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Aberdeen City Health & Social Care Partnership
A caring partnership

To: Members of the Risk, Audit and Performance Committee

Town House,
ABERDEEN 20 April 2021

RISK, AUDIT AND PERFORMANCE COMMITTEE

The Members of the **RISK, AUDIT AND PERFORMANCE COMMITTEE** are requested to meet in **Virtual - Remote Meeting** on **TUESDAY, 27 APRIL 2021 at 10.00 am.**

FRASER BELL
CHIEF OFFICER - GOVERNANCE

B U S I N E S S

INTRODUCTION

TERMS OF REFERENCE

DECLARATION OF INTERESTS

- 1 Members are requested to intimate any declarations of interest (Pages 13 - 14)

DETERMINATION OF EXEMPT BUSINESS

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

STANDING ITEMS

- 3 Minute of Previous Meeting of 26 January 2021 (Pages 15 - 20)
- 4 Business Planner (Pages 21 - 24)

GOVERNANCE

- 5 Review of Local Code of Governance - HSCP.21.037 (Pages 25 - 36)
- 6 Review of Financial Governance - HSCP.21.038 (Pages 37 - 54)
- 7 Annual Governance Statement - HSCP.21.041 (Pages 55 - 74)
- 8 Approval of Unaudited Accounts - HSCP.21.040 - Late Report
- 9 Financial Monitoring 31 March 2021 - HSCP.21.049 - Late Report
- 10 Review of Duties & Year End Report - HSCP.21.042 (Pages 75 - 92)
- 11 Directions Update - HSCP.21.034 (Pages 93 - 98)

AUDIT

- 12 Internal Audit Annual Report 2020-21 - HSCP.21.044 (Pages 99 - 108)
- 13 External Audit Strategy 2020/21 - HSCP.21.036 (Pages 109 - 136)
- 14 Inspection of Justice Social Work Service - HSCP.21.035 (Pages 137 - 172)
- 15 Local government in Scotland: Financial overview 2019/20 - HSCP.21.016 (Pages 173 - 252)

RISK

- 16 Inclusion of Additional Risk - HSCP.21.043 (Pages 253 - 260)

PERFORMANCE

- 17 Operation Home Front Update Report - HSCP.21.033 (Pages 261 - 286)

CONFIRMATION OF ASSURANCE

- 18 Confirmation of Assurance

COMMITTEE DATES

Tuesday 22 June 2021

Thursday 23 September 2021

Tuesday 21 December 2021

Tuesday 1 March 2021

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

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Aberdeen City Health & Social Care Partnership
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ABERDEEN CITY INTEGRATION JOINT BOARD

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RISK, AUDIT AND PERFORMANCE COMMITTEE

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ABERDEEN CITY INTEGRATION JOINT BOARD

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1. Introduction

- (1) The Risk, Audit & Performance (RAP) Committee is identified as a Committee of the Integration Joint Board (IJB). The approved Terms of Reference and information on the composition and frequency of the Committee will be considered as an integral part of the Standing Orders.
- (2) The RAP Committee of the IJB and will be a Standing Committee of the Board.
- (3) The purpose of the Committee is to provide assurance to the IJB on the robustness of the Partnership's risk management, financial management, service performance and governance arrangements, including for the avoidance of doubt, Services hosted by Aberdeen City's IJB on behalf of other integration authorities.
- (4) The Chief Finance Officer shall be the operational lead for the RAP Committee.

2. Constitution

- (1) The IJB shall appoint four members to the RAP Committee all of whom shall have voting rights. These members shall be nominated by each partner. Each partner shall nominate two members.
- (2) The IJB may appoint such additional members to the RAP Committee as it sees fit. These may consist of one Patient Representative and one Carer's Representative, neither of whom shall have voting rights.
- (3) A voting member who is unable to attend a meeting must arrange insofar as possible for a suitably experienced substitute, who is a member of the appropriate constituent authority, to attend in their place. This substitute shall have voting rights.
- (4) A non-voting member who is unable to attend a meeting may arrange for a suitable substitute to attend the meeting in their place.

3. Chairperson



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- (1) The Committee will be chaired by a non-office bearing voting member of the IJB and will rotate between NHS Grampian and Aberdeen City Council.
- (2) Where the Chair is unable to attend a meeting, any substitute attending in their place shall not preside over the meeting.
- (3) The Chair shall be appointed by the IJB for a period not exceeding three years.

4. Quorum

- (1) Three voting Members of the Committee will constitute a quorum.

5. Attendance at Meetings

- (1) The principal advisers to the Committee who shall be required to attend as a matter of course shall be:
 - (a) Chief Officer;
 - (b) Chief Finance Officer; and
 - (c) Chief Internal Auditor.
- (2) Other professional advisors and senior officers are required as a matter of course and shall attend meetings at the invitation of the Committee. These persons may include, but are not limited to:
 - (a) External Audit;
 - (b) IJB Lead Strategy and Performance Manager;
 - (c) IJB Lead Transformation Manager;
 - (d) IJB Business Manager; and
 - (e) IJB Commissioning Lead.
- (3) The Committee may co-opt additional advisors as required.
- (4) The IJB Chief Finance Officer shall be the Lead Officer for the RAP Committee. Their role is to ensure that committee reports are submitted in a timely manner and monitored prior to the committee date.

6. Meeting Frequency



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- (1) The Committee will meet at least four times each financial year. There should be at least one meeting a year, or part thereof, where the Committee meets the External and Chief Internal Auditor without other Senior Officers present.
- (2) Except where required by statute, no item of business shall be considered at a meeting unless a copy of the agenda including the item of business and any associated report has been issued and open to members of the public seven days before the Committee date or, by reason of special circumstances which shall be recorded in the minute, the Chair is of the opinion that the item should be considered as a matter of urgency and at such stage of the meeting as the Chairperson shall determine.
- (3) In the event that an item of business has to be considered on an urgent basis, a meeting may be called at 48 hours' notice by the Chair following consultation with the Chief Finance Officer. The Urgent Business meeting shall retain all the RAP's functions and powers.
- (4) The Committee shall agree to set specific dates for developmental workshops/activities which will be held each year.

7. Conduct of Meetings

- (1) A calendar of Committee meetings, for each year, shall be agreed by the members and distributed to members by the clerk.

8. Authority

- (1) The Committee is authorised to instruct further investigation on any matters which fall within its Terms of Reference. It shall report its findings to the IJB when it has done this.

9. Reports by Officers

- (1) Reports must be produced in draft to the following officers for consultation in accordance with the published timetable prior to being accepted onto the RAP Committee final agenda:-
 - a) Chair of the RAP Committee;
 - b) IJB Chief Officer;



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- c) IJB Chief Finance Officer;
 - d) Chief Officer – Finance, ACC;
 - e) Director of Finance, NHSG;
 - f) Chief Officer – Governance, ACC; and
 - g) Clerk to the RAP Committee.
- (2) Aberdeen City Council's Leader(s) and Convener of the City Growth and Resources Committee shall be consulted on draft reports relating to the IJB Budget in line with the requirements of the IJB Budget Protocol.

10. Duties

The Committee shall:-

Audit

- (1) Review and approve the annual audit plans (internal and external) on behalf of the IJB, receiving reports, overseeing and reviewing actions taken on audit recommendations and escalating to the IJB as appropriate.
- (2) Monitor the annual work programme of Internal Audit, including ensuring IJB oversight of the function and programme to ensure this is carried out strategically.
- (3) Be aware of, and act on, Audit Scotland, national and UK audit findings and inspections/regulatory advice, and to confirm that all compliance has been responded to in a timely fashion.
- (4) The Committee shall present the minute of its most recent meeting to the next meeting of the IJB for information only.

Performance

- (5) Review and monitor the strategy for the performance of the Partnership towards achieving its policy objectives and priorities in relation to all functions of the IJB. This includes ensuring that the Chief Officer establishes and implements satisfactory arrangements for reviewing and appraising service performance against the national health and wellbeing outcomes, the associated core suite of indicators and other



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local objectives and outcomes and for reporting this appropriately to the Committee and Board.

- (6) Review transformation and service quality initiatives. Monitor the transformation programme considering mainstreaming, where appropriate.
- (7) Support the IJB in ensuring that the Board performance framework is working effectively, and that escalation of notice and action is consistent with the risk tolerance set by the Board.
- (8) Review the Annual Performance Report to assess progress toward implementation of the Strategic Plan.
- (9) Instruct Performance Reviews and related processes.
- (10) Support the IJB in delivering and expecting cooperation in seeking assurance that hosted services run by partners are working.

Risk & Governance

- (11) Monitor the risk appetite and/or tolerance established by the Board Assurance Framework to ensure effective oversight and governance of the partnership's activities.
- (12) Ensure the existence of and compliance with an appropriate risk management strategy including: reviewing risk management arrangements; receiving biannual Strategic Risk Management updates and undertaking in-depth review of a set of risks and annually review the IJB's risk appetite document with recommendations being brought to the IJB.
- (13) Approve the sources of assurance used in the Annual Governance Statement.
- (14) Review the overall Internal Control arrangements of the Board and make recommendations to the Board regarding signing of the Governance Statement, having received assurance from all relevant Committees.



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Financial

- (15) Consider and approve annual financial accounts and related matters
- (16) Receive regular financial monitoring reports
- (17) Act as a focus for value for money.
- (18) Approve budget virements.

11. Reporting Arrangements

- (1) The RAP Committee will formally provide a copy of its minutes to the IJB for inclusion on the agenda of subsequent IJB meetings. These minutes will be made publicly available.
- (2) In accordance with the IJB's Standing Order 25 (11), the committee may refer or escalate an item of business to the next IJB meeting for consideration. The Clerk of the RAP committee shall make the necessary arrangements.

12. Review

- (1) As a matter of good practice, the Committee will continuously carry out a periodic review of its performance or business utilising best practice guidelines.
- (2) The Terms of Reference will be reviewed annually to ensure they reflect the aims, outcomes and business of the IJB.

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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.



Risk, Audit and Performance Committee

Minute of Meeting

**Tuesday, 26 January 2021
10.00 am Virtual - Remote Meeting**

Present: John Tomlinson; and Luan Grugeon, Councillor Philip Bell, Councillor John Cooke, Sandra MacLeod and Alex Stephen

Also in attendance; Colin Harvey (Internal Audit), Derek Jamieson (Clerk) and Kundai Sinclair (Solicitor)

The agenda, reports and meeting recording 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

The Chair welcomed all to the meeting and in doing so acknowledged the attendance of Councillor Cooke as full-time member of the Integration Joint Board and member of this Committee in replacement for Councillor Al-Samarai.

The Chair wished to record the contribution and commitment Councillor Al-Samarai had provided during her many years as a member of the Integration Joint Board and was appreciative of her input and assistance to the Committee.

The Chair acknowledged Councillor Lesley Dunbar who was attending as an observer.

DECLARATIONS OF INTEREST

1. There were no Declarations made.

DETERMINATION OF EXEMPT BUSINESS

2. The Chair indicated that there was no exempt business.

MINUTE OF PREVIOUS MEETING OF 3 NOVEMBER 2020

3. The Committee had before it the draft minute of its last meeting.

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Members confirmed the accuracy of the Minute and during Matters Arising the Chief Financial Officer, ACHSCP advised the Committee that the Care Inspectorate Review of Criminal Justice was almost complete and would be presented to the next Committee and also to the Integration Joint Board and the Clinical Care and Governance Committee.

The Committee resolved :-

to approve the minute as a correct record.

BUSINESS PLANNER

4. The Committee had before it the Business Planner.

Members heard from the Chief Finance Officer (CFO), ACHSCP, who confirmed the reports being presented to this meeting and future reporting intentions.

Members were advised that as the Partnership and NHS Grampian continued to function in civil contingency mode, the intended reporting would be subject to review and prioritisation.

This would see some reports being submitted to Members as Service Updates however assurance was provided that this would not preclude scrutiny as any report so shared could be introduced to any or all of the IJB or its Committee Meetings.

The Committee resolved :-

- (i) to note the current planner; and
- (ii) to accept that the planner was subject to late amendments due to the continuing civil contingency operation.

QTR 3 FINANCIAL MONITORING MOBILISATION UPDATE - HSCP21.013

5. The Committee had before it the Quarter 3 Financial Monitoring and Mobilisation Plan Update submitted by the Chief Finance Officer (CFO), ACHSCP and accepted as a Late Report by the Chair.

The report presented a summary of the current year revenue budget performance for the services within the remit of the Integration Joint Board (IJB) as at Period 9 (end of December 2020); highlighted the current forecast in relation to the additional costs of COVID-19 to be reclaimed from the Scottish Government; and advised on any areas of risk and management action relating to the revenue budget performance of the Integration Joint Board services.

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Members heard from the CFO who reminded members that financial scrutiny was a remit of the Committee and that previous reporting during the Emergency Pandemic Measures had been to the IJB.

The CFO advised that the financial status remained largely stable and that additional Scottish Government (SG) had been promised and thus far received to assist pandemic specific additional costs.

Members were further advised that there continued to be extra financial burden on continuing and additional pandemic costs and that SG had again indicated a promised to deliver full funding for these matters when submitted for payment.

The CFO assured that robust measures were in place to capture and record the additional costs which would be delivered to SG.

Members indicated they were assured on financial stability subject to the expected additional funding that would be requested and is expected in relation to additional pandemic related expenditures.

The report recommended :-

that the Committee –

- (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) note the budget virements indicated in Appendix F.

The Committee resolved :-

to approve the recommendations.

PRESENTATION ON OPERATION HOME FIRST PERFORMANCE INDICATORS

6. The Committee received a presentation on Operation Home First from the Lead for Research & Evaluation, ACHSCP.

Members heard that Operation Home First was focused and aligned to the Strategic Plan of the IJB and to the continuing adaptations as reported to and approved to the IJB and/or its Committees.

The Committee resolved :-

to note the presentation.

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STRATEGIC RISK REGISTER - HSCP.21.0001

7. The Committee had before it the report from the Chief Officer, ACHSCP which presented the latest version of the ACHSCP Strategic Risk Register.

The Committee heard from the Business Manager who provided an overview of the report and the SRR.

Members heard that the SRR had been updated to reflect discussion and requests that arose from the Risk Workshop attended by IJB Members in October 2020.

The Business Manager advised that in respect of Risk 3, a report was still awaited from NHS Grampian on their audit of Hosted Services.

Members agreed this was critical to any objective review by the Committee.

Members heard from the Internal Auditor who indicated this was referenced and considered during his reviews.

The report recommended :-

that the Committee –

- (a) note the revised Strategic Risk Register in the Appendix to the report;
- (b) specifically comment on Risk 3 (Hosted Services) as detailed in the report; and
- (c) note that Risk 10 (EU Exit) will remain on the Strategic Risk Register until a decision is made by the Integrated Joint Board (IJB) to remove it, as detailed in the report.

The Committee resolved :-

- (i) to approve the recommendations; and
- (ii) to direct that an updated report on Risk 3 be presented to RAPC as soon as NHSG provide their Audit update.

INTERNAL AUDIT PLAN - HSCP.21.003

8. The Committee had before it the Internal Audit Plan for 2021/22 from the Chief Internal Auditor (Interim) which presented the Internal Audit Plan for the Aberdeen City Integration Joint Board for 2021/22.

Members heard an overview of the report and an explanation on the identification of the areas requiring consideration.

The Chair enquired if the planned audit on progress with the transformation programme would now incorporate Operation Home First (OHF).

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The Chief Internal Auditor (Interim) assured that OHF would feature within the audit. Members were also reminded that the purpose of the Audit was to provide assurance and not drive Strategy.

The report recommended :-

that the Committee approve the Internal Audit Plan for 2021/22.

The Committee resolved :-

to approve the recommendation.

INTERNAL AUDIT REPORT AC2027: SOCIAL CARE COMMISSIONED SERVICES – CONTRACT MONITORING - HSCP.21.002

9. The Committee had before it the report from Chief Internal Auditor (CIA) (Interim) which presented the outcome from the planned audit of Contract Monitoring for Social Care Commissioned Services that was included in the 2019/20 Internal Audit Plan for Aberdeen City Council.

Members heard that this report had been approved by the Audit Risk and Scrutiny Committee of Aberdeen City Council, as required by governance, and were provided an overview of the report.

The CIA (Interim) advised that the report was subject to review to enhance its presentation and delivery.

Members heard from the Strategic Procurement Manager (Social Care) that they were participants throughout the audit and that actions had already been taken over the areas highlighted.

The report recommended :-

that the Committee review, discuss and comment on the issues raised within this report.

The Committee resolved :-

- (i) to approve the recommendation; and
- (ii) to note the actions identified and taken to resolve those issues.

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PROVIDER SERVICE RISK - UPDATE - HSCP.21.006

10. The Committee had before it the report from the Chief Finance Officer, ACHSCP which presented an update on the risks relating to the sustainability of social care service providers linked to Covid19 and the processes in place to mitigate such risks.

Members heard from the Strategic Procurement Manager (Social Care) who introduced the report and provided an overview.

Members were advised that no service provider had ceased trading during the pandemic and assured members that all learning was being absorbed and implemented where possible in respect of service provision.

The report recommended :-

that the Committee note the content of this report and the work that is being done to support service provider sustainability in the social care sector

The Committee resolved :-

- (i) to approve the recommendation; and
- (ii) to acknowledge and record appreciation of the efforts being applied within the Procurement Teams to maintain operational capability during the challenging pandemic period.

CONFIRMATION OF ASSURANCE

11. The Chair enquired of Members regarding the degree of assurance received and/or sought during the meeting.

The Committee resolved :-

to note they had received Confirmation of Assurance from the reports and associated discussions presented and that further assurance had been evidenced by the activity of all staff in not only producing the necessary information but also by the delivery and modifications of processes and services in a regular and sustained manner.

