(228,300,813)	Funding Contribution from NHS Grampian	(236,426,097)
(315,156,732)	Taxation and Non-specific Grant Income	(327,335,768)

The funding contribution from the NHS Board shown above includes £46,410,000 in respect of 'set-aside' resources relating to acute hospital and other resources. These are provided by the NHS, which retains responsibility for managing the costs of providing the services. The IJB, however, has responsibility for the consumption of, and level of demand placed on, these resources.

The funding contributions from the partners shown above exclude any funding which is ring-fenced for the provision of specific services, such as that provided for Criminal Justice. Such ring-fenced funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement.

6. Debtors

31 Mar 19		31 Mar 20
£		£
8,147,834	NHS Grampian	2,626,540
8,147,834	Debtors	2,626,540

Amounts owed by the funding partners are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

7. Creditors

31 Mar 19		31 Mar 20
£		£
(2,569,497)	Aberdeen City Council	(24,644)
(2,569,497)	Creditors	(24,644)

Amounts owed to the funding partners are stated on a net basis. Debtor balances relating to expenditure obligations incurred by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

8. Usable Reserve: General Fund

The IJB holds a balance on the General Fund for two main purposes:

- To earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.
- To provide a risk fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework.

The table below shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned future expenditure, and the amount held as a risk fund.

2018/19				2019/20			
Balance at 1 April 2018	Transfers In	Transfers Out	Balance at 31 March 2019		Transfers In	Transfers Out	Balance at 31 March 2020
£	£	£	£		£	£	£
(500,000)	-	500,000	-	Equipment	-	-	-
				Earmarked External Funding	(682,198)	-	(682,198)
(2,639,806)	-	1,059,945	(1,579,861)	Primary Care	-	1,579,861	-
-	(281,152)	-	(281,152)	PCIP*	-	208,388	(72,764)
-	(666,404)	-	(666,404)	ADP*	-	90,404	(576,000)
(3,417,159)	(399,806)	3,266,045	(550,920)	Integration +Change	-	550,920	-
(6,556,965)	(1,347,362)	4,825,990	(3,078,337)	Total Earmarked	(682,198)	2,429,573	(1,330,962)
(1,750,000)	(750,000)	-	(2,500,000)	Risk Fund	-	1,229,066	(1,270,934)
(8,306,965)	(2,097,362)	4,825,990	(5,578,337)	General Fund	(682,198)	3,658,639	(2,601,896)

* PCIP – Primary Care Improvement Funds

* ADP – Alcohol & Drugs Partnership Funding

9. Agency Income and Expenditure

On behalf of all IJBs within the NHS Grampian area, the IJB acts as the lead manager for Sexual Health Services and Woodend Rehabilitation Services. It commissions services on behalf of the other IJBs and reclaims the costs involved. The payments that are made on behalf of the other IJBs, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the IJB is not acting as principal in these transactions.

The amount of expenditure and income relating to the Sexual Health Services agency arrangement is shown below.

2018/19		2019/20
£		£
1,269,269	Expenditure on Agency Services	1,299,409
(1,269,269)	Reimbursement for Agency Services	(1,299,409)
-	Net Agency Expenditure excluded from the CIES	-

The amount of expenditure and income relating to the Woodend Rehabilitation Services agency arrangement is shown below.

2018/19 £		2019/20 £
6,374,360	Expenditure on Agency Services	6,953,611
(6,374,360)	Reimbursement for Agency Services	(6,953,611)
-	Net Agency Expenditure excluded from the CIES	-

10. Related Party Transactions

The IJB has related party relationships with the NHS Grampian, Aberdeen City Council and Bon Accord Care/Bon Accord Support Services. The nature of these relationships means that the IJB may influence, and be influenced by, these parties. The following transactions and balances included in the IJB's accounts are presented to provide additional information on the relationships.

NHS Grampian

2018/19 £		2019/20 £
(228,300,813)	Funding Contributions received from the NHS Board*	(236,426,097)
-	Service Income received from the NHS Board	-
193,901,170	Expenditure on Services Provided by the NHS Board	202,127,272
117,289	Key Management Personnel: Non-Voting Board Members	194,084
(34,282,354)	Net Transactions with the NHS Grampian	(34,104,741)

Key Management Personnel: The non-voting Board members employed by the NHS Board and recharged to the IJB include the Chief Officer and the Clinical Director. Details of the remuneration for some specific post-holders is provided in the Remuneration Report

*Includes resource transfer income of £35,688,000

Balances with NHS Grampian

31-Mar-19		31-Mar-20
£		£
8,147,834	Debtor balances: Amounts due from the NHS Board	2,626,540
-	Creditor balances: Amounts due to the NHS Board	-
8,147,834	Net Balance with the NHS Grampian	2,626,540

Transactions with Aberdeen City Council

2018/19		2019/20
£		£
(86,855,919)	Funding Contributions received from the Council	(90,909,671)
(5,011,925)	Service Income received from the Council	(4,739,454)
128,730,637	Expenditure on Services Provided by the Council	132,617,568
148,189	Key Management Personnel: Non-Voting Board Members	112,739
37,010,982	Net Transactions with Aberdeen City Council	37,081,182

Key Management Personnel: The non-voting Board members employed by the NHS Board and recharged to the IJB include the Chief Financial Officer. Details of the remuneration for some specific post-holders is provided in the Remuneration Report. The Chief Social Work Officer is a non-voting member of the IJB, and the costs associated with this post are borne by the Council.

31-Mar-19		31-Mar-20
£		£
-	Debtor balances: Amounts due from the Council	-
(2,569,497)	Creditor balances: Amounts due to the Council	(24,644)
(2,569,497)	Net Balance with the Aberdeen City Council	(24,644)

Transactions with Bon Accord Care (BAC) and Bon Accord Support Services (BASS)

Bon Accord Care Limited and Bon Accord Support Services Limited are private companies limited by shares which are 100% owned by Aberdeen City Council. Bon Accord Care provides regulated (by the Care Inspectorate) care services to Bon Accord Support Services which in turn delivers both regulated and unregulated adult social care services to the Council.

31-Mar-19		31-Mar-20
£		£
(980,261)	Service Income received from the Council	(1,080,280)
29,010,581	Expenditure on Services Provided by the Council	30,434,398
28,030,320	Net Transactions with BAC/BASS	29,354,118

11. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

Glossary of Terms

While the terminology used in this report is intended to be self-explanatory, it may be useful to provide additional definition and interpretation of the terms used.

Accounting Period

The period of time covered by the Accounts, normally a period of 12 months commencing on 1 April each year. The end of the accounting period is the Balance Sheet date.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred not as money is received or paid.

Asset

An item having value to the IJB in monetary terms. Assets are categorised as either current or non-current. A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock). A non-current asset provides benefits to the IJB and to the services it provides for a period of more than one year.

Audit of Accounts

An independent examination of the IJB's financial affairs.

Balance Sheet

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

Consistency

The concept that the accounting treatment of like terms within an accounting period and from one period to the next is the same.

Contingent Asset/Liability

A Contingent Asset/Liability is either:

- A possible benefit/obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the IJB's control; or
- A present benefit/obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

Creditor

Amounts owed by the IJB for work done, goods received, or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

Debtor

Amount owed to the IJB for works done, goods received, or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Entity

A body corporate, partnership, trust, unincorporated association or statutory body that is delivering a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity accounts.

Exceptional Items

Material items which derive from events or transactions that fall within the ordinary activities of the IJB and which need to be disclosed separately by virtue of their size or incidence to give a fair presentation of the accounts.

Government Grants

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the IJB. These grants may be specific to a particular scheme or may support the revenue spend of the IJB in general.

IAS

International Accounting Standards.

IFRS

International Financial Reporting Standards.

IRAG

Integration Resources Advisory Group.

LASAAC

Local Authority (Scotland) Accounts Advisory Committee.

Liability

A liability is where the IJB owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period e.g. creditors or cash overdrawn. A non-current liability is an amount which by arrangement is payable beyond the next year at some point in the future or will be paid off by an annual sum over a period of time.

Provisions

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PSIAS

Public Sector Internal Audit Standards.

Related Parties

Bodies or individuals that have the potential to control or influence the IJB or to be controlled or influenced by the IJB. For the IJB's purposes, related parties are deemed to include voting members, the Chief Officer, the Chief Finance Officer and their close family and household members.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the monetary value of any other benefits received other than incash.

Reserves

The accumulation of surpluses, deficits and appropriation over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the IJB.

Revenue Expenditure

The day-to-day expenses of providing services.

Significant Interest

The reporting authority is actively involved and is influential in the direction of an entity through its participation in policy decisions.