- **JOHN TOMLINSON, Chair**

	A	B	C	D	E	F	G	H	I	J
1	RISK and AUDIT PERFORMANCE COMMITTEE 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.									
2	Date Created	Report Title	Minute Reference/Committee Decision or Purpose of Report	Report Number	Report Author	Lead Officer / Business Area	Directorate	Update/ Status (RAG)	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
3	27 April 2021									
4	Standing Item	Strategic Objectives			Martin Allan	Business Manager	ACHSCP		D	To be reported on 22 June 2021
5	Standing Item	Local government in Scotland: Financial overview 2019/20	Review of relevant Audit Scotland reports	HSCP.21.016	Alex Stephen	Chief Finance Officer	ACHSCP			
6	Standing Item	OHF Report	Quarterly Reporting	HSCP21.033	Calum Leask	Lead Strategy and Performance Manager	ACHSCP			
7	Standing Item	Internal Audit Annual Report 2020-21	Assurance that services are operating effectively	HSCP.21.044	Colin Harvey	Interim Chief Internal Auditor	Governance			
8	Standing Item	Review of Local Code of Governance	To provide assurance on Governance Environment	HSCP.21.037	Alex Stephen	Chief Finance Officer	ACHSCP			
9	Standing Item	Review of Financial Governance	To provide assurance on Governance Environment	HSCP.21.038	Alex Stephen	Chief Finance Officer	ACHSCP			
10	Standing Item	Approval of Unaudited Accounts	Per RAPC Terms of Reference	HSCP.21.040	Alex Stephen	Chief Finance Officer	ACHSCP			
11	Standing Item	Annual Governance Statement	To provide assurance on Governance Environment	HSCP.21.041	Alex Stephen	Chief Finance Officer	ACHSCP			
12	13.01.2021	Inspection of Justice Social Work service	Following publication of Care Inspectorate Review, update to be reported to IJB on 23 March 2021, also to RAPC	HSCP21.035	Sandra Macleod	Chief Officer	ACHSCP			
13	Standing Item	Board Assurance and Escalation Framework (BAEF)			Martin Allan	Business Manager	ACHSCP		R	Reported to RAPC on 26.08.2020
14	Standing Item	6 monthly update on Directions	On 23.09.2020, RAPC : (iii) to direct the Chief Finance Officer to report on the Directions Tracker every 6 months.	HSCP21.034	Alex Stephen	Chief Finance Officer	ACHSCP			
15	23.09.2020	Hosted Services	On 23.09.2020 RAPC: (ii) to note that information on Hosted Services will be brought to the Committee or IJB in due course.		Anne McKenzie / Martin Allan	Lead Commissioner	ACHSCP	C/F from 26.01.21	T	Associated with Risk Register and to be reported on 23 September 2021
16	19.10.2020	COVID-19, Social Care and Human Rights: Impact Monitoring Report	In summer 2020, the Scottish Human Rights Commission carried out monitoring research into the impact of the COVID-19 pandemic, and how it has been managed, on people's rights in the context of care at home and support in the community. This report shares the findings of that research.		Anne McKenzie / Kevin Toshney	Lead Commissioner	ACHSCP	C/F from 26.01.21	D	Whilst predominately Care Home focussed, this has links to the Feeley Report, IJB Equalities, Impact Assessment and Alliance Report. Will be a report to IJB in June 2021 which will provide direction of report to IJB/RAPC/CCGC

	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	Directorate	Update/ Status (RAG)	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2										
17	Standing Item	External Audit Strategy 2020/21		HSCP/21/036	Michael Wilkie	KPMG	KPMG			
18	28.05.2019	Review of Duties & Year End Report	RAPC 26.08.2020 reaffirmed (ii) to instruct the Chief Finance Officer to present this report to the RAPC on an annual basis at the start of each financial year.	HSCP21.042	Alex Stephen	Chief Finance Officer	ACHSCP			
19	23.03.2021	Inclusion of Additional Risk	Inclusion of Integration Joint Boards as Category 1 Responders under Civil Contingency Act 2004 - HSCP.21.028 (iv)to agree to include a risk on the Strategic Risk Register relating to the IJB's requirements under the 2004 Act; (v)to delegate development of the new risk to the Chair of the Risk Audit and Performance Committee; (vi)to instruct the Chief Officer, ACHSCP to report back to a future IJB.	HSCP.21.0043	Martin Allan	Business Manager	ACHSCP			
20	14.04.2021	Financial Monitoring 31 March 2021		HSCP.21.049	Alex Stephen	Chief Finance Officer	ACHSCP			
21	Beginning June 2021 - Accounts									
22	Standing Item	Contract Register Annual Review	Annual - to RAPC in May/June; to IJB in Nov/Dec - last reported ??		Anne McKenzie	Lead Commissioner	ACHSCP			
23	Standing Item	Review of relevant Audit Scotland reports	Good practice to see national position		Alex Stephen	Chief Finance Officer	ACHSCP			
24	Standing Item	External Audit Report	Per RAPC Terms of Reference		Andy Shaw	External Audit	KPMG			Will be reported at either of the June 2021 Meetings
25	22 June 2021									
26	Standing Item	Strategic Risk Register	Bi-Annual - last report January 2021		Martin Allan	Business Manager	ACHSCP			
27	Standing Item	OHF Report	Quarterly Reporting		Calum Leask	Lead Strategy and Performance Manager	ACHSCP			
28	Standing Item	Strategic Leadership Team Objectives			Martin Allan	Business Manager	ACHSCP		D	To be reported on 22 June 2021
29	09.03.2021	CJSW Performance Framework Reporting			Kevin Toshney		ACHSCP			
30										
31	23 September 2021									
32	Standing Item	OHF Report	Quarterly Reporting		Calum Leask	Lead Strategy and Performance Manager	ACHSCP			Amalgamated withiin OHF Report and Op Snowdrop
33	Standing Item	Board Assurance and Escalation Framework (BAEF)	26.08.2020; The Committee resolved :- (iv) to note that the Framework will be reviewed by the Committee on an annual basis.		Martin Allan	Business Manager	ACHSCP			
34										
35	21 December 2021									
36	Standing Item	Strategic Risk Register	Bi-Annual - last report June 2021		Martin Allan	Business Manager	ACHSCP			
37	Standing Item	OHF Report	Quarterly Reporting		Calum Leask	Lead Strategy and Performance Manager	ACHSCP			Amalgamated withiin OHF Report and Op Snowdrop

	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	Directorate	Update/ Status (RAG)	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2										
38	Standing Item	Directions Tracker	On 23.09.2020, RAPC : (iii) to direct the Chief Finance Officer to report on the Directions Tracker every 6 months - see 27 April 2021		Alex Stephen	Chief Finance Officer	ACHSCP			
39										
40	1 March 2022									
41	Standing Item	OHF Report	Quarterly Reporting		Calum Leask	Lead Strategy and Performance Manager	ACHSCP			Amalgamated within OHF Report and Op Snowdrop
42										
43	First Meeting 2022/2023 Session									
44	Standing Item	Internal Audit Reports	Assurance that services are operating effectively		Colin Harvey	Interim Chief Internal Auditor	Governance			
45	Standing Item	Review of relevant Audit Scotland reports	Good practice to see national position		Alex Stephen	Chief Finance Officer	ACHSCP			
46	Standing Item	Review of Local Code of Governance	To provide assurance on Governance Environment		Alex Stephen	Chief Finance Officer	ACHSCP			
47	Standing Item	Review of Financial Governance	To provide assurance on Governance Environment		Alex Stephen	Chief Finance Officer	ACHSCP			
48	Standing Item	Approval of unaudited Accounts	Per RAPC Terms of Reference		Alex Stephen	Chief Finance Officer	ACHSCP			
49	Standing Item	Annual Governance Statement	To provide assurance on Governance Environment		Alex Stephen	Chief Finance Officer	ACHSCP			
50										
51	Second Meeting 2022/2023 Session									
52	Standing Item	Internal Audit Reports	Assurance that services are operating effectively		Colin Harvey	Interim Chief Internal Auditor	Governance			
53	Standing Item	External Audit Strategy 202/22			Michael Wilkie	KPMG	KPMG			
54	Standing Item	Review of relevant Audit Scotland reports	Good practice to see national position		Alex Stephen	Chief Finance Officer	ACHSCP			
55	Standing Item	Strategic Risk Register	Bi-Annual - last report December 2021		Martin Allan	Business Manager	ACHSCP			
56	Standing Item	OHF Report	Quarterly Reporting		Calum Leask	Lead Strategy and Performance Manager	ACHSCP			Amalgamated within OHF Report and Op Snowdrop
57	Standing Item	Directions Tracker	On 23.09.2020, RAPC : (iii) to direct the Chief Finance Officer to report on the Directions Tracker every 6 months - see 21 December 2021		Alex Stephen	Chief Finance Officer	ACHSCP			
58										
59	Third Meeting 2022/2023 Session									
60	Standing Item	Internal Audit Reports	Assurance that services are operating effectively		Colin Harvey	Interim Chief Internal Auditor	Governance			
61	Standing Item	Review of relevant Audit Scotland reports	Good practice to see national position		Alex Stephen	Chief Finance Officer	ACHSCP			
62	Standing Item	Board Assurance and Escalation Framework (BAEF)	26.08.2020; The Committee resolved :- (iv) to note that the Framework will be reviewed by the Committee on an annual basis.		Martin Allan	Business Manager	ACHSCP			
63										
64	Fourth Meeting 2022/2023 Session									
65	Standing Item	Internal Audit Reports	Assurance that services are operating effectively		Colin Harvey	Interim Chief Internal Auditor	Governance			

	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	Directorate	Update/ Status (RAG)	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2										
66	Standing Item	Review of relevant Audit Scotland reports	Good practice to see national position		Alex Stephen	Chief Finance Officer	ACHSCP			
67	Standing Item	Strategic Risk Register	Bi-Annual - last report December 2021		Martin Allan	Business Manager	ACHSCP			
68	Standing Item	OHF Report	Quarterly Reporting		Calum Leask	Lead Strategy and Performance Manager	ACHSCP			Amalgamated withiin OHF Report and Op Snowdrop
69	Standing Item	Directions Tracker	On 23.09.2020, RAPC : (iii) to direct the Chief Finance Officer to report on the Directions Tracker every 6 months - see 21 December 2021		Alex Stephen	Chief Finance Officer	ACHSCP			
70										



RISK, AUDIT AND PERFORMANCE

Date of Meeting	27 April 2021
Report Title	Local Code of Corporate Governance
Report Number	HSCP.21.037
Lead Officer	Alex Stephen, Chief Finance Officer
Report Author Details	Alex Stephen Job Title: Chief Finance Officer alestephen@aberdeencity.gov.uk
Consultation Checklist Completed	Yes
Directions Required	No
Appendices	A. Sources of Assurance & Local Code of Governance

1. Purpose of the Report

- 1.1. To review the local code of corporate governance for the Integration Joint Board (IJB) previously agreed by Audit & Performance Systems (APS) and allow the Risk, Audit and Performance Committee (RAPC) to comment on the sources of assurances used to measure the effectiveness of the governance principles contained in the CIPFA\SOLACE¹ *'Delivering Good Governance in Local Government: Framework'* document.

2. Recommendations

- 2.1. It is recommended that the Risk, Audit and Performance Committee:
- a. Approve the sources of assurance, as highlighted in Appendix A.

¹ CIPFA – Chartered Institute of Public Finance and Accounting
SOLACE – Society of Local Authority Chief Executives



RISK, AUDIT AND PERFORMANCE

3. Summary of Key Information

- 3.1. The IJB is responsible for ensuring that its business is conducted in accordance with the law appropriate to standards, safeguarding public funds and assets and making arrangements to ensure best value. To demonstrate this, an annual governance statement is produced and included within the annual accounts document. The IJB is required to review the effectiveness of the control environment annually and this also features in the annual governance statement.
- 3.2. In April 2016 CIPFA\SOLACE published a report titled 'Delivering Good Governance in Local Government: Framework'. The objective of the Framework is to help local government in taking responsibility for developing and shaping an informed approach to governance, aiming at achieving the highest standards in a measured and proportionate way.
- 3.3. Whilst the document is written in a local authority context, most of the principles are applicable to public bodies including the IJB, particularly as the legislation recognises the Aberdeen City Health and Social Care Partnership (ACHSCP) as a local government body, under Part VII of the Local Government (Scotland) Act 1973, and therefore subject to the local authority accounting code of practice. Aberdeen City Council (ACC) has also adopted a local code of corporate governance based on this framework and many of the assurances will be contained in the same documents.
- 3.4. At the APS Committee on 11 April 2017, now the RAPC, a local code of corporate governance was approved based on this Framework and this forms the basis of the annual governance statement.
- 3.5. A review has been undertaken of the sources of assurance and the changes are highlighted in italics in Appendix 1 of this report. Many of the assurances come from documents which belong to NHS Grampian (NHSG) and ACC. This is appropriate given the partnership model for IJBs where the decisions made by the IJB are required to be actioned using processes of the partner organisations.
- 3.6. An annual review will be required to be undertaken to assess IJB performance against these principles. This will identify any weaknesses and improvement actions required.



RISK, AUDIT AND PERFORMANCE

4. Implications for RAP

- 4.1. **Equalities** – There are no equalities implications arising from this report.
- 4.2. **Fairer Scotland Duty** – There are no Fairer Scotland Duties arising from this report.
- 4.3. **Financial** – There are no financial implications arising from this report.
- 4.4. **Workforce** – There are no workforce implications arising from this report.
- 4.5. **Legal** – There are no legal implications arising from this report.
- 4.6. **Other** – There are no other implications arising from this report.

5. Links to ACHSCP Strategic Plan

- 5.1. Good governance and internal controls are fundamental to ensuring the delivery of the strategic plan.

6. Management of Risk

- 6.1. **Identified risk(s):** Good governance and internal controls are fundamental to the delivery of the strategic plan and therefore applicable to most of the risks within the strategic risk register.
- 6.2. **Link to risk number on strategic or operational risk register:** Risk numbers 1-10 of the strategic risk register.



RISK, AUDIT AND PERFORMANCE

- 6.3. How might the content of this report impact or mitigate the known risks:** This report outlines the assurances for the effectiveness of the governance principles, as set out in the CIPFA/SOLACE document.

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



Sources of Assurance & Local Code of Governance April 2021

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GOVERNANCE PRINCIPLES

Principle A

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

Sub-Principles

- Behaving with integrity.
- Demonstrating strong commitment to ethical values
- Respecting the rule of law.

Sources of Assurance

IJB	ACC	NHSG
<ul style="list-style-type: none"> • Code of conduct • Financial regulations (<i>Revised 29 October 2019</i>) • Integration scheme (<i>Revised 27 March 2018</i>) • Standing orders (<i>Revised 23 March 2021</i>) • IJB members and ACHSCP staff induction • Board Assurance Framework (<i>Revised 26 August 2020</i>) • 'imatters' / staff surveys • Dignity at work survey 	<ul style="list-style-type: none"> • Information governance management, reporting and scrutiny, including implementation of General Data Protection Regulation 2018 by Council and its ALEOs • Scheme of Governance including annual review process • Member Officer Relations Protocol successfully utilised and facilitated positive remedial action. • Scheme of Establishment and complaints process for Community Councils. 	<ul style="list-style-type: none"> • NHSG schedule of reserved decisions • NHSG standing financial instructions • Staff surveys • NHS Scotland Staff Experience Review • Employee conduct policy • NHSG Board Members Code of Conduct • EKSF processes/objective setting • Standing orders • NHSG Feedback Service • NHSG induction process



<ul style="list-style-type: none"> • Complaints Handling Procedure (<i>Revised 23 February 2021</i>) • Role and responsibilities protocol for Chief Officer and Chief Finance Officer • Formal Directions Procedure • New IJB report format, including equality and Fairer Scotland implication sections 	<ul style="list-style-type: none"> • Bond Governance training for Chief Officers, elected members and ALEOs. • Consultation and Legislation Trackers • Corporate policies register and corporate policies template linking all policies to strategic outcomes. 	<ul style="list-style-type: none"> • HR policies (including health promotion)
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Principle B Ensuring openness and comprehensive stakeholder engagement.		Sub-principles <ul style="list-style-type: none"> • Openness. • Engaging comprehensively with institutional stakeholders.
Sources of Assurance		
IJB	ACC	NHSG
<ul style="list-style-type: none"> • IJB Strategic Plan (<i>revised 26 March 2019</i>) • Broad range of stakeholders on the IJB itself. • Representatives from 3rd and independent sectors in key working groups. • Joint communications and engagement group. 	<ul style="list-style-type: none"> • Staff Governance Committee, including trade union adviser representatives. • Weekly Director and trade union meetings to strengthen engagement. • Trade union engagement protocols implemented in respect of health and safety. • City wide budget consultation event held with 3rd sector partners. • Leadership Forum engaging leaders at all levels. 	<ul style="list-style-type: none"> • NHSG Feedback Service • Freedom of information compliance • NHSG Annual Operational Plan



<ul style="list-style-type: none"> • Complaints Handling <i>(Revised 23 February 2021)</i> • Procedure and freedom of information compliance <i>(Revised 8 September 2020)</i> • 'imatters' team action plans • Communications protocol 	<ul style="list-style-type: none"> • Webcasting of all Committee and Council meetings • . • Annual review of the ALEO Assurance Hub including terms of reference and workplan. • Twice yearly refresh of Local Outcome Improvement Plan involving community representatives and partners. • Consideration of the Population Needs Assessment at the Strategic Commissioning Committee in February 2021 which included the impact of the pandemic on Aberdeen and its citizens, including children and young people and their prospects. • Integrated Impact Assessments developed for committee reports. 	<ul style="list-style-type: none"> • NHSG Engagement & Participation Committee
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<p>Principle C</p> <p>Defining outcomes in terms of sustainable economic, social and environmental benefits</p>	<p>Sub-principles</p> <ul style="list-style-type: none"> • Defining outcomes • Sustainable economic, social and environmental benefits. 	
<p>Sources of Assurance</p>		
<p>IJB</p>	<p>ACC</p>	<p>NHSG</p>



<ul style="list-style-type: none"> • Strategic plan (<i>revised 26 March 2019</i>) • Performance framework which includes national & local indicators, aligned to strategic plan • Local outcome improvement plans • Locality plans • Medium Term Financial Framework (<i>revised 23 March 2021</i>) • Transformation Plan • Climate change duties report 	<ul style="list-style-type: none"> • Local Outcome Improvement Plan (LOIP) 2019-2026 • Strategy Framework aligned to the LOIP • Commissioning Intentions to provide direction to the design and delivery of services and the allocation of resources for 2021/2 • Revised Performance Management Framework within the Council Delivery Plan 2020/21 • Continuous monitoring of KPIs which populate the cluster level scorecards • Net Zero Transition Plan 	<ul style="list-style-type: none"> • NHSG Annual Operational Plan • Performance, Assurance, Improvement and Risk framework (PAIR) & associated revised meeting structure
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<p>Principle D</p> <p>Determining the interventions necessary to optimise the achievement of intended outcomes.</p>	<p>Sub-principles</p> <ul style="list-style-type: none"> • Determining interventions. • Planning interventions. • Optimising achievement of intended outcomes. 	
<p>Sources of Assurance</p>		
<p>IJB</p>	<p>ACC</p>	<p>NHSG</p>
<ul style="list-style-type: none"> • Effective and embedded risk management system • Effective and embedded budget monitoring and financial planning 	<ul style="list-style-type: none"> • Council Delivery Plan 2021/22 • ALEO Annual Reporting to Strategic Commissioning Committee • ALEO Assurance Hub • Capital Board and Capital Programme Committee 	<ul style="list-style-type: none"> • Effective and embedded risk management systems



<ul style="list-style-type: none"> • Third party governance and assurance • Performance management framework • Health & safety arrangements • Information governance assurance framework • Business continuity plans • Civil contingencies group and plan 	<ul style="list-style-type: none"> • Community Planning Partnership Improvement Programme (reviewed) 	<ul style="list-style-type: none"> • Effective and embedded budget monitoring and financial planning • Performance management • NHSG Health & Safety Committee • NHSG caldicott guardian • NHSG annual accountability review
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Principle E Developing the entity's capacity, including the capability of its leadership and the individuals within it		Sub-Principles <ul style="list-style-type: none"> • Developing the entity's capacity. • Developing the capability of the entity's leadership and other individuals. 	
Sources of Assurance			
IJB	ACC		NHSG
<ul style="list-style-type: none"> • Staff induction • Organisational Development Plan 	<ul style="list-style-type: none"> • Elected Member Development Programme • Digital Champions and Digital Super Champions • Leadership Forum 		<ul style="list-style-type: none"> • Staff induction • North East leadership schemes



<ul style="list-style-type: none"> • IJB Workforce plan (26 March 2019) • Role and responsibilities protocol for Chief Officer and Chief Finance Officer • IJB Induction and development programmes 	<ul style="list-style-type: none"> • Online learning platform for staff, ACC Learn • Board structure to oversee Strategy, Transformation, Performance and Risk • Policy Framework • Continuous Review and Development process based on approved Capability Framework 	<ul style="list-style-type: none"> • NHS HR policies • Staff partnership representation • Engagement with Scottish Government Effective Leadership and Quality Improvement programmes
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Principle F Managing risk and performance through robust internal control and strong public financial management.	Sub-principles <ul style="list-style-type: none"> • Managing risk. • Managing performance. • Managing data. • Strong public financial management.
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Sources of Assurance		
IJB	ACC	NHSG
<ul style="list-style-type: none"> • Financial regulations (<i>revised 29 October 2019</i>) • Performance management framework • Effective and embedded budget monitoring and financial management • Risk appetite statement (<i>revised 1 December 2020</i>) 	<ul style="list-style-type: none"> • Internal Audit Plan, Internal Audit Annual Report and Follow-Up to approved recommendations • Risk Registers and Assurance Maps for all Clusters and reported to Committees. • Corporate Risk Register and Assurance Map reviewed by Audit, Risk and Scrutiny Committee and Risk Board • Organisational Resilience Group • Public Protection Committee • Risk Management Policy and Guidance 	<ul style="list-style-type: none"> • NHSG schedule of reserved decisions • NHSG standing financial instructions • Performance management framework • Effective and embedded budget



<ul style="list-style-type: none">• Internal and external audit plans• Third party governance and assurance• Integration scheme (<i>revised 27 March 2018</i>)• Annual review of Audit and Performance Systems committee effectiveness (<i>reviewed 11 September 2018</i>)• Data protection compliance (<i>Officer established 22 May 2018</i>)• Business continuity plans for critical functions• Medium Term Financial Framework (<i>revised 23 March 2021</i>)	<ul style="list-style-type: none">• Risk Appetite Statement• COVID-19 Financial Resilience Recovery Plan• Business Continuity Policy• Procurement Control Board• EU Exit Steering Group• Medium Term Financial Strategy• ALEO Assurance Workplan	<p>monitoring and financial management</p> <ul style="list-style-type: none">• Risk registers• Internal and external audit plan• Information governance• NHSG Policy for Fraud Prevention• NHSG Risk Management Policy & Strategy
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Principle G Implementing good practices in transparency, reporting, and audit to deliver effective accountability.		Sub-principles <ul style="list-style-type: none"> • Implementing good practice in transparency. • Implementing good practices in reporting. • Assurance and effective accountability. 	
Sources of Assurance			
IJB		ACC	
<ul style="list-style-type: none"> • Committee reporting framework • Financial reporting – annual financial statements and accounts, annual budget • Financial plans reporting to committees • Internal and external audit plans • Third party governance • Medium Term Financial Framework (revised 23 March 2021) • MSG Performance Indicators • Performance Management Framework • Complaints handling procedure (<i>Revised 23 February 2021</i>) • New IJB report format. 		<ul style="list-style-type: none"> • Scheme of Governance • Performance Reporting • Financial Management Code • Internal Audit Plan • Best Value Audit • Local Area Network • Inspections Planner 	
		NHSG	
		<ul style="list-style-type: none"> • Financial reporting – annual financial statements and accounts, annual budget • Internal and external audit plans 	



RISK, AUDIT & PERFORMANCE COMMITTEE

Date of Meeting	27 April 2021
Report Title	Review of Financial Governance Arrangements
Report Number	HSCP.21.038
Lead Officer	Alex Stephen, Chief Finance Officer
Report Author Details	Alex Stephen, Chief Finance Officer alestephen@aberdeencity.gov.uk
Consultation Checklist Completed	Yes
Directions Required	No
Appendices	A. Review of Financial Governance Arrangements

1. Purpose of the Report

- 1.1. To provide the Risk, Audit and Performance Committee (RAPC) with the results of the review undertaken by the Aberdeen City Health and Social Care Partnership (AHSCP) Leadership Team, as at Appendix A, against financial governance requirements contained in the Chartered Institute of Public Finance and Accountancy (CIPFA)'s statement on the [‘Role of the Chief Financial Officer in Local Government \(2016\)’](#).

2. Recommendations

- 2.1. It is recommended that the Risk, Audit & Performance Committee:
Note the content of the report and the accompanying results of the Executive team review contained at Appendix A.

3. Summary of Key Information

- 3.1. During the audit of the Integration Joint Board's (IJB) 2015/16 annual accounts, Audit Scotland, the IJB's external auditors at that time, requested that during the first full year of operation a review be undertaken to ensure compliance with the financial governance requirements of the CIPFA



RISK, AUDIT & PERFORMANCE COMMITTEE

Statement on the Role of the Chief Financial Officer in Local Government (2016). This request formed part of the 2015/16 annual governance statement which was contained in the annual accounts document.

- 3.2. The audit committee of the IJB has reviewed this annually since then, except for the last financial year due to the impact of the first wave of the pandemic. Contained in that review were some areas where further work was required or being progressed. Appendix A contains the result of the first review, with any updates from the most recent Leadership Team review highlighted in italics.
- 3.3. Please note The Role of the Chief Financial Officer in Local Government document referenced in this report is largely for local government, some of the terminology and principles are not directly relevant in an IJB context.
- 3.4. The financial control environment of the IJB is complex, with several of the controls remaining with the partner organisations (NHS Grampian and Aberdeen City Council). However, a review has been undertaken and assurance has been provided against each of the principles. In relation to which, further development work is required, and this is largely already in progress.

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** - Ensuring that the financial governance arrangements are robust, regularly reviewed and aligned (where appropriate) will help ensure that there is sufficient control over IJB finances, reducing the risk of overspend or misuse of public funding.
- 4.4. **Workforce** – there are no direct implications arising from this report.
- 4.5. **Legal** – there are no direct implications arising from this report.



RISK, AUDIT & PERFORMANCE COMMITTEE

4.6. **Other** – there are no direct implications arising from this report.

5. Links to ACHSCP Strategic Plan

5.1. Good governance and internal controls are fundamental to ensuring the delivery of the strategic plan.

6. Management of Risk

6.1. **Identified risk(s):** Good governance and internal controls are fundamental to the delivery of the strategic plan and therefore applicable to most of the risks within the strategic risk register.

6.2. **Link to risk number on strategic or operational risk register:** Risk numbers 1-10 of the strategic risk register.

6.3. **How might the content of this report impact or mitigate the known risks:** This report provides assurance and evidence on the financial governance requirements as contained the CIPFA statement.

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

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FINANCIAL GOVERNANCE ARRANGEMENTS – APRIL 21

Principle 1: *The Chief Financial Officer in a local authority is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the authority’s strategic objectives sustainably and in the public interest.*

Statement	Evidenced by
Requirement: Set out a clear statement of the respective roles and responsibilities of the Leadership Team and its members individually.	
The IJB Leadership Team: <ul style="list-style-type: none"> • has a clear statement of its respective roles and responsibilities. 	<ul style="list-style-type: none"> • Job Descriptions of the IJB Leadership Team Members. • IJB Leadership Team Structure. • IJB Leadership Team Minutes.
Requirement: Ensure the CFO reports directly to Chief Executive and is a member of the leadership team with at least equal status to other members	
The IJB CFO: <ul style="list-style-type: none"> • is a member of the IJB Leadership Team and an advisor to the Integration Joint Board and the two leadership forums. • reports directly to the Chief Officer with a status at least equivalent to the other Leadership Team members. 	<ul style="list-style-type: none"> • IJB Leadership Team Structure. • IJB Leadership Team Minutes. • IJB minutes and reports.
Requirement: Determine a scheme of delegation and reserve powers, including a formal schedule of those matters specifically reserved for collective decisions by the Board and these should be reviewed.	
The IJB: <ul style="list-style-type: none"> • Is governed by its standing orders and the integration scheme. • Terms of Reference have been agreed and reviewed for both sub committees. NHS Grampian (NHSG) and Aberdeen City Council (ACC):	<ul style="list-style-type: none"> • IJB Standing Orders/Integration Scheme. <i>(revised 23 March 2021)</i> • Sub Committee Terms of Reference. <i>(revised 23 March 2021)</i> • ACC schemes of delegation and Committee Terms of Reference. • IJB minutes and agendas.

Statement	Evidenced by
<ul style="list-style-type: none"> Both have lists of powers reserved for officers and authorisation limits. 	<ul style="list-style-type: none"> IJB Chief Officer and Chief Finance Officer - roles and responsibilities protocol IJB Formal Directions Procedure
Requirement: Ensure that the IJB's Governance arrangements allow the CFO to influence all material business decisions and has direct access to Chief Executive, other leadership team members, the audit committee and external audit	
<p>The IJB CFO:</p> <ul style="list-style-type: none"> is a member of the Leadership Team and reports to the Chief Officer. is responsible for the coordination of reports for the Risk Audit and Performance Systems. is a non-voting member of the IJB. is the IJB contact for external audit matters. 	<ul style="list-style-type: none"> IJB Leadership Team Structure. IJB Leadership Team Minutes. RAPC Minutes. IJB minutes and reports.
Requirement: Review the scope of the CFO's other management responsibilities to ensure financial matters are not compromised.	
<p>The IJB CFO:</p> <ul style="list-style-type: none"> has management and leadership responsibility for services in Depute Chief Officer Role. management responsibilities are led and managed by suitably qualified staff and the CFO does therefore not feel that these responsibilities compromise financial matters. 	<ul style="list-style-type: none"> IJB Leadership Team Structure. IJB Leadership Team Minutes and Agendas.
Requirement: Assess the financial skills required by the leadership team and commit to developing these skills to enable their roles to be carried out effectively.	
<p>The IJB CFO:</p> <ul style="list-style-type: none"> is confident that the Leadership Team members have the financial capabilities to perform their jobs effectively. 	<ul style="list-style-type: none"> IJB Leadership Team Minutes Training records Quarterly Performance Meetings

Statement	Evidenced by
<p>Requirement: Review partnership arrangements to ensure the authority always has access to financial advice in relation to its role in partnership</p>	
<p>The IJB:</p> <ul style="list-style-type: none"> • has partnership relationships formally identified through the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014. • has its own Chief Finance Officer to provide independent financial advice. • has agreed a budget protocol which establishes how future budgets should be agreed. • has developed and continues to develop relationships with care providers. • has a membership heavily influenced by its partners. • Has contract management arrangements for Bon Accord Care. <p>The IJB Chief Officer is a member of the NHS and ACC senior leadership teams.</p>	<ul style="list-style-type: none"> • Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014. • IJB Leadership Team Structure. • Care provider forums. • IJB membership lists. • IJB Budget Protocol. • ACC corporate management team structure. • NHS Grampian Senior Leadership Team structure. • BAC quarterly contract management meetings agendas and minutes.

Principle 2: *The CFO in a local authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority’s overall financial strategy.*

Statement	Evidenced by:
Requirement: Establish a medium-term business and financial planning process to deliver the IJB’s strategic objectives.	
<p>The IJB CFO:</p> <ul style="list-style-type: none"> • works collaboratively with senior officers to produce a balanced budget which allows the services in the strategic plan to be delivered. • has led the development of IJB Medium Term Financial Framework <p>The IJB:</p> <ul style="list-style-type: none"> • agreed a budget protocol. • held budget workshops with IJB members 	<ul style="list-style-type: none"> • IJB Medium Term Financial Framework (<i>revised 23 March 2021</i>) • IJB Budget Protocol. • Slides from IJB finance workshops. • IJB budget timetable. • Transformation plan and Leadership Team Objectives
Requirement: Ensure that these are subject to continuing review of the assumptions	
<p>The IJB CFO:</p> <ul style="list-style-type: none"> • reviews the budget assumptions through the budget monitoring process. 	<ul style="list-style-type: none"> • Regular budget monitoring reports to the IJB • Medium Term Financial Framework (<i>revised 23 March 2021</i>)
Requirement: Ensure that professional advice on matters that have financial implications is available and recovered well in advance of decision making	
<p>The IJB CFO:</p> <ul style="list-style-type: none"> • reviews all IJB reports and signs these off from a financial perspective before publication. 	<ul style="list-style-type: none"> • IJB reports and minutes
Requirement Ensure that budget calculations are robust and reserves adequate.	

Statement	Evidenced by:
<p>The IJB CFO:</p> <ul style="list-style-type: none"> Developed and regularly reviews a reserves strategy which was approved by the IJB. reviewed the reserve levels during the financial strategy work and requested the IJB ring fence funding as a 'risk reserve'. 	<ul style="list-style-type: none"> IJB reserve strategy. IJB minute approving reserve strategy. IJB Medium Term Financial Framework. (<i>revised 23 March 2021</i>)
<p>Requirement: Ensure those making decisions are provided with financial information which is relevant, timely and clear.</p>	
<p>The IJB CFO:</p> <ul style="list-style-type: none"> reviews all IJB reports and signs these off from a financial perspective before publication. attends the IJB as a non-voting member and provides advice where and when appropriate. 	<ul style="list-style-type: none"> IJB reports and minutes. IJB Leadership Team Reports and Minutes.
<p>Requirement: Ensure that the authority meets its policy and service objectives and provided effective stewardship of public money and value for money in its use.</p>	
<p>The IJB:</p> <ul style="list-style-type: none"> has agreed a performance management framework which is regularly reviewed by the IJB and at the APS Committee. approves spend and issues directions for procurement spend over £50,000. <p>NHSG and ACC:</p> <ul style="list-style-type: none"> have procurement and financial regulations which demonstrate best value. 	<ul style="list-style-type: none"> IJB reports and minutes. IJB integration scheme. (<i>revised 23 March 2021</i>) IJB financial regulations (<i>revised 29 October 2019</i>) ACC Procurement regulations. ACC financial regulations. ACC delegated powers. NHSG schedule of reserved decisions. NHSG standing financial instructions. Formal Directions Procedures.
<p>Requirement: Ensure that authority maintains a prudential financial framework, keeps its commitment in balances with available resources, monitors income and expenditure levels and takes corrective action when necessary.</p>	
<p>The IJB CFO:</p>	<ul style="list-style-type: none"> Regular budget monitoring reports to the IJB.

Statement	Evidenced by:
<ul style="list-style-type: none"> reviews the budget assumptions through the budget monitoring process. <p>The Leadership Team:</p> <ul style="list-style-type: none"> review budget monitoring and where possible develop plans to rectify adverse movements in the financial position. 	<ul style="list-style-type: none"> Leadership Team – Agendas, Reports and Minutes.
<p>Requirement: Ensure the IJB understands the budgetary commitment of a contracted service including longer term financial implications.</p>	
<p>The IJB CFO:</p> <ul style="list-style-type: none"> prepared an IJB Medium-Term Financial Framework <p>The IJB:</p> <ul style="list-style-type: none"> is provided with the financial implications of decision in future years in its reports. 	<ul style="list-style-type: none"> Transformation Update reports. IJB reports – financial implications sections. IJB Medium Term Financial Framework (<i>revised 23 March 2021</i>)
<p>Requirement: Ensure advice is provided on reserve levels in line with good practice.</p>	
<p>The IJB CFO:</p> <ul style="list-style-type: none"> developed and regularly reviews a reserves strategy which was approved by the IJB. reviews the reserve levels during the financial strategy work and requested the IJB ring fence funding as a ‘risk reserve’. 	<ul style="list-style-type: none"> IJB reserve strategy. IJB minute approving reserve strategy. IJB Medium Term Financial Framework and covering report.
<p>Requirement: Ensure compliance with CIPFA’s prudential code for capital finance in local authorities and CIPFA’s Treasury Management in the Public Services Code of Practice.</p>	
<p>The IJB has no responsibility for treasury management.</p>	<p>NA</p>

Statement	Evidenced by:
Requirement: Ensure that appropriate management accounting systems, functions and controls are in place so finances are kept under review.	
NHSG and ACC: <ul style="list-style-type: none"> • provide the management accounting systems, functions and controls for the IJB. • these systems are reviewed regularly by internal audit. 	<ul style="list-style-type: none"> • Internal Audit Reports of ACC, NHSG and IJB. Internal Auditor’s opinion on internal controls of ACC, NHSG and IJB.
Requirement: Ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget holders.	
NHSG and ACC: <ul style="list-style-type: none"> • Finance managers provide financial information and advice to budget holders on a regular basis. 	<ul style="list-style-type: none"> • Budget monitoring reports and timetables for budget holders.
Requirement: Ensure that medium-term business and financial planning systems along with ongoing performance monitoring cover the services provided through partnerships and alternative delivery models.	
The IJB: <ul style="list-style-type: none"> • Receive full details and approve the budget for Bon Accord Care (BAC). • has considered a report on BAC’s Strategic Plan • will received BAC’s Annual Report 	<ul style="list-style-type: none"> • IJB reports and minutes. • BAC quarterly contract monitoring meeting agendas and minutes.
Requirement: Ensure that the prudential financial framework accurately reflects the commitments and potential future impact of contracted future services.	
The IJB has no responsibility for treasury management.	N/A

Principle 3: *The CFO in a local authority must lead the promotion and delivery by the whole authority for good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.*

Statement	Evidenced By
<p>Requirement: Make the CFO responsible for ensuring appropriate advice is given on all financial matters, for keeping financial records and accounts, and maintaining an effective system of financial control.</p>	
<p>The IJB CFO:</p> <ul style="list-style-type: none"> has responsibility for these matter as indicated in the CFO job description. <p>The IJB:</p> <ul style="list-style-type: none"> needs to place assurance on ACC and NHS Grampian for some elements of the financial control system, which in turn are regularly reviewed by their internal audit functions. 	<ul style="list-style-type: none"> CFO Job description. ACC and NHS Grampian - annual accounts. Internal Audit's –Annual report and Statement on the internal control system – ACC, NHS Grampian and IJB.
<p>Requirement: Ensure that system and processes for financial administration, financial control and protection of the authority's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice.</p>	
<p>The IJB:</p> <ul style="list-style-type: none"> needs to place assurance on ACC and NHS Grampian for some elements of the financial control system, which in turn are regularly reviewed by their internal audit functions. 	<ul style="list-style-type: none"> ACC and NHS Grampian - annual accounts. Internal Audit's –Annual report and Statement on the internal control system – ACC, NHS Grampian and IJB.
<p>Requirement: Ensure that the authority puts in place effective internal financial controls. Ensuring that these controls are an integral part of the IJB's underlying framework of corporate governance and that they are reflected in its local code.</p>	
<p>The IJB:</p> <ul style="list-style-type: none"> needs to place assurance on ACC and NHS Grampian for some elements of the financial control system, which in turn are regularly reviewed by their internal audit functions. 	<ul style="list-style-type: none"> ACC and NHS Grampian - annual accounts. Internal Audit's –Annual report and Statement on the internal control system – ACC, NHS Grampian and IJB. IJB local code of corporate governance. <i>(revised annually)</i>

Statement	Evidenced By
<ul style="list-style-type: none"> Through the AP&S committee, have developed a local code of corporate governance, in line with guidance from CIPFA/SOLACE. 	
Requirement: Address the IJB's arrangements for financial and internal control and for managing risk in annual governance reports.	
<p>The IJB:</p> <ul style="list-style-type: none"> has addressed these arrangements in the annual governance report and will continue to do so. 	<ul style="list-style-type: none"> The IJB accounts (annual governance statement).
Requirement: Publish annual accounts on a timely basis to communicate the authority's activities and achievements, its financial position and performance.	
<p>The IJB:</p> <ul style="list-style-type: none"> publishes its financial accounts on its website. provides members of the public the opportunity to inspect the accounts of the organisation in line with statutory process. 	<ul style="list-style-type: none"> Aberdeen City Health & Social Care Partnership website. Annual Accounts documents.
Requirement: Ensure an effective internal audit function is resourced and maintained.	
<p>The IJB:</p> <ul style="list-style-type: none"> has appointed an internal auditor. <p>The APS Committee</p> <ul style="list-style-type: none"> has received the internal audit annual plan at the APS Committee. has reviewed internal audit reports. 	<ul style="list-style-type: none"> Audit & Performance System agendas and minutes. IJB agenda and minutes.
Requirement: Develop and maintain an effective audit committee.	