SOLACE

Society of Local Authority Chief Executives.

The Code

The Code of Practice on Local Authority Accounting in the United Kingdom.

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INTEGRATION JOINT BOARD

Date of Meeting	9 June 2020
Report Title	Mobilisation Plan and Medium-Term Financial Framework
Report Number	HSCP.20.011
Lead Officer	Alex Stephen, Chief Finance Officer
Report Author Details	Alex Stephen, Chief Finance Officer
Consultation Checklist Completed	Yes
Directions Required	No
Appendices	A. Integration Scheme Extract B. Mobilisation Costs

1. Purpose of the Report

- 1.1. To update the Integration Joint Board (IJB) on the impact of COVID-19 on the IJB Medium Term Financial Framework and budget.

2. Recommendations

- 2.1. It is recommended that the Integration Joint Board:
- a) Notes the report and the estimated cost scenario's contained in Paragraph 3.10 and the potential impact on the IJB budget if additional funding is not provided to cover these estimated additional costs.
 - b) Notes the additional financial risk to the IJB budget and instructs the Chief Finance Officer to notify Aberdeen City Council and NHS Grampian of the increased risk in relation to their financial exposure to funding a shortfall in the IJB budget, subject to confirmation of funding not being received from the Scottish Government by 17 June 2020,
 - c) Instructs the Chief Officer and Chief Finance Officer, if required, to develop options to close any financial shortfall as per the Integration Scheme and report these to an IJB meeting to be held by the end of the second week in



INTEGRATION JOINT BOARD

August, once the quarter one financial position is finalised and there is more certainty on Scottish Government funding levels.

3. Summary of Key Information

3.1 On 10 March 2020 the IJB agreed the Medium-Term Financial Framework (MTFF) covering the next five financial years. This framework is updated annually and identifies the additional costs and savings required to deliver a balanced budget and support delivery of the Strategic Plan. The MTFF did not take consideration of the developing COVID-19 situation and the impact this would have on the IJB's budget, as this pandemic was just starting to develop. This report seeks to update the IJB on the potential financial impact of COVID-19 and the work undertaken by the Partnership during this period.

3.2 On 24 March 2020, the Cabinet Secretary for Health and Sport, Jeane Freeman and Councillor Currie (COSLA Health & Social Care Spokesperson) indicated in a letter '*In light of the current emergency which has been declared in the NHS in Scotland, there is an immediate and urgent requirement to increase the support and staff capacity in the social care sector, which includes nursing homes, care homes and care at home. The move aims to help the care system adapt to increased pressure placed on it by COVID -19, with many people requiring continued support for daily living, even if they have not contracted the virus.*

In light of this, and subject to any additional expenditure being fully aligned to local mobilisation plans, including the IJB responses, reasonable funding requirements will be supported. This is on the basis that a process can be developed for these to be accurately and immediately recorded and shared with the Scottish Government. The basis of this reporting will be drawn up and agreed with COSLA and Health and Social Care Partnerships.'

3.3 The Scottish Government requested that IJBs produce a mobilisation plan and submit these by 3 April 2020. This plan contained a list of actions that the Partnership was undertaking to manage the impact of COVID-19 on our communities and in the wider Health & Social Care System. Initial costings were placed against each action and the estimate at this date was £15.6m, these costings are being refined as further information becomes available.

3.4 On the 9 April the Cabinet Secretary wrote in reference to the Mobilisation Plans '*I am now approving your plans in principle for the activities identified, however I have asked my officials to follow up with Partnerships to fully*



INTEGRATION JOINT BOARD

understand the additional expenditure already incurred and future expenditure so that appropriate funding can be allocated.'