Statement	Evidenced By
<p>The IJB:</p> <ul style="list-style-type: none"> has established an audit committee. 	<ul style="list-style-type: none"> Audit & Performance System agendas and minutes. Audit & Performance Systems terms of reference. A review on whether the terms of reference of this committee have been achieved is undertaken annually.
<p>Requirement: Ensure that the IJB makes best use of resources and that taxpayers and/or service users receive value for money.</p>	
<p>The NHS Grampian and ACC:</p> <ul style="list-style-type: none"> financial standing orders and procurement regulations which the IJB uses, which allows best value to be demonstrated. 	<ul style="list-style-type: none"> ACC Procurement regulations. ACC financial regulations. ACC delegated powers. NHSG schedule of reserved decisions. NHSG standing financial instructions.
<p>Requirement: Embed financial consequences in person specifications and appraisals.</p>	
<p>The NHS Grampian, ACC and IJB:</p> <ul style="list-style-type: none"> included financial responsibilities in job specifications where appropriate. 	<ul style="list-style-type: none"> Job Descriptions <p>Development Work: Review ACC/NHSGs' appraisal frameworks to determine whether finance is covered as a separate topic. <i>Will require approval from the partners given they are still the employers. Finance is considered by CO and CFO in quarterly performance reviews.</i></p>
<p>Requirement: Assess the financial skills required by managers and commit to develop those skills to enable their roles to be carried out effectively.</p>	
<p>The IJB:</p>	<ul style="list-style-type: none"> ACC and NHS Grampian training records.

Statement	Evidenced By
<ul style="list-style-type: none"> Is currently relying on the financial skills, regulations and budget management training provided by ACC and NHS Grampian. 	<p>Development Work:</p> <ul style="list-style-type: none"> Once the IJB leadership team is established a training programme will be developed.
<p>Requirement: Ensure that councillors’ roles and responsibilities for monitoring performance/budget management are clear, that they have adequate access to financial skills, and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities.</p>	
<p>The IJB:</p> <ul style="list-style-type: none"> had three financial workshops to discuss the budget. has a development plan. has inductions for new members. 	<ul style="list-style-type: none"> Slides and invitations for budget workshops. IJB development plan. CFO ‘open door’ policy for IJB member enquiries on any aspect of finance.
<p>Requirement: Ensure ongoing monitoring of assurance arrangements in respect of partnerships and alternative delivery models and that appropriate access to information is maintained.</p>	
<p>ACC:</p> <ul style="list-style-type: none"> has implemented a governance hub which seeks to review the arrangements of alternative delivery models such as Bon Accord Care. <p>The IJB:</p> <ul style="list-style-type: none"> has received the minutes of these meetings for information previously. 	<ul style="list-style-type: none"> Governance Hub agendas and minutes. IJB agendas and minutes.

Principle 4: *The CFO in a local authority must lead and direct a finance function that its resources to be fit for purpose.*

Statement	Evidenced By
Requirement: Provide the finance function with the resources, expertise and systems necessary to perform its role effectively	
<p>The IJB:</p> <ul style="list-style-type: none"> • has established the role of CFO <p>ACC and NHS Grampian:</p> <ul style="list-style-type: none"> • provide the finance functions for the IJB. 	<ul style="list-style-type: none"> • IJB Leadership Team Structure. • NHS Grampian and ACC Finance Structures. <p>Development Work:</p> <p>A review will be undertaken to establish if these arrangements are effective. <i>Previously these arrangements have been effective and proportionate in the current environment, however, changes to the structure means these arrangements need to be assessed regularly.</i></p>
Requirement: Ensure there is a line of professional accountability to the CFO for finance staff throughout the authority.	
<p>The IJB:</p> <ul style="list-style-type: none"> • has established the role of CFO <p>AC and NHS Grampian:</p> <ul style="list-style-type: none"> • provide the finance functions for the IJB 	<ul style="list-style-type: none"> • IJB Leadership Team Structure. • NHS Grampian and ACC Finance Structures. <p>Development Work: when the review of effectiveness is undertaken consideration will also be given to professional accountability. <i>Professional accountability for the finance teams continues to be maintained by the partner bodies. However, regular meetings with the finance staff have helped ensure that any concerns are addressed and if necessary escalated.</i></p>

Principle 5: *The CFO in a local authority must be professionally qualified and suitably experienced.*

Statement	Evidenced by:
<p>Requirement: Appoint a professionally qualified CFO whose core responsibilities include those set out under the other principles in the statement and ensure that these are properly understood throughout the authority.</p>	
<p>The IJB</p> <ul style="list-style-type: none"> has employed a professional accountant as CFO. the CFO's job description sets out the core responsibilities which are similar to those outlines in the statement. 	<ul style="list-style-type: none"> CFO's professional certificates. CFO's job description.
<p>Requirement: Ensure that the CFO has the skills, knowledge, experience and resource to perform effectively in both the financial and non-financial areas of their role.</p>	
<p>The IJB:</p> <ul style="list-style-type: none"> undertook a comprehensive recruitment process to employ the CFO to make sure that the CFO has the necessary skills and experience. <p>The IJB Chief Officer</p> <ul style="list-style-type: none"> performs the annual appraisal of the CFO which includes a section on future training requirements. <p>The IJB CFO</p> <ul style="list-style-type: none"> considers that sufficient resource is available to perform role effectively. 	<ul style="list-style-type: none"> CFO recruitment process. CFO annual appraisal.

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Risk, Audit and Performance Committee

Date of Meeting	27 April 2021
Report Title	Annual Governance Statement
Report Number	HSCP.21.041
Lead Officer	Alex Stephen, Chief Finance Officer
Report Author Details	Alex Stephen, Chief Finance Officer alestephen@aberdeencity.gov.uk
Consultation Checklist	Yes
Directions Required	No
Appendices	Appendix A – Annual Governance Statement Appendix B – Statement from the Chief Internal Auditor

1. Purpose of the Report

- 1.1. To provide the Risk, Audit and Performance Committee (RAPC) with the opportunity to provide comment on and approve in principle the annual governance statement.
- 1.2. To agree that assurances on the government framework can be provided to Aberdeen City Council and NHS Grampian.

2. Recommendations

It is recommended that Risk, Audit & Performance Committee:

- a) Comment and approve the governance statement at Appendix A, and
- b) Notes the statement form the Chief Internal Auditor at Appendix B.

3. Summary of Key Information

- 3.1. The annual governance statement forms a key part of the annual accounts and provides readers of the accounts with assurance that the governance framework is fit for purpose.



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- 3.2. The framework in an Integration Joint Board (IJB) context is complex, as although the IJB has its own governance framework, assurance is required that the partners' governance frameworks are also fit for purpose, given that the operational responsibility is maintained by the partner organisations. The IJB will be consolidated into the group accounts of Aberdeen City Council and NHS Grampian as a joint venture and they therefore require assurance that the IJB's governance framework is fit for purpose. Therefore, a failure or weakness in either of the IJB, ACC or NHSGs' governance frameworks may require disclosure in the accounts of any of the partners depending on the severity.
- 3.3. This year, as in every year, the IJB continues to review, modify and improve its governance framework. At the start of the financial year some of the Committee and Board meetings were cancelled to allow officers to concentrate on responding to the coronavirus pandemic. Later in the financial year the IJB brought back the committee and board meetings and the documents subject to an annual or periodic review were updated:
- *The standing orders of the IJB have been reviewed and updated and were approved on 23 March 2021. The terms of reference for the two sub committees were reviewed and update at the same IJB meeting.*
 - *A new standards officer was agreed on 11 August 2020.*
 - *The IJB Records Management Plan was updated and approved on 8 September 2020.*
 - *A Carers Expenses Policy was approved on 1 August 2020.*
 - *The Model Complaints Policy was revised on 23 February 2021.*
 - *The Risk Appetite Statement was approved 1 December 2020.*
 - *The Board Assurance and Escalation Framework was revised and approved 26 August 2020.*
 - *A new care at home contract was implemented in November 2020 which focuses on improving outcomes for service users.*
 - *The IJB undertook a series of workshops which were facilitated to aid future decision making.*

In previous years, the following activities were implemented and are still applicable:

- *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*



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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.*
- *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.*
- *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.*
- *Quarterly performance meetings have been undertaken with the leadership team.*
- *A new leadership team structure has been implemented to allow Strategic Plan outcomes to be achieved.*
- *A performance dashboard has been implemented using an NHS software system called Tableau. The dashboard is the basis of all performance reporting from operational to strategic level.*
- *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.*
- *An engagement and consultation protocol with the trade unions was agreed at the IJB on 21 January 2020.*
- *A review has been undertaken of the role of the North East Partnership which has strengthen governance arrangements for hosted and large hospital services.*
- *A new commissioning approach and strategy has been agreed by the IJB.*

- 3.4.** 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



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the business continuity arrangements of both the Council and the NHS. Governance arrangements have also been established in the Partnership where the status of service delivery 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 centre which was established to aid the flow of information.

- 3.5.** A draft annual governance statement is attached in Appendix A of this report. The governance statement has been designed to provide assurance around compliance against the local code of corporate governance and the governance principles contained therein. Information has been provided by Aberdeen City Council and NHS Grampian for inclusion in the statement. The paragraph on the internal financial control arrangements has been agreed with the Chief Internal Auditor and further information is contained in Appendix B of this report. The Internal Audit Annual report for 2020/21 is reported at this RAPC, report HSCP.21.044.
- 3.6.** The Leadership Team has identified improvements to further strengthen the governance environment, and these are identified in the governance statement and will be monitored throughout the financial year. Good progress was made in closing off the improvements made last financial year.

4. Implications for RAP

- 4.1. Equalities** – There are no equalities implications arising from this report.
- 4.2. Fairer Scotland Duty** – There are no Fairer Scotland Duties arising from this report.
- 4.3. Financial** – There are no financial implications arising from this report.
- 4.4. Workforce** – There are no workforce implications arising from this report.
- 4.5. Legal** – There are no legal implications arising from this report.
- 4.6. Other** – There are no other implications arising from this report.

5. Links to ACHSCP Strategic Plan

- 5.1.** Good governance and internal controls are fundamental to ensuring the delivery of the strategic plan.



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6. Management of Risk

- 6.1. Identified risk(s):** Good governance and internal controls are fundamental to the delivery of the strategic plan and therefore applicable to most of the risks within the strategic risk register.
- 6.2. Link to risk number on strategic or operational risk register:** Risk numbers 1-10 of the strategic risk register
- 6.3. How might the content of this report impact or mitigate the known risks:** The Annual Governance Statement provides information on the effectiveness of the IJB Governance Framework.

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



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Appendix A

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 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.

¹ CIPFA - The Chartered Institute of Public Finance and Accountancy
SOLACE – The Society of Local Authority Chief Executives



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A review is also 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'](#).

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 the status of service delivery is assessed 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 centre which was established to aid the flow of information.

These arrangements have continued throughout the financial year, however, were particularly important during the first wave where decisions were required to be made quickly. The IJB has been operating throughout the pandemic, but with light agendas during the first wave and no sub committees. Since then, the IJB agendas have returned to normal levels and the two sub committees now meeting regularly.



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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.



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Improvement activities undertaken during the year: The standing orders of the IJB have been reviewed and updated and were approved on 23 March 2021. 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 11 August 2020.

Principle 2 – Ensuring openness and comprehensive stakeholder engagement,

Openness: Pre-COVID the IJB was 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. As a result of the COVID restrictions IJB meetings are currently held electronically and are recorded. The recordings are made available to the public shortly after the meeting. The Risk, Audit & 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 six 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. An engagement and consultation protocol with the trade unions was agreed at the IJB on 21 January 2020.

Improvement activities undertaken during the year: A significant engagement process was undertaken on the day care recommissioning exercise and the final specification was agreed on the 28 October 2020. The IJB agreed a carers expenses policy on 11 August 2020 and two new carers were brought onto the IJB during the financial year. The model complaints policy was revised and approved at the IJB meeting on 23 February 2021 to comply with updated guidance.



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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. 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.

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.

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 Enabling 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



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intervention and addressing health inequalities which will have an impact on improving outcomes. A new governance structure has been implemented to support the programme, many of the leadership team objectives which linked to the transformation plan were delivered at pace in response to the pandemic. A new care at home contract which moves from a focus on time and task to delivering better outcomes for service users commenced on 1 November 2020.

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. 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.

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: During the year many of the development activities were cancelled or postponed although the team continued to learn and adapt in some very challenging situations. The IJB itself undertook a series on workshops with external support to help aid future decision making.



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Future Developments: Establish a leadership programme which helps install 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 & Performance Committee and the IJB.

Performance: A performance management framework has been developed for the IJB and is reported frequently to the Risk, Audit & 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 on 1 December 2020.

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

Transparency: Recordings of the IJB meetings were made available to the public after the meeting was held due to COVID restrictions and the agendas, reports and minutes are available for the public to inspect. The Risk, Audit & Performance



Risk, Audit and Performance Committee

committee is also a public meeting. 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. A review has been undertaken of the role of the North East Partnership which has strengthened governance arrangements for hosted and large hospital services.

Audit: The 2019/20 accounts received an unqualified audit opinion. The Risk, Audit & 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.

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 2021.

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 Risk, Audit and Performance Committee was updated on progress with the implementation of improvement actions identified on the 23 April 2020.

The local code of corporate governance was agreed by the Audit & Performance Systems Committee on 11 April 2017 and progress against the seven principles is detailed above. At Risk, Audit and Performance Committee on 23 April 2020 an update was provided on the sources of assurance contained in the local code of governance.



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The work undertaken against the improvement actions highlighted in the 2020/21 annual governance statement is detailed in the improvement activities undertaken during the year sections detailed above. Although it should be noted that given the focus this year has been on responding to the pandemic some of these activities still require further work and are therefore being kept as areas for improvement in 2021/22.

A summarised list of the 2021/22 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 2022
2.	Clinical Care Governance	Review arrangements	Clinical Lead	31 March 2022
3.	Leadership Development	Implement new programme to support cross system leadership.	SOARS Lead	31 March 2022

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.



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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



Risk, Audit and Performance Committee

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

In summary the Council has undertaken a self-evaluation of its Local Code of Corporate Governance as of 31 March 2021. 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.

ii) NHS Grampian governance framework (pending approval)

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



Risk, Audit and Performance Committee

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. In addition, senior leadership arrangements were strengthened during the year to provide additional capacity and support to the Chief Executive;
- 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 review development of organisational arrangements and services in line with national standards and guidance including consultation with all stakeholders on service change proposals to inform decision making;



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- 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 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 NHS Grampian has confirmed that there are no known outstanding significant control weaknesses or other failures to achieve the standards set out in the guidance that applies to NHS Boards on governance, risk management and 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
 Chief Officer
 April 2021

Luan Grugeon
 Chair
 April 2021



Risk, Audit and Performance Committee

Appendix B - Internal Audit Annual Report for the year ended 31 March 2021

As Chief Internal Auditor of Aberdeen City Integration Joint Board, I am pleased to present my annual statement on the adequacy and effectiveness of the Board's framework of governance, risk management and control for the year ended 31 March 2021. The purpose of this statement is to assist the Chief Financial Officer in forming his opinion in relation to the Annual Governance Statement to be included in the Annual Accounts.

Opinion

It is my opinion that 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 2021.

Whilst issues 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.

Basis of Opinion

My evaluation of the control environment is informed by a number of sources:

- The audit work completed by Internal Audit during the year to 31 March 2021 in relation to the Integration Joint Board and relevant areas within Aberdeen City Council;
- Progress made with implementing agreed Internal Audit recommendations;
- The assessment of risk completed during the updating of the audit plan;
- Reports issued by the Board's external auditors;
- Internal Audit's knowledge of the Board's and Aberdeen City Council's framework of governance, risk management and performance monitoring arrangements.
- Consideration will be given to the contents of NHS Grampian's Internal Audit annual report when available.

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RISK, AUDIT & PERFORMANCE

Date of Meeting	27 April 2021
Report Title	Review of Duties & Year End Report
Report Number	HSCP.21.042
Lead Officer	Alex Stephen, Chief Finance Officer
Report Author Details	Name: Alex Stephen Job Title: Chief Finance Officer Email Address: AlexStephen@aberdeencity.gov.uk
Consultation Checklist Completed	Yes
Directions Required	No
Appendices	A. Risk, Audit & Performance Duties Report

1. Purpose of the Report

- 1.1. This report presents the Risk, Audit and Performance Committee (RAPC) with a review of reporting for 2020-21 and an intended schedule of reporting for 2021-22 to ensure that the Committee is fulfilling all the duties as set out in its terms of reference.

2. Recommendations

- 2.1. It is recommended that the Risk, Audit & Performance Committee:
- a) Note the content of Appendix A – Risk, Audit & Performance Duties report.

3. Summary of Key Information

- 3.1. The terms of reference indicate several duties which the Risk, Audit and Performance Committee should ensure that it undertakes each financial year. These are listed in Appendix A, with a review of when these were met in 2020/21 and an indication as to when these duties will be met in 2021/22.



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- 3.2. The Chief Finance Officer will maintain this document as a record of the RAPC's business and present it back to the Committee at the end of financial year 2021/22.

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 that the RAPC is functioning effectively and fulfilling its duties will help ensure that the Integration Joint Board (IJB) achieves the strategic aims and priorities as set out in the strategic plan.

6. Management of Risk

- 6.1. **Identified risk(s):** Good governance and ensuring that the IJB's committees are delivering on their duties are fundamental to the delivery of the strategic plan and therefore applicable to most of the risks within the strategic risk register.
- 6.2. **Link to risk number 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".



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- 6.3. How might the content of this report impact or mitigate the known risks:** The Risk, Audit & Performance Duties Report, as attached at Appendix A, provides assurance that the RAP committee is reviewing standards and outcomes to help keep people safe.