- 3.5 NHS Grampian continue to submit weekly returns to Scottish Government in relation to the estimated costs of the COVID-19 response including the costs in relation to the three IJBs. In the latest return submitted to Scottish Government on the 18 May the costs relating to Aberdeen City Health and Social Care Partnership (ACHSCP) was £14.6m (£774,000 for financial year 2019/20).
- 3.6 NHS Grampian (NHSG) have submitted their latest re-mobilisation plan to Scottish Government on 25 May setting out the plans for the next phase of the COVID-19 response. This plan states that it is assumed that funding will be provided by the Scottish Government to cover the financial impact of COVID-19. NHSG have put appropriate measures and governance in place to monitor the finance impact/cost of actions taken to response to COVID-19.
- Aberdeen City IJB – Financial Exposure
- 3.7 There is significant variation in terms of what is included in the Mobilisation Plans across Scotland and work is being undertaken at a national level to benchmark costs. The variations will reflect the different decisions taken and the different services delegated in each area. The benchmarking of costs is useful in that it creates some consistency in approach, however, there is a risk if funding levels are reduced on this basis, that the funding doesn't reflect the actual financial exposure of the individual IJBs.
- 3.8 It must be stressed that the financial information included in this report is based on estimates at this stage, as the financial implications are only just starting to materialise in actual costs and many of the costs are currently being managed by the Social Care Providers, given the majority of our social care provision is commissioned externally. There could also be variations of the level of costs depending on how long the new service conditions remain in place and there may be other budgets where pressure may start to materialise. A good example of this would be the staffing budgets and whether staffing turnover savings will be generated this financial year.
- 3.9 There are three types of costs that we have identified during the process on establishing the mobilisation plan,
- 1) Direct Costs Locally Agreed – Where decisions have been made locally to incur additional costs in order to support the work undertaken in relation to the Pandemic, a good example of this would be additional



INTEGRATION JOINT BOARD

residential care home places where additional capacity was purchased to reduce the number of people delayed for discharge from hospital.

- 2) Direct Costs Nationally Influenced – Particularly with regard to Social Care Providers and approaches to sustainability, uplifts and reconciliation of additional costs for items such as PPE. National approaches have been recommended via COSLA and SG for these costs.
- 3) Indirect Costs – Where COVID-19 and the response to it has potentially changed our profile of costs or income. A good example, of this would be the prescribing costs incurred at the very end of last financial year and the delivery of the savings which were agreed by the IJB on the 10 March.

3.10 A summary of the range of costs is shown below and more information is contained in the appendix 2 to this report.

	Low Range Scenario	Medium Range Scenario	High Range Scenario
	Up to £m	Up to £m	Up to £m
Direct Costs Locally Agreed	£1m	£4m	£5m
Direct Costs Nationally Influenced	£5m	£5m	£6m
Indirect Costs	£2m	£5m	£10m
Total Additional Costs	£8m	£14m	£21m

3.11 As can be seen from the table above in any of the scenarios it is likely that the IJB will face additional costs. The mobilisation plan submitted to the Scottish Government is based on the medium range scenario. At this point, confirmation has not been received as to the level of funding which the Scottish Government will provide to cover these additional costs, although £50 million was distributed nationally to IJBs, via the NHS, on the 12 May 2020 using the NRAC\GAE formula. For Aberdeen City this amounts to £1.856 million. The funding letter from the Cabinet Secretary for Health and Sport indicates that these funds *'will support sustainability across the sector and ongoing provision of social care, while further work is undertaken to provide me with the necessary assurance for further allocations of funding to support additional costs'*. Funding has also been distributed and included in the final accounts in relation to additional costs incurred for prescribing and social care in the financial year 2019/20.



INTEGRATION JOINT BOARD

3.12 The Integration Scheme (extract Appendix A) for the IJB indicates that should the Chief Officer and Chief Finance Officer be unable to implement corrective actions to recover the financial position, that a recovery plan should be developed. If an overspend still remains at the end of the financial year, then once reserves have been used, the likelihood is that the overspend would be split between the NHS and the Council based on the amount of funding they initially transferred to the IJB. For indicative purposes, it is estimated that Aberdeen City Council would be required to fund approximately 35% of any overspend, with the remaining 65% being funded by NHS Grampian. For illustration purposes the table below estimates the level of financial exposure should for example, the indirect costs mentioned in paragraph 3.10 not be funded:

	Low Range Scenario	Medium Range Scenario	High Range Scenario
	Up to £m	Up to £m	Up to £m
Aberdeen City Council	0.7	1.75	3.5
NHS Grampian	1.3	3.25	6.5
Total Indirect Costs	2.0	5.0	10.0

3.13 Work is beginning on the recovery from COVID-19 and this is highlighted in another report on today’s agenda. At this stage it is unknown what the creation of the ‘new normal’ will cost and what if any savings will be generated.