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

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Risk, Audit & Performance Committee - Duties & Annual Plan

Review Date: March 2021 (submitted RAPC 27 March 2020)

Purpose of the Document

This document provides an overview of the duties of the Risk, Audit and Performance Committee (RAPC) and indicates when the duty was fulfilled for the financial year 2020/21. It further provides a plan for fulfilment of the same duties for the financial year 2021/22. Please note that the Risk, Audit and Performance Committee was suspended on the 23rd March 2020 due to the Covid-19 pandemic and this resulted in the Integration Joint Board (IJB) taking some of the reports instead of the RAPC.

Duties & When Considered

The Committee will review the overall Internal Control arrangements of the Board and make recommendations to the Board regarding signing of the Governance Statement, having received assurance from all relevant Committees.

Specifically, it will be responsible for the following duties:

Duty	2020/21						Comments
	120520 IJB	090620 IJB	260820	230920	031120	260121	
Audit 1. Review and approve the annual audit plans (internal and external) on behalf of the IJB, receiving reports, overseeing and reviewing actions taken on audit recommendations and			X			X	Internal Audit Plan August 2020 and January 2021, External Audit Plan April 2021



Duty	2020/21						Comments
	120520 IJB	090620 IJB	260820	230920	031120	260121	
escalating to the IJB as appropriate.							
2. Monitor the annual work programme of Internal Audit, including ensuring IJB oversight of the function and programme to ensure this is carried out strategically.						X	Internal audit reports
3. Be aware of, and act on, Audit Scotland, national and UK audit findings and inspections/regulatory advice, and to confirm that all compliance has been responded to in timely fashion.							As and when report released
4. The Committee shall present the minute of its most recent meeting to the next meeting of the IJB for information only.			X	X	X	X	Ongoing
Performance							
5. Review and monitor the strategy for performance the performance of the			X	X			Strategic Plan Dashboard August 2020 Contracts and commissioning plan August 2020



Duty	2020/21						Comments
	120520 IJB	090620 IJB	260820	230920	031120	260121	
Partnership towards achieving its policy objectives and priorities in relation to all functions of the IJB. This includes ensuring that the Chief Officer establishes and implements satisfactory arrangements for reviewing and appraising service performance against the national health and wellbeing outcomes, the associated core suite of indicators and other local objectives and outcomes and for reporting this appropriately to the Committee and Board.							Directions Tracker September 2020
6. Review transformation and service quality initiatives. Monitor the transformation programme considering main streaming, where appropriate.				X	X		Operation Home First November 2020 Transformation Evaluation September 2020 Directions Tracker September 2020



Duty					2020/21			Comments
	120520 IJB	090620 IJB	260820	230920	031120	260121		
							ADP Funding November 2020	
7. Support the IJB in ensuring that the Board performance framework is working effectively, and that escalation of notice and action is consistent with the risk tolerance set by the Board.			X	X			Annual review of the Board Assurance & Escalation Framework (BAEF) August 2020 Directions Tracker September 2020	
8. Review the Annual Performance Report to assess progress toward implementation of the Strategic Plan.				X			Review of annual report should have been reviewed in September but went to the September meeting of the IJB instead.	
9. Instruct Performance Reviews and related processes.							As and when required: Asset Management Statement November 2020 ADP Funding November 2020.	
10. Support the IJB in delivering and expecting cooperation in seeking assurance that hosted services run by partners are working.							Information required to replicate the work undertaken previously re hosted services.	
Risk & Governance								



Duty	2020/21						Comments
	120520 IJB	090620 IJB	260820	230920	031120	260121	
11. The risk tolerance of the Committee is established by the Board Assurance Framework which itself is based on the Board's understanding of the nature of risk to its desired priorities and outcomes and its appetite for risk-taking. This role will be reviewed and revised within the context of the Board and Committee reviewing these Terms of Reference and the Assurance Framework to ensure effective oversight and governance of the partnership's activities.			X			X	Reviewed risk level and BAEF – August 2020 Strategic Risk Register January 2021 Provider Service Risk January 2021
12. Ensure the existence of and compliance with an appropriate risk management strategy including: Reviewing risk management arrangements; receiving		X	X			X	Risk Register August 2020 Strategic Risk Register January 2021 Provider Service Risk January 2021



Duty	2020/21						Comments
	120520 IJB	090620 IJB	260820	230920	031120	260121	
biannual Strategic Risk Management updates and undertaking in-depth review of a set of risks and annually review the IJB's risk appetite document with the full Board.							
13. Approve the sources of assurance used in the Annual Governance Statement.	X						Review of annual governance statement; local code of governance; financial governance
14. Review the overall Internal Control arrangements of the Board and make recommendations to the Board regarding signing of the Governance Statement, having received assurance from all relevant Committees.			X				Internal Audit Annual Report August 2020
Financial							
15. Consider and approve annual financial accounts and related matters	X	X					Unaudited in May 2020, Audited in June 2020



Duty					2020/21			Comments
	120520 IJB	090620 IJB	260820	230920	031120	260121		
16. Receive regular financial monitoring reports	X	X				X	Financial Monitoring Reports (RAPC/IJB quarterly) Period 3 January 2021	
17. Act as a focus for value for money.							Reactive. Example of the living wage processes.	
18. Approve budget virements.	X	X				X	Financial Monitoring Reports (RAPC/IJB quarterly) January 2021	



Forward Planning:

The Committee will review the overall Internal Control arrangements of the Board and make recommendations to the Board regarding signing of the Governance Statement, having received assurance from all relevant Committees.

Specifically, it will be responsible for the following duties:

Duty	2021/22						Comments
	250521 IJB	270421	220621	230921	211221	010322	
Audit 1. Review and approve the annual audit plans (internal and external) on behalf of the IJB, receiving reports, overseeing and reviewing actions taken on audit recommendations and escalating to the IJB as appropriate.		X				X	Internal Audit Plan March 22 External Audit Plan April 21
2. Monitor the annual work programme of Internal Audit, including ensuring IJB oversight of the function and programme to ensure this is carried out strategically.			X	X	X	X	Internal audit reports
3. Be aware of, and act on, Audit Scotland,		X					As and when report released



national and UK audit findings and inspections/regulatory advice, and to confirm that all compliance has been responded to in timely fashion.							
4. The Committee shall present the minute of its most recent meeting to the next meeting of the IJB for information only.		X	X	X	X	X	Ongoing
Performance							
5. Review and monitor the strategy for performance the performance of the Partnership towards achieving its policy objectives and priorities in relation to all functions of the IJB. This includes ensuring that the Chief Officer establishes and implements satisfactory arrangements for reviewing and appraising service				X	X	X	Performance Monitoring Reports



performance against the national health and wellbeing outcomes, the associated core suite of indicators and other local objectives and outcomes and for reporting this appropriately to the Committee and Board.							
6. Review transformation and service quality initiatives. Monitor the transformation programme considering main streaming, where appropriate.				X	X	X	Transformation Monitoring Reports/Operation Home First quarterly
7. Support the IJB in ensuring that the Board performance framework is working effectively, and that escalation of notice and action is consistent with the risk tolerance set by the Board.		X			X		Annual review of the Board Assurance & Escalation Framework (BAEF) December 2021 Directions Tracker April 2021 and December 2021
8. Review the Annual Performance Report to assess progress				X			Review of performance annual report



toward implementation of the Strategic Plan.							
9. Instruct Performance Reviews and related processes.							As and when required.
10. Support the IJB in delivering and expecting cooperation in seeking assurance that hosted services run by partners are working.							Information required to replicate the work undertaken previously re hosted services.
Risk & Governance							
11. The risk tolerance of the Committee is established by the Board Assurance Framework which itself is based on the Board's understanding of the nature of risk to its desired priorities and outcomes and its appetite for risk-taking. This role will be reviewed and revised within the context of the Board and Committee reviewing these Terms of Reference				X	X	X	Reviewed risk level and BAEF – December 2021 Strategic Risk Register, September 2021, December 2021, and March 2022



and the Assurance Framework to ensure effective oversight and governance of the partnership's activities.							
12. Ensure the existence of and compliance with an appropriate risk management strategy including: Reviewing risk management arrangements; receiving biannual Strategic Risk Management updates and undertaking in-depth review of a set of risks and annually review the IJB's risk appetite document with the full Board.				X	X	X	Reviewed risk level and BAEF – December 2021 Strategic Risk Register, September 2021, December 2021, and March 2022
13. Approve the sources of assurance used in the Annual Governance Statement.	X	X					Review of annual governance statement; local code of governance; financial governance
14. Review the overall Internal Control arrangements of the Board and make	X	X					Internal Audit Annual Report April 2021 and May IJB; External Audit Report May 2021 IJB



recommendations to the Board regarding signing of the Governance Statement, having received assurance from all relevant Committees.							
Financial							
15. Consider and approve annual financial accounts and related matters	X	X					Unaudited RAPC April 2021, Audited, IJB May 2021
16. Receive regular financial monitoring reports		X		X	X	X	Financial Monitoring Reports (RAPC/IJB quarterly) April 2021, December 2021, and March 2022; PCIP September 2022
17. Act as a focus for value for money.							Reactive. Example of the living wage processes.
18. Approve budget virements.		X			X	X	Financial Monitoring Reports (RAPC/IJB quarterly) April 2021, December 2021, and March 2022

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RISK, AUDIT & PERFORMANCE

Date of Meeting	27 April 2021
Report Title	Directions – 6 monthly reporting
Report Number	HSCP.21.034
Lead Officer	Alex Stephen, Chief Finance Officer
Report Author Details	Name: Carol Wright Job Title: Support Manager Email Address: cawright@aberdeencity.gov.uk
Consultation Checklist Completed	Yes
Directions Required	No
Appendices	Appendix A - Direction Tracker

1. Purpose of the Report

- 1.1. This report presents the Risk, Audit & Performance Committee (RAPC) with an update on Directions instructed to Aberdeen City Council (ACC) and National Health Service – Grampian (NHSG) since the previous report to the September 2020 RAPC.

2. Recommendations

- 2.1. It is recommended that the Risk, Audit & Performance Committee:

a) Note the contents of this report.

3. Summary of Key Information

- 3.1 As per the Roles and Responsibilities Protocol of the Integration Joint Board (IJB) and its Committees, the IJB are obliged to “to issue Directions to the Partners under sections 26 and 27 of the 2014 Act, in line with the Integration Scheme and legislative framework sitting around the CEO’s of the Partners.”



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As agreed by Committee at the September 2020 meeting a report would be presented every 6months to provide Committee the opportunity to overview the ongoing Directions.

- 3.2** The Directions Tracker, as shown at Appendix A, indicates when they were submitted to the constituent organisation(s), the financial commitment, and the status of each direction. Most of the Directions issued by the IJB are to incur financial expenditure and are therefore centred around commissioning or our transformation programme.
- 3.3** A current version of the Directions Tracker is regularly referenced at the Chief Officer's performance meetings, ensuring overview from ACC and NHSG Chief Executives and Chair and Vice Chair of IJB. The tracker is regularly updated by the leadership team and lead officers. used within the Chief Officer's performance meetings, ensuring overview from Chief Executives from the parent organisations and Chair and Vice Chair of IJB. The tracker is regularly updated by the leadership team and lead officers. There are two classifications of status for a direction:
1. Complete – this represents a direction where the date has expired and the direction is either no longer required or has been superseded by a new direction,
 2. Ongoing – this represent where the current direction is still valid.

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



RISK, AUDIT & PERFORMANCE

5. Links to ACHSCP Strategic Plan

- 5.1. Ensuring that the RAP Committee has overview of the Directions process will help ensure that the IJB achieves the strategic aims and priorities as set out in the strategic plan.

6. Management of Risk

- 6.1. **Identified risk(s):** Good governance and ensuring that the IJB’s committees are delivering on their roles and responsibilities are fundamental to the delivery of the strategic plan and therefore applicable to most of the risks within the strategic risk register.
- 6.2. **Link to risk number 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 the known risks:** This report shows the progress which has been made in the directions and is part of our governance framework.

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



Aberdeen City Health & Social Care Partnership

A caring partnership

RISK, AUDIT & PERFORMANCE

Direction	Associated Budget	Report on:	Report Number	Approved at	Lead Officer		Date Submitted	Effective From	Effective Until	Status at last report	Status at April 21	Narrative
Implementing the integration scheme	NA	NA	NA	IJB 160416	J. Proctor	ACC	NA (prior to process)	26.04.16	NA	Ongoing	Ongoing	Directions which set the IJB off delivering the integration scheme
Implementing the integration scheme	NA	NA	NA	IJB 160416	J. Proctor	NHSG	NA (prior to process)	26.04.2016	NA	Ongoing	Ongoing	Directions which set the IJB off delivering the integration scheme
Intensive Support Service	Within current LD budget	Learning Disability Commissioning	HSCP.17.116	IJB 300118	J. Rae	ACC	20.02.2018	01.10.2018	31.09.2021	Ongoing	Ongoing	Ongoing review of commissioned services, annual workplans
Mental Health Commissioning	Within current MH budget	Mental Health Commissioning	HSCP.17.117	IJB 300118	K. Dawson	ACC	20.02.2018	30.01.2018	30.01.2021	ongoing	Complete	Ongoing review of commissioned services, annual workplans
BAC Contract	Within existing budgets	BAC Contract Review	HSCP.18.035	IJB 220518	S. Shaw	ACC	05.06.2018	01.08.2018	31.07.2024	Ongoing	Ongoing	Monitored through quarterly process.
Social Transport	£347,600	Transformation Decisions Required	HSCP.18.059	IJB 280818	A Macleod	ACC	04.09.2018	01.04.2018	31.03.2022	Ongoing	Ongoing	Ongoing review of commissioned services, annual workplans
Musculoskeletal (MSK) Physiotherapy First Contact Practitioner service in Primary Care	£1,184,825	Transformation Decisions Required	HSCP.18.059	IJB 280818	A Macleod	NHSG	04.09.2018	28.08.2018	28.08.2022	Ongoing	Ongoing	PCIP
Pharmacy	£316,005	Transformation Decisions Required	HSCP.18.059	IJB 280818	A Macleod	NHSG	04.09.2018	01.10.2018	30.09.2020	Ongoing	Complete	PCIP funding; business as usual
Primary Care Psychologists	£2,514,445	Transformation Decisions Required	HSCP.18.059	IJB 280818	A Macleod	NHSG	04.09.2018	28.08.2018	28.08.2022	Ongoing	Ongoing	PCIP
Oral Nutrition Supplements	£301,000 (savings)	Transformation Decisions Required	HSCP.18.117	IJB 111218	A Macleod	NHSG	19.12.2018	01.04.2019	31.03.2021	Ongoing	Complete	Reviewed, monitored business as usual
Maternity Vaccinations	£157,776	Transformation Decisions Required	HSCP.18.117	IJB 111218	A Macleod	NHSG	19.12.2018	01.01.2019	01.01.2022	Ongoing	Ongoing	Ongoing
Link Working (Extension)	£698,564	Transformation Decisions Required	HSCP.18.151	IJB 260319	A Macleod	ACC	15.04.2019	26.03.2019	07.01.2022	Ongoing	Ongoing	Ongoing review of commissioned services, annual workplans
Chaplaincy Listening Service	£178,369 (4 years)	Transformation Decisions Required	HSCP.18.151	IJB 260319	A Macleod	NHSG	15.04.2019	26.03.2019	31.03.2023	Ongoing	Ongoing	Ongoing (in line with Action 15)
Contract Award Report	£737,936	Commissioning	HSCP.19.022	IJB 110619	S. Macleod	ACC	04.07.2019	01.04.2019	31.03.2022	Ongoing	Ongoing	Ongoing review of commissioned services, annual workplans
Transformation Report - Delayed Discharge Reporting	£25,440	Transformation Decisions Required	HSCP.19.026	IJB 110619	A Macleod	ACC	04.07.2019	01.12.2017	Ongoing	Ongoing	Ongoing	Ongoing (in line with Action 15)
Kingswells Care Home	£3,100,000	Commissioning	HSCP.19.032	IJB 110619	C. Wilson	ACC	04.07.2019	01.04.2019	30.03.2024	Ongoing	Ongoing	Ongoing (in line with Action 15)
Action 15 - Psychological Wellbeing Practitioners	£691,429	Transformation Decisions Required	HSCP.19.058	IJB 030919	L. McKenna	NHSG	19.09.2019	03.09.2019	30.04.2022	Ongoing	Ongoing	Ongoing (in line with Action 15)
Action 15 - Mental Wellbeing - Out of Hours	£659,814	Transformation Decisions Required	HSCP.19.058	IJB 030919	K. Gunn	NHSG	19.09.2019	03.09.2019	30.04.2023	Ongoing	Ongoing	Ongoing (in line with Action 15)
Action 15 - Mental Wellbeing - Out of Hours	£659,814	Transformation Decisions Required	HSCP.19.058	IJB 030919	C. Wilson	ACC	19.09.2019	03.09.2019	30.04.2023	Ongoing	Ongoing	Ongoing (in line with Action 15)
Contracts and Commissioning Annual Report	£123,242,747	Commissioning	HSCP.19.062	IJB 191119	J. Stewart-Coxon	ACC	03.12.2019	01.04.2020	30.09.2024	Ongoing	Ongoing	Ongoing review of commissioned services, annual workplans
Grant to Voluntary Organisation	£276,000	Grant Award	HSCP.19.073	IJB 191119	A. McKenzie	ACC	03.12.2019	01.01.2020	31.12.2023	Ongoing	Ongoing	Ongoing review of commissioned services, annual workplans
Supplementary Work Plan Report	£2,852,417	Commissioning	HSCP.19.121	IJB 240320	J. Stewart-Coxon	ACC		01.04.2020	31.08.2024	Ongoing	Ongoing	Ongoing review of commissioned services, annual workplans
Supplementary Work Plan Report	£3,616,748	Commissioning	HSCP.20.001	IJB 090620	J. Stewart-Coxon	ACC	26.6.2020	01.07.2020	30.06.2022	Ongoing	Ongoing	Ongoing review of commissioned services, annual workplans
Grant to Independents	£394,371	Grant Award	HSCP.20.002	IJB 090620	A. McKenzie	ACC	26.6.2020	31.07.2020	30.17.2023	Ongoing	Ongoing	Ongoing review of commissioned services, annual workplans
Grant Funding to Counselling Services	£202,435	Commissioning	HSCP.20.017	IJB 110820	A. McKenzie	ACC	27.08.2020	01.04.2020	31.03.2021	Ongoing	Complete	Annual award of grant funding
Commissioned Day Services and Day Activities	£12,031.71	Commissioning	HSCP.20.018	IJB 110820	A. McKenzie	ACC	27.08.2020	01.09.2020	31.12.2020	Ongoing	Complete	Commissioned Service updated
Commissioned Day Services and Day Activities - LivingWell café	£17,500.00	Commissioning	HSCP.20.045	IJB 281020	A. McKenzie	ACC	13.01.2021	30.09.2020	31.03.2021	Ongoing	Complete	Review of Commissioned Services
Frailty Pathway Redesign – Re-Registration	ACHSCP Adult Social Care Budget - Existing	Commissioning	HSCP.20.052	IJB 021020	A. Stephen	ACC	21.10.2020	02.10.2020	31.03.2022	Ongoing	Ongoing	Ongoing Frailty design
Financial Update and Approvals - National Care Homes	£312,000	Commissioning	HSCP.20.053	IJB 021020	A. Stephen	ACC	21.10.2020	02.10.2020	31.03.2021	Ongoing	Complete	Uplift for 20/21 on previous contract value
Financial Update and Approvals - National Care Homes	£12,950,000	Commissioning	HSCP.20.053	IJB 021020	A. Stephen	ACC	21.10.2020	02.10.2020	31.03.2024	Ongoing	Ongoing	Revised contract value
Financial Update and Approvals - extra Care Home beds	£1,600,000	Commissioning	HSCP.20.053	IJB 021020	A. Stephen	ACC	21.10.2020	02.10.2020	31.03.2021	Ongoing	Complete	Annual procurement work plan
Financial Update and Approvals - Frailty Pathway beds	£700,000	Commissioning	HSCP.20.053	IJB 021020	A. Stephen	ACC	21.10.2020	02.10.2020	31.03.2021	Ongoing	Complete	Annual procurement work plan
Transformation - Decisions Required: Action 15 (Prison)	£194,786 (for 4 years)	Transformation Decisions Required	HSCP.20.050	IJB 281020	S. Macleod	NHSG	13.01.2021	28.10.2020	Ongoing	Ongoing	Ongoing	Progressing recruitment/service delivery
Transformation - Decisions Required: Action 15 (First Contact)	£1,462,733 (for 4 years)	Transformation Decisions Required	HSCP.20.051	IJB 281020	S. Macleod	NHSG	13.01.2021	28.10.2020	01.01.2024	Ongoing	Ongoing	Progressing recruitment/service delivery
Aberdeen City Primary Care Sustainability Programme (Stage 1 – 2C Remodelling)	£5,773,129	Commissioning	HSCP.20.049	IJB 011220	S. Macleod	NHSG	13.01.2021	01.12.2020	01.06.2021	Ongoing	Ongoing	Progressing through tender process
Alcohol Drug Partnership Update (Blood Borne Viruses)	£65,000	Commissioning	HSCP.20.068	IJB 011220	S. Macleod	ACC / NHSG	13.01.2021	01.12.2020	Ongoing	Ongoing	Ongoing	Progressing, no specified end date for expenditure
Alcohol Drug Partnership Update (tele-health care tech)	£70,000	Commissioning	HSCP.20.068	IJB 011220	S. Macleod	ACC / NHSG	13.01.2021	01.12.2020	Ongoing	Ongoing	Ongoing	Progressing, no specified end date for expenditure
Annual Procurement Plan	£56,205,827 -sourced from various budgets	Commissioning	HSCP.21.008	IJB 230221	J. Stewart-Coxon	ACC	23.02.2021	01.04.2021	30.09.2026	Ongoing	Ongoing	Ongoing review of commissioned services, annual workplans
Medium Term Financial Framework (MTFF)	The associated budget for these functions and services is £237m of which £23m relates to Aberdeen City's share for services to be hosted. £46m is set aside for large hospital services.	Commissioning	HSCP.21.025	IJB 230221	A. Stephen	NHSG	23.02.2021	01.04.2021	31.03.2022	Ongoing	Ongoing	Updated Annually
Medium Term Financial Framework (MTFF)	£97,029,000	Commissioning	HSCP.21.025	IJB 230221	A. Stephen	ACC	23.02.2021	01.04.2021	31.03.2022	Ongoing	Ongoing	Updated Annually
Grant funding to counselling services 2021-22	£199,224	Commissioning	HSCP.21.021	IJB 230321	S. MacLeod	ACC	23.02.2021	01.04.2021	31.03.2022	Ongoing	Ongoing	Annual award of grant funding