3.14 Until clarification is provided by the Scottish Government on the level of funding likely to be received by the IJBs, there is a risk that some of the additional costs will not be funded and the delay in notifying the IJBs of the funding reduces the amount of time available to recover any adverse financial position. Given that there are still 10 months left to the end of the financial year, the uncertain conditions and the impact that COVID-19 has had and continues to have on services, it is not recommended that the IJB reserves are used to cover any shortfall. This recommendation aligns with the approved IJB Reserves Strategy given the uncertainty over the level of any financial shortfall.

3.15 Aberdeen City Council (ACC) has instructed officers to come back to their Urgent Business Committee on the 30 June with a revised budget. NHSG in their financial planning arrangements are maintaining the position advised in paragraph 3.6, that it is assumed that funding will be provided by the Scottish Government to cover the financial impact of COVID-19. The IJB is asked to consider the information contained in this report and advise whether in the absence of confirmation on funding levels they wish to inform ACC and NHSG



INTEGRATION JOINT BOARD

that there is an increased risk of there being a shortfall in funding on the IJB budget. In order to support ACC in their financial planning arrangements it is recommended that we wait to the 17 June to see whether funding confirmation is received from the Scottish Government before approaching the partners.

- 3.16 The IJB can be assured that the Chief Officer and Chief Finance Officer will seek to continue to refine and where possible reduce both the direct and indirect costs of COVID-19 and balance the 2020/21 budget. During the recovery phase we will be:
- reviewing all the services which were stopped to meet the COVID response and stay at home restrictions and determining whether these should be brought back,
 - considering the work currently being undertaken on the strategic planning of the large hospital services as agreed via operation home first,
 - reviewing the yearend position and any reduced costs on budgets as a result of COVID,
 - reviewing the original savings plans and determining how much of these can still be delivered over the remainder of the financial year.
- 3.17 It is recommended that these options are brought back to a meeting of the IJB once the Quarter 1 financial information is available.

4 Implications for IJB

- 4.1 **Equalities** – There are no equality implications arising as a result of this report.
- 4.2 **Fairer Scotland Duty** – there are no direct implications for the Fairer Scotland Duty.
- 4.3 **Financial** – The financial implications are detailed throughout the report.
- 4.4 **Workforce** - There are no workforce implications as a result of this report.
- 4.5 **Legal** – there are no legal implications arising as a result of this report.

5 Links to ACHSCP Strategic Plan



INTEGRATION JOINT BOARD

5.1 The Medium-Term Financial Framework has been drafted in order to support the IJB to deliver on its strategic plan.



6 Management of Risk

6.1 Identified risk(s) and link to risk number on strategic register:

A risk of IJB financial failure with demand outstripping available budgets (risk #2).

6.2 How might the content of this report impact or mitigate the known risks:

This report seeks to highlight to the IJB the level of financial exposure the IJB budget is currently exposed too as a result of the COVID-19 pandemic and prompt the direction of remedial activity where relevant.

Approvals	
	Sandra Macleod (Chief Officer)
	Alex Stephen (Chief Finance Officer)



INTEGRATION JOINT BOARD

Appendix 1

12.5 The process for addressing in year variations in the spending of the IJB

12.5.1 Increases in payment by Parties to the IJB

The Parties may increase in-year the payments to the IJB for the delegated services with the agreement of the IJB.

12.5.2 Reductions in payment by Parties to the IJB

12.5.2.1 The Parties do not expect to reduce the payment to the IJB in-year unless there are exceptional circumstances resulting in significant unplanned costs for the Party. In such exceptional circumstances the following escalation process would be followed before any reduction to the in-year payment to the IJB was agreed:-

- a) The Party would seek to manage the unplanned costs within its own resources, including the application of reserves where applicable.
- b) Each Party would need to approve any decision to seek to reduce the in-year payment to the IJB.
- c) Any final decision would need to be agreed by the Chief Executives of both Parties and by the Chief Officer of the IJB, and be ratified by the Parties and the IJB.

12.5.3 Variations to the planned payments by the IJB

12.5.3.1 The Chief Officer is expected to deliver the agreed outcomes within the total delegated resources of the IJB. Where a forecast



INTEGRATION JOINT BOARD

overspend against an element of the operational budget emerges during the financial year, in the first instance it is expected that the Chief Officer, in conjunction with the Chief Finance Officer of the IJB, will agree corrective action with the IJB.

- 12.5.3.2 If this does not resolve the overspending issue then the Chief Officer, the Chief Finance Officer of the IJB and the Director of Finance of NHS Grampian and the Section 95 Officer of the Council must agree a recovery plan to balance the overspending budget.