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RISK, AUDIT AND PERFORMANCE COMMITTEE

Date of Meeting	27 April 2021
Report Title	Internal Audit Annual Report 2020/21
Report Number	HSCP.21.044
Lead Officer	Colin Harvey, Chief Internal Auditor (Interim)
Report Author Details	Colin Harvey Chief Internal Auditor (Interim) Colin.Harvey@aberdeenshire.gov.uk
Consultation Checklist Completed	Yes
Appendices	Appendix A – Progress with Planned Work. Appendix B – Internal Audit Annual Report for the year ended 31 March 2021.

1. Purpose of the Report

- 1.1. The purpose of this report is to provide the Committee with Internal Audit's Annual Report for 2020/21.

2. Recommendations

It is recommended that the Risk, Audit and Performance Committee:

- 2.1. Note the Internal Audit Annual Report 2020/21;
- 2.2. Note that the Chief Internal Auditor has confirmed the organisational independence of Internal Audit;
- 2.3. Note that there has been no limitation to the scope of Internal Audit work during 2020/21; and
- 2.4. Note the progress that management has made with implementing recommendations agreed in Internal Audit reports.



RISK, AUDIT AND PERFORMANCE COMMITTEE

3. Summary of Key Information

- 3.1. It is one of the functions of the Integration Joint Board Risk, Audit and Performance Committee to review the activities of the Internal Audit function, including its annual work programme.
- 3.2. The Internal Audit plan for 2020/21 was agreed by the Committee on 25 February 2020. The plan consisted of one audit for the IJB with a further three audits agreed by Aberdeen City Council's Audit, Risk and Scrutiny Committee relating to Adult Social Care in the Council; another in respect of Bon Accord Care; and others by NHS Grampian's Audit Committee in relation to audits for that body.
- 3.3. The resultant outputs are reported as follows:
 - IJB Internal Audit reports reported to the IJB Risk, Audit and Performance Committee in the first instance and thereafter to the Aberdeen City and NHS Grampian Audit Committees.
 - Aberdeen City Council Adult Social Care audits reported to Aberdeen City Council's Audit, Risk and Scrutiny Committee in the first instance and thereafter to the IJB Risk, Audit and Performance Committee.
 - Audits in NHS Grampian to the NHS Grampian Audit Committee in the first instance and thereafter to the IJB Risk, Audit and Performance Committee for relevant audits.
- 3.4. Appendix A to this report details the position with audits contained in the 2020/21 plan and those carried forward from 2019/20.
- 3.5. The 2020/21 Internal Audit plan was based on the Internal Audit Section being fully staffed during the year. However, Internal Audit's resources have been constrained due to the direct and indirect impacts of Covid 19 on team absences, a vacant Assistant Auditor post, and a temporary vacancy arising following the retirement of the former Chief Internal Auditor. It is estimated that around 20% of the Section's capacity during the year was lost for these staffing reasons.
- 3.6. It is considered that sufficient work was completed during the year, or was sufficiently advanced by the year-end, on which to base the conclusion drawn in the annual Internal Audit Report. This is supplemented by review of other relevant documentation, including Integration Joint Board and Risk, Audit and Performance Committee papers, and the assessment of risk undertaken (by both Internal and External Audit) in updating the Internal



RISK, AUDIT AND PERFORMANCE COMMITTEE

(and External) Audit plan(s).

- 3.7. The volume of work completed during 2020/21 is less than previous years, due to the impact of Covid 19 on the resources and capacity of the Internal Audit team and of audited Services. Whilst this leads to a reduction in the sources of assurance available on which to form an opinion, reliance has been placed on the previous body of work completed by Internal Audit and reported progress with management implementation of agreed Internal Audit recommendations. Consideration has been given as to whether this amounts to a limitation of the scope of Internal Audit's activities, and it is considered that for 2020/21 a one-off reduction in the number of completed audits will not have a material impact. Should the situation extend to significantly impact work planned in 2021/22 and beyond, further consideration will be given to the level of assurance which Internal Audit can provide.
- 3.8. Internal Audit's annual opinion is attached as Appendix B and concludes that 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 2021.
- 3.9. Aberdeen City Council's Audit, Risk and Scrutiny Committee will consider Internal Audit's annual report on the Council on 12 May 2021. It concludes that reasonable assurance can be placed on Aberdeen City Council's framework of governance, risk management and control in the year to 31 March 2021.
- 3.10. NHS Grampian's Audit Committee will consider their Internal Auditors annual report in due course. An update will be provided to the Risk, Audit and Performance Committee should there be any issues that require to be reported.
- 3.11. The Public Sector Internal Audit Standards (PSIAS) require that the Chief Internal Auditor report to Senior Management and the Board on the outcome of Internal Audit's Quality Assurance and Improvement Plan (QAIP). The required review has been completed, and the results will be reported to Aberdeen City Council's Audit, Risk and Scrutiny Committee on 25 May 2021. In general, the conclusion was that Internal Audit complies with the majority of the requirements. An action plan is being put forward to drive continuous improvement.
- 3.12. The Standards also require that Internal Audit confirms to the Board, at least annually, that it is organisationally independent. The organisational independence of Internal Audit is established through Financial Regulations



RISK, AUDIT AND PERFORMANCE COMMITTEE

(approved by the Board on 29 March 2016). Other factors which help ensure Internal Audit's independence are that: the Internal Audit plan is approved by the IJB Risk, Audit and Performance Committee; and Internal Audit reports its outputs to Committee in the name of the Chief Internal Auditor. The Chief Internal Auditor considers that Internal Audit is organisationally independent.

- 3.13. There is also a requirement to report any instances where the scope of Internal Audit's work has been limited. During 2020/21, except to the extend discussed at 3.7 above, there have been no such limitations.
- 3.14. Internal Audit Standards require that Internal Audit implement a system to monitor the implementation of agreed recommendations by management arising from its reports. A system is in place, and all recommendations previously agreed with management in respect of the Integration Joint Board have been implemented.

4. Implications for IJB

- 4.1. **Equalities** – An equality impact assessment is not required because the reason for this report is for Committee to discuss, review and comment on the contents of the Internal Audit Annual Report for 2020/21 and there will be no differential impact, as a result of this report, on people with protected characteristics.
- 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. Internal Audit's role is to provide assurance regarding the adequacy and effectiveness of the Integration Joint Board's framework of governance, risk management and control. Each of these areas helps ensure that the IJB can deliver on all strategic priorities as identified in its strategic plan.



RISK, AUDIT AND PERFORMANCE COMMITTEE

6. Management of Risk

- 6.1. **Identified risks(s):** The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are as detailed in the resultant report.
- 6.2. **Link to risks on strategic risk register:** The Internal Audit Plan is developed following consideration of the Aberdeen City Health and Social care Partnership Risk Register and through consultation with management.
- 6.3. **How might the content of this report impact or mitigate these risks:** Where risks are identified during the Internal Audit process, recommendations are made to management in order to mitigate these risks.



Risk, Audit and Performance Committee

APPENDIX A

Service	Audit Topic	Position
2019/20 Planned Audit Work Completed in 2020/21		
Aberdeen City Council Adult Social Work	Commissioned Services – Contract Monitoring	Complete June 2020. Reported to the Aberdeen City Council Audit, Risk and Scrutiny Committee on 8 October 2020 and the Integration Joint Board Risk, Audit and Performance Committee 26 January 2021.



Risk, Audit and Performance Committee

Service	Audit Topic	Position
2020/21 Planned Audit Work		
Aberdeen City Integration Joint Board	Performance Management	Commenced September 2020
Aberdeen City Council Adult Social Work	Contributing to Your Care Policy	Deferred to 2022/23 at the request of management, pending implementation of changes in this area and a new care management system
	Information exchange between Housing / IJB	Removed from the 2020/21 plan as an external audit by the DWP was in progress to provide assurance over this area.
	Mental Health and Substance Abuse	Commenced January 2021
Bon Accord Care	Budget Monitoring	Commenced December 2020



Risk, Audit and Performance Committee

Appendix B

Internal Audit Annual Report for the year ended 31 March 2021

As Chief Internal Auditor of Aberdeen City Integration Joint Board, I am pleased to present my annual statement on the adequacy and effectiveness of the Board's framework of governance, risk management and control for the year ended 31 March 2021. The purpose of this statement is to assist the Chief Financial Officer in forming his opinion in relation to the Annual Governance Statement to be included in the Annual Accounts.

Opinion

It is my opinion that 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 2021.

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

Basis of Opinion

My evaluation of the control environment is informed by a number of sources:

- The audit work completed by Internal Audit during the year to 31 March 2021 in relation to the Integration Joint Board and relevant areas within Aberdeen City Council;
- Progress made with implementing agreed Internal Audit recommendations;
- The assessment of risk completed during the updating of the audit plan;
- Reports issued by the Board's external auditors;
- Internal Audit's knowledge of the Board's and Aberdeen City Council's framework of governance, risk management and performance monitoring arrangements.
- Consideration will be given to the contents of NHS Grampian's Internal Audit annual report when available.



Risk, Audit and Performance Committee

Respective responsibilities of management and internal auditors in relation to internal control

It is the responsibility of the Board's senior management to establish an appropriate and sound system of internal control and to monitor the continuing effectiveness of that system. It is the responsibility of the Chief Internal Auditor to provide an annual overall assessment on the adequacy and effectiveness of the Board's framework of governance, risk management and control.

Sound internal controls

The main objectives of the Board's internal control systems are to:

- ensure adherence to management policies and directives in order to achieve the organisation's objectives;
- safeguard assets;
- ensure the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records; and
- ensure compliance with statutory requirements.

Any system of control can only ever provide reasonable and not absolute assurance that control weaknesses or irregularities do not exist or that there is no risk of material errors, losses, fraud, or breaches of laws or regulations. Accordingly, the Board is continually seeking to improve the effectiveness of its systems of internal control.

The Work of Internal Audit

Internal Audit is an independent appraisal function established by the Board for the review of the framework of governance, risk management and control as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

The section undertakes an annual programme of work agreed with Chief Officers and the Risk, Audit and Performance Committee. The audit plan is based on a risk assessment process which is revised on an ongoing basis to reflect evolving risks and changes.

All Internal Audit reports identifying system weaknesses, non-compliance with expected controls, and / or assurance of satisfactory operation are brought to the attention of management and include appropriate recommendations and agreed



Risk, Audit and Performance Committee

action plans. It is management's responsibility to ensure that proper consideration is given to Internal Audit reports and that appropriate action is taken on audit recommendations. The Internal Auditor is required to ensure that appropriate arrangements are made to determine whether action has been taken on internal audit recommendations or that management has understood and assumed the risk of not taking action.

Colin Harvey,
Chief Internal Auditor (Interim),
Aberdeen City Integration Joint Board
5 April 2021



RISK, AUDIT AND PERFORMANCE COMMITTEE

Date of Meeting	27 April 2021
Report Title	External Audit Strategy 2020/21
Report Number	HSCP.21.036
Lead	Michael Wilkie, Director KPMG michael.wilkie@kpmg.co.uk
Report Author Details	Michael Wilkie, Director KPMG michael.wilkie@kpmg.co.uk
Consultation Checklist Completed	Yes
Appendices	a. IJB External Audit Strategy

1. Purpose of the Report

- 1.1. This report presents the draft external audit strategy to the Risk, Audit and Performance Committee for its consideration.

2. Recommendations

- 2.1. It is recommended that the Risk, Audit and Performance Committee Approves the approach to external audit, as outlined in Appendix A.

3. Summary of Key Information

- 3.1. 2019-20 is the fifth year of KPMG’s external audit appointment to Aberdeen City Integration Joint Board having been appointed by the Accounts Commission as auditor of the Board under the Local Government (Scotland) Act 1973. The period of appointment is 2016-17 to 2021-22, inclusive, as extended by Audit Scotland.
- 3.2. The draft external audit strategy is attached in Appendix A and outlines KPMG’s responsibilities as external auditor for the year ending 31 March 2021 and their intended approach to issues impacting on the Partnership’s activities in the year.



RISK, AUDIT AND PERFORMANCE COMMITTEE

4. Implications for IJB

- 4.1. **Equalities** - There are no direct Equalities implications arising from the recommendations of this report.
- 4.2. **Fairer Scotland Duty** - There are no direct implications for Fairer Scotland Duty arising from the recommendations of this report.
- 4.3. **Financial** - There are no direct financial implications arising from the recommendations of this report.
- 4.4. **Workforce** - There are no direct workforce implications arising from the recommendations of this report.
- 4.5. **Legal** - There are no direct legal implications arising from the recommendations of this report.

5. Links to ACHSCP Strategic Plan

- 5.1. Not Applicable

6. Management of Risk

- 6.1. **Identified Risks** There is a risk of financial failure, that demand outstrips budget and IJB cannot deliver on priorities, statutory work, and projects an overspend.
- 6.2. **Link to risks on strategic or operational risk register:** Strategic Risk 2
- 6.3. **How might the content of this report impact or mitigate these risks:**
The approach to external audit as outlined in Appendix A will help mitigate this risk as it outlines work that KPMG will undertake on behalf of ACHSCP to ensure financial statements give a true and fair view and are prepared in accordance with relevant accounting standards and legislation. They will also review the governance statement and arrangements for preparing and publishing statutory performance information. Finally, the External Auditors will review the financial sustainability on the Integration Joint Board.



Aberdeen City Integration Joint Board

Audit Strategy

Year ending 31 March 2021

19 April 2021

For Risk, Audit and Performance Committee consideration on 23 March 2021

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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 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 scoping and purpose section 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 Michael Wilkie, who is the engagement leader for our services to Aberdeen City Integration Joint Board, telephone 0141 300 5890 email: michael.wilkie@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 Diane McGiffen, Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN.

Introduction

2020-21 is the fifth year of our external audit appointment to Aberdeen City Integration Joint Board (“the Board” or “the IJB”), having been appointed by the Accounts Commission as auditor of the Board under the Local Government (Scotland) Act 1973 (“the Act”). The period of appointment is 2016-17 to 2021-22, inclusive, as extended by Audit Scotland.

Our planned work in 2020-21 will include:

- an audit of the financial statements and provision of an opinion on whether the financial statements:
 - give a true and fair view in accordance with the applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom (“the 2020-21 Code”) of the state of the affairs of the Board as at 31 March 2021 and of the income and expenditure of the Board for the year then ended; and
 - have been prepared in accordance with IFRS as adopted by the European Union, as interpreted and adapted by the 2020-21 Code, the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014 and the Local Government in Scotland Act 2003.
- completion of returns to Audit Scotland;
- a review and assessment of the Board’s governance arrangements and review of the governance statement;
- a review of arrangements for preparing and publishing statutory performance information; and
- contributing to the audit of wider scope and Best Value through performance of risk assessed work.

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks

to the quality of our audit in our engagement risk assessment and planning discussions.

We define ‘audit quality’ as being the outcome when audits are:

- executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls; and
- all of our related activities are undertaken in an environment of the outmost level of objectivity, independence, ethics and integrity.

Adding value

Throughout the audit, we will consider opportunities to add value and will conclude on this in our Annual Audit Report. We add value through:

- our experience, which brings insight and challenge;
- our tools and approach, which contribute to audit quality; and
- transparency and efficiency, which improves value for money.

Our team

The senior team involved in the external audit benefits from continuity in the engagement manager. For 2020-21, Michael Wilkie will continue in the role of engagement leader. The team has significant experience in the audit of local authorities and integration joint boards. It is supported by specialists, all of whom work with a variety of local government and public sector bodies. All members of the team are part of our wider local government and health network. Contact details for senior members of the audit team are provided on the back page of this report.

Our work will be completed in three phases from January 2021 to June 2021. Our key deliverables are this Audit Strategy document, and an Annual Audit Report.

Acknowledgements

We would like to take this opportunity to thank officers and members for their continuing help and co-operation throughout our audit work.

Headlines

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Materiality

Materiality for planning purposes has been based on 2020-21 estimated gross expenditure and set at £3.5 million (1% of gross expenditure).

In line with the Code of Audit Practice, we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance and this threshold has been set at £0.173 million.

Page six



Audit risks

We have identified management override of controls as a default fraud risk which requires specific audit attention, in line with the International Standards on Auditing.

The risks with less likelihood of giving rise to a material error, but which are nevertheless worthy of audit understanding, relate to:

- completeness and accuracy of expenditure;
- financial sustainability; and
- COVID-19 related grants.

We will report on each of these areas in our Annual Audit Report which we plan to issue in June 2021.

Pages seven to nine

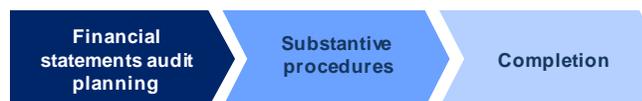
Financial statement audit

Our financial statements audit work follows a three stage audit process which is identified below. [Appendix three](#) provides more detail on the activities that this includes. This report concentrates on the audit planning stage of the financial statements audit.



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These stages are:



There are no significant changes to the 2020-21 Code, which means for this year there is consistency in terms of accounting standards the Board needs to apply.

Wider scope

Auditors are required to assess and provide conclusions in the Annual Audit Report in respect of four wider scope dimensions:

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

We test wider scope areas where there are identified risks. We consider that there are wider scope risks in respect of demand pressures and the transformation programme. We have identified financial sustainability as a wider scope financial statement level focus area as set out opposite.

In addition, due to ongoing challenges related to the Covid-19 pandemic, we will consider the impact, and the Board's response to pressures as part of our risk assessment procedures and wider scope responsibilities. Audit Scotland have also specified consideration of the risk of fraud at audited entities, which we have extended to consider the Board's approach to managing fraud risk in respect of procurement.

Pages 11 to 15



Headlines (continued)

Independence

In accordance with ISA 260 and the Financial Reporting Council (FRC) Ethical Standards, we are required to communicate to you all relationships between KPMG and the Board that may be reasonably thought to have bearing on our independence both:

- at the planning stage; and
- whenever significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place.

Appendix two contains our confirmation of independence and any other matters relevant to our independence.

Total fees charged by us for the period ended 31 March 2020 were communicated in our Annual Audit Report issued in May 2020. Total fees for 2020-21 will be presented in our Annual Audit Report issued on completion of the audit. The proposed audit fee for 2020-21 is £30,060 as set out below:

Total fee	Pooled costs	Contribution to PABV (Audit Scotland)	Contribution to Audit Scotland	Auditor remuneration (including VAT)
£30,060	£1,790	£5,650	£1,040	£21,580

Quality

International Standard on Quality Control (UK and Ireland) 1 (“ISQC1”) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor’s report or opinion is appropriate in the circumstances.

Our Audit Quality Framework and KPMG Audit Manual comply with ISQC1. Our UK Senior Partner has ultimate responsibility for quality control. Operational responsibility is delegated to our Head of Quality & Risk who sets overall risk management and quality control policies. These are cascaded through our Head of Audit in Scotland and ultimately to Michael Wilkie as the Director leading delivery of services to the Board.

The nature of our services is such that we are subject to internal and external quality reviews. KPMG’s annual financial statements include our transparency report which summarises the results of various quality reviews conducted over the course of each year.

We also provide Audit Scotland with details of how we comply with ISQC1 and an annual summary of our achievement of KPIs and quality results.

We welcome your comments or feedback related to this strategy and our service overall.

Regularity

We consider the risk of fraud and error over income and expenditure recognition, in line with *Practice Note 10 Audit of financial statements of public sector bodies in the United Kingdom*. As the Board is a net spending body, we consider it appropriate to extend our consideration to cover expenditure as well as income. We do not consider there to be a significant risk over income or expenditure, see page seven. We have identified the completeness and accuracy of expenditure as an other focus area, see page eight.

Financial statements audit planning

Materiality

We are required to plan our audit to determine with reasonable confidence whether or not the financial statements are free from material misstatement. An omission or misstatement is regarded as material if it would reasonably influence the user of financial statements. This therefore involves an assessment of the qualitative and quantitative nature of omissions and misstatements.

Generally, we would not consider differences in opinion in respect of areas of judgement to represent 'misstatements' unless the application of that judgement results in a financial amount falling outside of a range which we consider to be acceptable.

Materiality for planning purposes has been set at £3.5 million, which equates to 1% of 2020-21 estimated gross expenditure. Materiality will be revised once draft financial statements for 2020-21 are received.

We design our procedures to detect errors in specific accounts at a lower level of precision, being £2.6 million (75% materiality).

Reporting to the Risk, Audit and Performance Committee

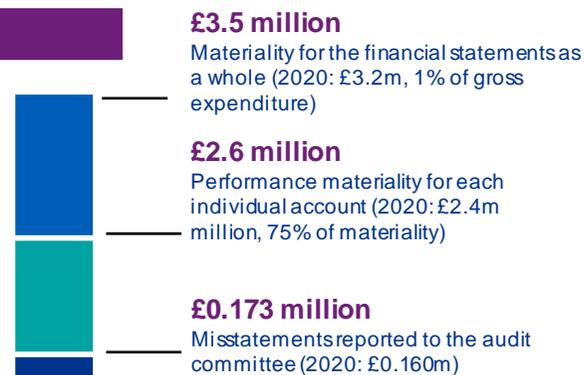
Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Risk, Audit and Performance Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260, we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

In the context of the Board, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.173 million.

If management has corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Risk, Audit and Performance Committee to assist it in fulfilling its governance responsibilities.

Materiality



Control environment

The impact of the control environment on our audit is reflected in our planned audit procedures. Our planned audit procedures reflect findings raised in the previous year and management's response to those findings. We will assess the impact of the COVID-19 pandemic on key controls, which may result in subsequent changes in our audit approach.

Timing of our audit and communications

We will maintain communication led by the engagement lead and manager throughout the audit. We set out our communications in [Appendix three](#).

Financial statements audit planning (continued)



Significant risks and other focus areas

Risk assessment: Our planning work takes place during January 2021 and February 2021. This involves: risk assessment; determining the materiality level; and issuing this audit plan to communicate our audit strategy. We use our knowledge of the Board, discussions with management and review of Board papers to identify areas of risk and audit focus categorised into financial risks and wider dimension risks as set out in the Code.

Significant risk	The risk	Planned response
Financial statement risks		
Fraud risk from management override of controls	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.	<ul style="list-style-type: none"> 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 Board. Strong oversight of finances by management provides additional review of potential material errors caused by management override of controls. In line with our methodology, we will carry out appropriate control testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the organisation's normal course of business, or are otherwise unusual.
Fraud risk from income revenue recognition and expenditure	Professional standards, as interpreted by Practice Note 10, require us to make a rebuttable presumption that the fraud risk from revenue recognition and expenditure are significant risks.	<ul style="list-style-type: none"> The Board receives funding requisitions from Aberdeen City Council and NHS Grampian. These are agreed in advance of the financial 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. The Board issues directions to Aberdeen City Council and NHS Grampian in order to direct those bodies to deliver services delegated by the Board. The Board makes these directions based on its budget agreed in advance of the financial year. There is no estimation or judgement in recognising expenditure to these bodies, and we do not regard the risk of fraud to be significant.

Financial statements audit planning (continued)



Other focus area	The risk	Planned response
Financial statement focus area		
Completeness and accuracy of expenditure	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.	<ul style="list-style-type: none"> Our substantive audit will obtain support for gross expenditure included in Aberdeen City Council and NHS Grampian's accounting records. We will obtain confirmations of expenditure from each of these bodies.
Financial sustainability	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	<ul style="list-style-type: none"> The Board receives funding from NHS Grampian and Aberdeen City Council, and as part of an Integration Scheme, has a risk sharing agreement with both bodies. This agreement stipulates overspends should be met through the use of reserves where possible, otherwise these bodies must make an additional one-off payment on the basis of each body's proportionate share of baseline contributions to the Board. This gives the Board comfort with regards to overspends, however, there is a risk going forward regarding ongoing budget balance, specifically in the context of challenging NHS and Council budgets. We will consider the Board's financial planning, reserves strategy, and Board's use of reserves, concluding on the appropriateness of these in our Annual Audit Report. See page 13 for further information regarding the financial sustainability wider scope. Covid-19 has an inherent impact on the Board's operations, including the Board's long term financial position. The initial estimates of the Covid related cost developed by the IJB at the beginning of the pandemic ranged from £8.1 million to £20.9 million. At December 2020 the total actual allocation in relation to Covid-19 (Mobilisation Plan) was £15.6 million and an overspend of £3.5 million was estimated at the financial year end. The Chief Finance Officer of the IJB proposed not to use the remaining reserves (£2.6 million) to cover the overspend. Instead, the IJB plan to rely on the additional funding confirmed to be provided by the Scottish Government. The overspend relates to a number of Covid-related activities, including additional cost at care homes, vaccination hubs and winter allocations. The other areas of underspend in the year included hosted services or learning disabilities were met by overspend on older people commissioned services and primary care prescribing overspends.

Financial statements audit planning (continued)



Other focus area	The risk	Planned response
Financial statement focus area		
<p>Covid-19 related grants</p>	<p>As part of the economic support provided by the Scottish government, the IJB will need to consider the accounting treatment for Covid-19 related grants. This includes the £500 additional payment due to some key workers.</p> <p>Due to the complexity, development of guidance and relative inexperience of administering the schemes, there is an element of risk of fraud and error in respect of payments made and disclosure.</p>	<ul style="list-style-type: none"> — We will inquire of Officers how the partners and the IJB plan to account for the grants in respect of potential accruals, prepayments and provisions. — We will inquire of Officers to determine how the partner bodies administer any grants or payments provided, and how the IJB obtain sufficient assurance that these payments are correctly made. — We will consider and report upon whether the required accounting treatment within the annual accounts is appropriately made in respect of guidance and the 2020-21 Code.

Other matters

Accounting framework update

There are no significant changes in the accounting framework that require disclosure other than those potential changes described in the Covid-19: Audit implications section opposite.

Controls testing

In respect of the financial statements, we identify the constituent account balances and significant classes of transactions and focus our work on identified risks.

Determining the most effective balance of internal controls and substantive audit testing enables us to ensure the audit process runs smoothly and with the minimum disruption to the Board's finance team.

We have not identified any action points in 2019-20. [Appendix three](#) summarises our approach across each phase of the audit.

Internal audit

ISA 610 *Considering the work of internal audit* requires us to:

- consider the activities of internal audit and their effect, if any, on external audit procedures;
- obtain an understanding of internal audit activities to assist in planning the audit and developing an effective audit approach;
- perform a preliminary assessment of the internal audit function when it appears that internal audit is relevant to our audit of the financial statements in specific audit areas; and
- evaluate and test the work of internal audit, where use is made of that work, in order to confirm its adequacy for our purposes.

We will continue liaising with internal audit and update our understanding of its approach and conclusions where relevant. The general programme of work will be reviewed for significant issues to support our work in assessing the statement of internal control.

Covid-19: Audit implications

We report our assessment of the impact of Covid-19 on our planned audit scope, timing, materiality, audit procedures, and fees.

- The **planned scope and timing** of our audit has not changed significantly from the prior year to respond to any assessed risks of material misstatement.
- Given the rapidly changing environment, the **scope and timing** of our audit may need to be modified further to respond to new events or changing conditions. If we make significant changes, then we will communicate these to you. We anticipate considering management's assessment of the treatment, value and number of claims or disbursements of various government grants and funding streams which are new and associated with Covid-19.
- **Materiality** for the financial statements as a whole has been maintained from the prior year due to increased demand and expenditure required to maintain service delivery.
- Due to the rapidly evolving situation, determining whether **subsequent events** should be reflected (adjusting) vs. disclosed (non-adjusting) in the financial statements may require significant judgement, and more subsequent events may be identified.
- Our **audit procedures** will be adjusted to respond to any increased risks of material misstatement, and we highlight the risk of potential delays to the completion of our audit to enable us to obtain sufficient appropriate evidence to support our audit opinion.
- We do not anticipate any changes to our procedures or risk assessment in respect of the Board's ability to continue as a **going concern**.
- Based on the efficient working relationship between KPMG and the finance team in 2019-20, we do not anticipate adjusting our **audit fee** beyond that proposed on page five.

Wider scope and Best Value

Approach

We are required to assess and provide conclusions in the Annual Audit Report in respect of four wider scope dimensions: financial sustainability; financial management; governance and transparency; and value for money. We set out below an overview of our approach to wider scope and Best Value requirements of our annual audit. We provide on pages 13 to 15 our risk assessment in respect of these areas.

Risk assessment

We consider the relevance and significance of the potential business risks faced by Integration Joint Boards, and other risks that apply specifically to the Board. These are the significant operational and financial risks in achieving statutory functions and objectives, which are relevant to auditors' responsibilities under the *Code of Audit Practice*.

In doing so we consider:

- The Board's own assessment of the risks it faces, and its arrangements to manage and address its risks.
- Evidence gained from previous audit work, including the response to that work.
- The work of other inspectorates and review agencies, through the Local Area Network ('LAN') which is established for Aberdeen City Council.

The LAN brings together local scrutiny representatives in a systematic way to agree a shared risk assessment. We use the shared risk assessment process to consider if there are wider scope risks relevant to the Annual Audit Report.



Linkages with other audit work

There is a degree of overlap between the work we do as part of the wider scope/Best Value and our financial statements audit. For example, our financial statements audit includes an assessment and testing of the control environment, many aspects of which are relevant to our wider scope audit responsibilities.

We always seek to avoid duplication of audit effort by integrating our financial statements and wider scope/Best Value work, and this will continue. We consider information gathered through the shared risk assessment and the Audit Commission's five strategic priorities when planning and conducting our work.



Wider scope and Best Value (continued)

Approach (continued)

Identification of significant risks

The Code identifies a matter as significant *'if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects.'*

If we identify significant wider scope risks, we will highlight the risk to the Board and consider the most appropriate audit response in each case, including:

- Considering the results of work by the Board, inspectorates and other review agencies.
- Carrying out local risk-based work to form a view on the adequacy of the Board's arrangements for securing economy, efficiency and effectiveness in its use of resources.



Concluding on wider scope and Best Value

At the conclusion of the wider scope/Best Value testing we will consider the results of the work undertaken and assess the assurance obtained against each of the wider scope audit dimensions, regarding the adequacy of the Board's arrangements for securing economy, efficiency and effectiveness in the use of resources.

If any issues are identified that may be significant to this assessment, and in particular if there are issues that indicate we may need to consider qualifying our wider scope conclusion, we will discuss these with management as soon as possible. Such issues will also be considered more widely as part of KPMG's quality control processes, to help ensure the consistency of auditors' decisions.



Reporting

We have completed our initial wider scope risk assessment and have not identified any significant risks, as noted on the pages 13-15. We will update our assessment throughout the year and should any issues present themselves we will report them in our Annual Audit Report.

We will report on the results of the wider scope and Best Value work through our Annual Audit Report. This will summarise any specific matters arising, and the basis for our overall conclusion.



Wider scope and Best Value (continued)

Risk assessment

We have not identified any financial statement significant risks in relation to wider scope and Best Value. The Wider Scope focus areas to be specifically addressed through audit procedures are listed below .

Wider scope area	Why	Audit approach
<p>Financial sustainability and financial management</p>	<p>Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.</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.</p> <p>Specific identified focus areas:</p> <p><u>Demand pressures</u></p> <p>This is inherently a risk to the Board given the challenging environment, where funding is unlikely to increase in real terms and efficiency savings are required to meet the demand pressures for services. These pressures include the additional cost of locums in order to provide safe staffing levels and increases in prescribing spend.</p> <p>The Board is forecasting £3.5 million overspend at 31 December 2020 with a risk fund reserves at 31 March 2020 of £2.6 million.</p>	<ul style="list-style-type: none"> — We will obtain an understanding of the Board's financial position and year end outturn position through review of board reports and other management information. We will assess management's progress with implementation of efficiency savings. Commentary and analysis on these areas will be provided within the Annual Audit Report. — We will perform substantive procedures, including substantive analytical procedures over income and expenditure, comparing the final position to budget. — The Board receives funding requisitions from NHS Grampian and Aberdeen City Council, and has a risk sharing agreement in place with both bodies. This gives the Board comfort with regards to any overspend in 2020-21, however, there is a risk going forward regarding ongoing budget balance, specifically in the context of the challenging NHS Grampian and Aberdeen City Council budgets, see page eight. — We will consider the Board's financial planning and reserves strategy and conclude on the appropriateness of these in our Annual Audit Report.

Wider scope and Best Value (continued)

Wider scope area	Why	Audit approach
<p>Financial sustainability and financial management (continued)</p>	<p>Specific identified focus areas (continued):</p> <p><u>Covid-19</u></p> <p>As an entity with strategic responsibilities for health and social care in Aberdeen, the Covid-19 pandemic has an inherent impact on the Board's financial health, and those decisions made by the Board on public health.</p>	<ul style="list-style-type: none"> — We will consider the transparency, regularity and adequacy of information presented to the Board in order to support effective decision making. — We will consider whether any changes to the governance structure as a result of national and regional social restrictions are sufficient for democratic governance. — We will review the Board's budget setting process in order to conclude whether identified Covid-19 services and pressures are appropriately resourced. We will also consider how officers advise members on the current financial position in respect of Covid-19 pressures.
<p>Governance and transparency</p>	<p>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.</p> <p>Specific identified focus area:</p> <p>Audit Scotland planning guidance requires us to consider the following matters which are potential risks to all public sector bodies.</p> <p><u>Fraud and corruption in procurement</u></p> <p>Illicit rebates, kickbacks and false invoicing are potential risks across the public sector. For all bodies other than those where the full wider scope is not judged to be appropriate, auditors should assess the risk of fraud and corruption in the procurement function.</p> <p>We apply the principles of this specific focus area and extend it to consider the overall arrangements of the Board, by considering how it manages the risk of fraud.</p>	<ul style="list-style-type: none"> — We will consider the effectiveness of scrutiny and governance arrangements, by evaluating the challenge and transparency of the reporting of financial and performance information. — We will update our understanding of the controls and processes around capturing officers' and Board members' interests. — We will obtain and review minutes of meetings of the various committees to assess the level of transparency, and consider the Board's plan for enhancing transparency. — We will assess whether the risk of procurement fraud is acknowledged and considered by the Board, and whether it gains sufficient assurance over the mitigation of the risk of fraud at partner bodies. — We will determine whether internal audit coverage or reporting over procurement systems at partner bodies is adequate and proportionate to the risks faced by the body.

Wider scope and Best Value (continued)

Risk assessment (continued)

Wider scope area	Why	Audit approach
Value for money	Value for money is concerned with how effectively resources are used to provide services.	— We will specifically consider statutory performance indicators, performance reporting and arrangements to provide for continuous improvement.