12.5.4 IJB Overspend against payments

- 12.5.4.1 In the event that the recovery plan is unsuccessful and an overspend is evident at the year-end, uncommitted reserves held by the IJB, in line with the reserves policy, would firstly be used to address any overspend.
- 12.5.4.2 In the event that an overspend is evident following the application of reserves, the following arrangements will apply for addressing that overspend:-
- 12.5.4.3 In the first complete financial year of the IJB – the overspend will be met by the Party to which the spending Direction for service delivery is given i.e. the Party with operational responsibility for the service.
- 12.5.4.4 In future years of the IJB, either:



INTEGRATION JOINT BOARD

a) A single Party may make an additional one off payment to the IJB,

or

b) The Parties may jointly make additional one off payments to the IJB in order to meet the overspend. The split of one off payments between Parties in this circumstance will be based on each Party's proportionate share of the baseline payment to the IJB, regardless of in which arm of the operational budget the overspend has occurred in.

12.5.4.5 The recovery plan may include provision for the Parties to recover any such additional one off payments from their baseline payment to the IJB in the next financial year.

12.5.4.6 The arrangement to be adopted will be agreed by the Parties.

	Medium Range 2020/21 £'000		Decision Maker	Likelihood of Funding	Could we Stop or reduce		Low Range 2020/21 £'000	High Range 2020/21 £'000
<u>Direct Costs Agreed Locally</u>								
Additional Care Home Beds	3,168	Full Year	NHSG	High	reduce	Agreed via NHSG for up to three months - Costs likely to be incurred for remainder of the year depending on how long clients remain in the care home - might be replaced by sustainability costs in due course.	792	3,168
Clinical Leads	288	Full Year	ACHSCP	high	stop	Additional staff costs for our clinical leads to support the Partnership and the community Hub.	72	288
Mental Health	144	Full Year	ACHSCP	high	stop	Additional Mental Health officer and social care provision via a Provider.	36	144
Staff overtime and additional hours	300	Full Year	ACHSCP	high	stop	Currently being collated for April - largely required to support residential settings and for weekend working.	75	300
Care at Home Additionality	0		ACHSCP	High	n\a	Not seeing or anticipating any additional costs coming through although the reconciliation process with Social Care Providers may identify new costs.	0	1,000
	3,900						975	4,900
<u>Direct Costs influenced Nationally</u>								
Care Homes Sustainability	1,263	3 Months	IJB\SG	High	No	Principles still being agreed at SG level - to support care homes financially due to a reduction in number of residents. At the moment predicted for 3 months.	1,263	2,000
Social Care Providers Uplift	528	Full Year	IJB\SG	High	No	Additional cost of uplift agreed via Scottish Government - was agreed to provide care providers 3.3%, which is higher than the amount anticipated in the MTFF.	528	528
PPE Care Providers and Partnerships	3,600	Full Year	ACC\SG	High	No	High level estimate, but have forecast for the whole year - this will be an additional cost to social care and partnership for a long time - might be reduced if national hub starts purchasing and supplying all stock. Information currently being collated from services and social care providers.	3,600	3,600
GP Practices	591	one month	SG	high	No	Additional payments to practices agreed by Scottish Government for public holidays.	591	591
Prescribing Income	-690	two months	SG	high	No	Return of funding to SG due to their expectation that the cost will reduce in first two months of the financial year.	-690	-690
	5,292						5,292	6,029
<u>Indirect Costs</u>								
Prescribing	0	Full Year	ACHSCP	medium	Reduce	No information yet on whether to expect any increase in 2020/21 due to COVID	0	1,250
Lost Income	1,000	Full Year	IJB	medium	Reduce	Reduction in financial assessments and relaxation of rules. There will be a delay in collecting some of this income.	0	3,000
Savings	3,662	Full Year	IJB	medium	Reduce	Agreed savings undeliverable as they impact on Social Care Providers, Staffing or Prescribing.	1,831	5,700
	4,662						1,831	9,950
20/21	13,854					All additional costs will need to be evidenced	8,098	20,879
19/20	774							
	14,628							

Low Range

Stop all additional costs at end of June which we can.
Focus resources on recovering the financial position and delivering savings
The recovery work identifies costs reductions

High Range

Additional costs come through the providers' reconciliation
No agreed savings are delivered
Income from clients reduces
Social Care Providers require sustainability payments for longer than three months

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