Appendices

Mandated communications with the Risk, Audit and Performance Committee

Matters to be communicated	Link to risk, audit and performance committee papers
Independence and our quality procedures ISA 260 (UK).	— See page 18.
The general approach and overall scope of the audit, including levels of materiality, fraud and engagement letter ISA 260 (UK).	— Main body of this paper
— Disagreement with management about matters that, individually or in aggregate, could be significant to the entity's financial statements or the auditor's report, and their resolution (AU 380).	— In the event of such matters of significance we would expect to communicate with the Risk, Audit and Performance Committee throughout the year. — Formal reporting will be included in our Annual Audit Report for the Risk, Audit and Performance Committee meeting, which focuses on the financial statements.
— Significant difficulties we encountered during the audit.	
— Significant matters discussed, or subject to correspondence, with management (ISA 260).	
— Our views about the qualitative aspects of the entity's accounting and financial reporting.	
— The potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the financial statements (ISA 260 and ISA 540).	
— Audit adjustments, whether or not recorded by the entity, that have, or could have, a material effect on its financial statements. We will request you to correct uncorrected misstatements (including disclosure misstatements) (ISA 450).	
— The selection of, or changes in, significant accounting policies and practices that have, or could have, a material effect on the entity's financial statements (ISA 570).	
— Material uncertainties related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern (ISA 570).	
— Expected modifications to the auditor's report (ISA 705).	
— Related party transactions that are not appropriately disclosed (ISA 550)	

Auditor Independence

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

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships 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 other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Risk, Audit and Performance Committee.

Confirmation of audit independence

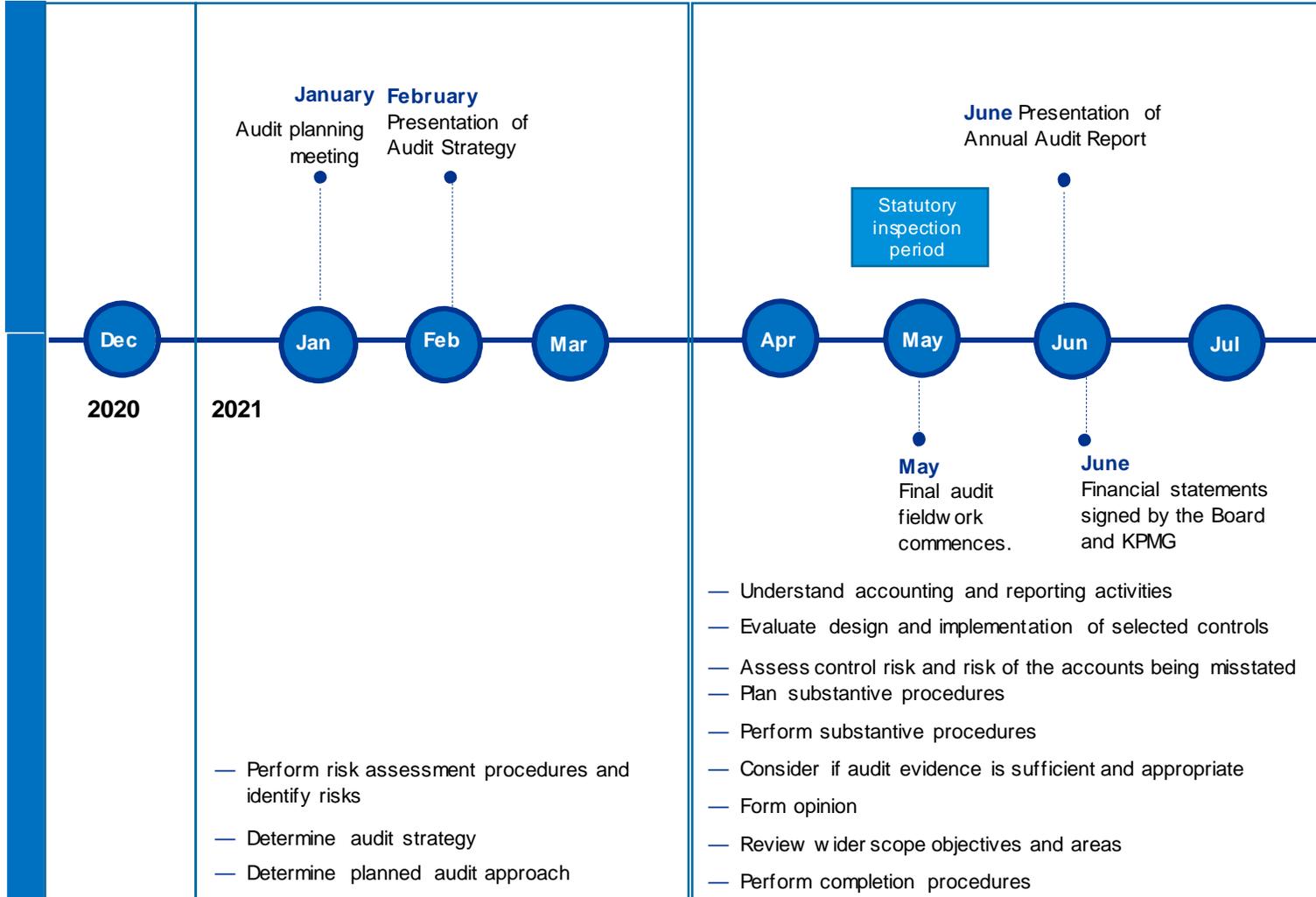
We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Risk, Audit and Performance Committee 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



Audit outputs

Output	Description	Report date
Audit strategy	Our strategy for the external audit of the Board, including significant risk and audit focus areas.	By 25 February 2021
Independent auditor's report	Our opinion on the Board's financial statements.	By 30 June 2021
ISA 260 report (included in the Annual Audit Report)	Required communications with Those Charged With Governance	By 30 June 2021
Annual Audit Report	We summarise our findings from our work during the year.	By 30 June 2021
Audit reports on other returns	We will report on the following returns: <ul style="list-style-type: none"> — Current issues return — Fraud returns 	January, March, July and October 2021 November 2020, February, May and August 2021

Audit Scotland code of audit practice - responsibility of auditors and management

Responsibilities of management

Financial statements

Audited bodies must prepare an annual report and accounts containing financial statements and other related reports. They have responsibility for:

- preparing financial statements which give a true and fair view of their financial position and their expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation;
- maintaining accounting records and working papers that have been prepared to an acceptable professional standard and that support their financial statements and related reports disclosures;
- ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in accordance with the appropriate Council;
- maintaining proper accounting records; and
- preparing and publishing, along with their financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that are consistent with the disclosures made in the financial statements. Management commentary should be fair, balanced and understandable and also clearly address the longer- term financial sustainability of the body.

Further, it is the responsibility of management of an audited body, with the oversight of those charged with governance, to communicate relevant information to users about the entity and its financial performance, including providing adequate disclosures in accordance with the applicable financial reporting framework. The relevant information should be communicated clearly and concisely.

Audited bodies are responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of their objectives and safeguard and secure value for money from the public funds at their disposal. They are also responsible for establishing effective and appropriate internal audit and risk-management functions.

Prevention and detection of fraud and irregularities

Audited bodies are responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption and also to ensure that their affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.

Audit Scotland code of audit practice – responsibility of auditors and management

Responsibilities of management
Corporate governance arrangements
Each body, through its chief executive or accountable officer, is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Audited bodies should involve those charged with governance (including Risk, Audit and Performance Committee or equivalent) in monitoring these arrangements.
Financial position
Audited bodies are responsible for putting in place proper arrangements to ensure that their financial position is soundly based having regard to: <ul style="list-style-type: none">— such financial monitoring and reporting arrangements as may be specified;— compliance with any statutory financial requirements and achievement of financial targets;— balances and reserves, including strategies about levels and their future use;— how they plan to deal with uncertainty in the medium and longer term; and— the impact of planned future policies and foreseeable developments on their financial position.
Best Value, use of resources and performance
The Scottish Public Finance Manual sets out that accountable officers appointed by the Principal Accountable Officer for the Scottish Administration have a specific responsibility to ensure that arrangements have been made to secure best value.

Audit Scotland code of audit practice – responsibility of auditors and management

Responsibilities of auditors

Appointed auditor responsibilities

Auditor responsibilities are derived from statute, this Code, International Standards on Auditing (UK and Ireland), professional requirements and best practice and cover their responsibilities when auditing financial statements and when discharging their wider scope responsibilities. These are to:

- undertake statutory duties, and comply with professional engagement and ethical standards;
- provide an opinion on audited bodies' financial statements and, where appropriate, the regularity of transactions;
- review and report on, as appropriate, other information such as annual governance statements, management commentaries, remuneration reports, grant claims and whole of government returns;
- notify the Auditor General when circumstances indicate that a statutory report may be required;
- participate in arrangements to cooperate and coordinate with other scrutiny bodies (local government sector only);
- demonstrate compliance with the wider public audit scope by reviewing and providing judgements and conclusions on the audited bodies:
 - effectiveness of performance management arrangements in driving economy, efficiency and effectiveness in the use of public money and assets;
 - suitability and effectiveness of corporate governance arrangements; and
 - financial position and arrangements for securing financial sustainability.

Weaknesses or risks identified by auditors are only those which have come to their attention during their 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.

Audit Scotland code of audit practice – responsibility of auditors and management

Responsibilities of auditors

General principles

This Code is designed such that adherence to it will result in an audit that exhibits these principles.

Independent

When undertaking audit work all auditors should be, and should be seen to be, independent. This means auditors should be objective, impartial and comply fully with the Financial Reporting Council's (FRC) ethical standards and any relevant professional or statutory guidance. Auditors will report in public and make recommendations on what they find without being influenced by fear or favour.

Proportionate and risk based

Audit work should be proportionate and risk based. Auditors need to exercise professional scepticism and demonstrate that they understand the environment in which public policy and services operate. Work undertaken should be tailored to the circumstances of the audit and the audit risks identified. Audit findings and judgements made must be supported by appropriate levels of evidence and explanations. Auditors will draw on public bodies' self-assessment and self-evaluation evidence when assessing and identifying audit risk.

Quality focused

Auditors should ensure that audits are conducted in a manner that will demonstrate that the relevant ethical and professional standards are complied with and that there are appropriate quality-control arrangements in place as required by statute and professional standards.

Audit Scotland code of audit practice - responsibility of auditors and management

Responsibilities of auditors	
Coordinated and integrated	
	It is important that auditors coordinate their work with internal audit, Audit Scotland, other external auditors and relevant scrutiny bodies to recognise the increasing integration of service delivery and partnership working within the public sector. This would help secure value for money by removing unnecessary duplication and also provide a clear programme of scrutiny activity for audited bodies.
Public focused	
	The work undertaken by external audit is carried out for the public, including their elected representatives, and in its interest. The use of public money means that public audit must be planned and undertaken from a wider perspective than in the private sector and include aspects of public stewardship and best value. It will also recognise that public bodies may operate and deliver services through partnerships, arm's-length external organisations (ALEOs) or other forms of joint working with other public, private or third sector bodies.
Transparent	
	Auditors, when planning and reporting their work, should be clear about what, why and how they audit. To support transparency the main audit outputs should be of relevance to the public and focus on the significant issues arising from the audit.
Adds value	
	It is important that auditors recognise the implications of their audit work, including their wider scope responsibilities, and that they clearly demonstrate that they add value or have an impact in the work that they do. This means that public audit should provide clear judgements and conclusions on how well the audited body has discharged its responsibilities and how well they have demonstrated the effectiveness of their arrangements. Auditors should make appropriate and proportionate recommendations for improvement where significant risks are identified.



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RISK, AUDIT AND PERFORMANCE COMMITTEE

Date of Meeting	27 th April 2021
Report Title	Inspection of Justice Social Work Service
Report Number	HSCP.21.035
Lead Officer	Claire Wilson
Report Author Details	Kevin Toshney Planning and Development Manager KToshney@aberdeencity.gov.uk
Consultation Checklist Completed	Yes
Appendices	a. 'Inspection of justice services in Aberdeen' Care Inspectorate, February 2020

1. Purpose of the Report

- 1.1. The purpose of this report is to highlight the recent publication by the Care Inspectorate of its inspection report in relation to the partnership's justice social work service. This report was also tabled at Integration Joint Board on 23 March 2021, and at Clinical Care & Governance Committee (CCGC) on 6 April 2021.

2. Recommendations

- 2.1. It is recommended that the Risk, Audit and Performance Committee:

- a) Note the contents of this published inspection report.

3. Summary of Key Information

- 3.1. Aberdeen City Council (ACC) was advised in November 2019 that an inspection of its justice social work (JSW) service with a particular focus on Community Payback Orders (CPOs) was to be undertaken by the Care Inspectorate.



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- 3.2 The inspection was to be conducted in line with the [Inspection of Justice Social Work services in Scotland](#) guidance and evaluate the service against quality indicators drawn from the [Guide to Self-Evaluation for Community Justice in Scotland](#).
- 3.3 Notification of the commencement of the inspection triggered a 28-week inspection timeline which outlined the respective responsibilities of the Care Inspectorate and the justice service including:
- Submission of self-evaluation with supporting evidence
 - Case file reading of approximately 100 files
 - Meet with individuals who are (or have been) the subject of CPOs
 - Meet with staff and other stakeholders
- 3.4 Formal notification was received from the Care Inspectorate in mid-March 2020, just prior to the scheduled engagement with clients from the service, that the inspection was to be put on hold because of the impending Covid-19 lockdown restrictions.
- 3.5 As the first lockdown eased, a dialogue in respect of next steps was initiated in September 2020 between ACC, Aberdeen City Health and Social Care Partnership (ACHSCP) and the Care inspectorate and it was jointly agreed that the inspection should be resumed in October. Given the ongoing lockdown restrictions it was agreed that the inspection methodology should adapt to current circumstances and so 1:1 conversations or group meetings were to be facilitated by either telephone or MS Teams.
- 3.6 As part of their engagement with service users, the Care Inspectorate spoke with 46 individuals and were complimentary about the logistical arrangements that had been put in place to facilitate these telephone conversations, the back-up support that was available for those few occasions when scheduled phone-calls with individuals went unanswered and the value of the discussions themselves about people's experiences of the justice social work service.
- 3.7 Conversations with 14 justice service stakeholders were facilitated including Police Scotland; Aberdeen Foyer; MAPPA Co-ordinator; Moving Forward



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Making Changes (MFMC) Team Leader; Housing; Alcohol and Drug Partnership (ADP); a number of Unpaid Work (UPW) providers and a local Sheriff.

- 3.8 The Care Inspectorate spoke with 48 members of staff from the JSW workforce. These conversations were arranged on a peer group basis, for example, Support Workers, UPW staff, Social Workers and Senior Social Workers but also on a themed basis, for example, LSCMI/Best Practice Improvement groups, Women's service, Intervention Programmes i.e., Caledonian, Young People and general CPO.
- 3.9 In addition, a number of conversations were also held with senior leaders from across ACC and ACHSCP.
- 3.10 On Tuesday 23rd February 2021, the Care Inspectorate published its report of the inspection of the Justice Social Work service. The evaluation against selected quality indicators was as follows:
- | | | |
|-----|--|------------------|
| 1.1 | Improving the life chances and outcomes for people subject to a community payback order: | Good |
| 2.1 | Impact on people who have committed offences: | Excellent |
| 5.2 | Assessing and responding to risk and need: | Good |
| 5.3 | Planning and providing effective intervention: | Very Good |
| 9.4 | Leadership of improvement and change: | Very Good |
- 3.11 Key messages from the report included the following:
- The support provided by justice staff in Aberdeen is having a transformative impact on individuals subject to CPOs. Individuals experience compassionate, consistent, focused and flexible support that frequently exceeds their expectations and is enabling positive change.
 - The service is delivering highly person-centred interventions. Staff work proactively to identify and remove barriers to engagement and provide a wide range of practical assistance.



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- The clear focus on supporting individuals to address offending behaviour is an important strength. The service is investing in a full range of structured interventions and delivery is tailored to individual needs and risks.
- Leaders demonstrate a strong vision for transformational change that is supported by well-developed plans and ambitious targets. Core principles of early intervention and prevention permeate planning and delivery at all levels of the service.
- A strong commitment to continuous improvement is underpinned by an embedded improvement methodology. This is contributing to improved performance in the delivery of CPOs.
- Performance trends across almost all CPO measures are improving and individuals are being supported to achieve positive outcomes. Embedding the performance management framework offers potential to better demonstrate the difference the service is making to the lives of those on CPOs.
- There is a need to strengthen compliance in meeting expected timescales for assessments and plans. Work is also required to increase staff confidence in the use of accredited assessment tools, including assessment and analysis of risk of serious harm.

3.12 The Care Inspectorate have identified the following areas of improvement for the service to progress and complete:

- To enable robust oversight and increased ability to demonstrate outcomes and impact, senior officers should ensure that the justice service delivery plan and performance management framework are agreed and implemented and associated reporting cycles established.
- To ensure the effective delivery of key processes, senior managers should further strengthen quality assurance mechanisms to support the consistent, confident and timely application of risk assessment and case planning processes, particularly those relating to risk of serious harm.



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- 3.13 The Care Inspectorate has praised the service's capacity for improvement with its confidence in that assertion being grounded in 'the ambitious leadership and strong management capability' evident.
- 3.14 This very positive inspection report follows on from equally positive feedback that had been previously received from the Care Inspectorate in relation to the submitted self-evaluation and the case file reading. Key points from that earlier feedback included:
- Well written, well structured, good flow and content and good picture of what CJSW does.
 - Honest and thorough
 - Clear thread about improvement methodology
 - Evidential and taking ownership of improvement
 - Rational approach to practice and good understanding of services.
 - Range of evidence across Quality Indicators.
 - Some evidence lacks contextual details; some minutes of meetings not supplied
- 3.15 The evaluation of 111 case-files was jointly undertaken by Care Inspectorate inspectors and four Senior Social Workers from the JSW service in early March. Initial feedback was that there were no unsatisfactory case files and that most of our case files are good, or very good and some are excellent. It was also reported that the service knows the client group with whom it works and that there is a good, professional relationship between individuals and practitioners.
- 3.16 Following publication of the inspection report, the service submitted its action plan on Tuesday 6th April showing how it will address the highlighted areas for improvement.
- 3.17 The service has already made significant progress in respect of its delivery plan, performance management framework, governance reporting and quality assurance framework and will provide the Care Inspectorate with assurance in respect of these.
- 3.18 The Care Inspectorate has subsequently provided the service with another report in relation to the case file reading that was undertaken as part of the inspection methodology.



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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 arising from this report and the IJB's Fairer Scotland Duty however many of the individuals that the service works with have complex needs and live disadvantaged lives.
- 4.3. **Financial** - There are no financial implications arising from this report.
- 4.4. **Workforce** - There are no direct workforce implications arising from this report although section 9.4 of the inspection report does note that some staff questioned whether the work of the service was seen and valued within the wider partnership.
- 4.5. **Legal** - There are no direct legal implications arising from the recommendations of this report.
- 4.6. **Other** - There are no other implications arising from this report.

5. Links to ACHSCP Strategic Plan

- 5.1. The aims expressed within the partnership's Strategic Plan, "Prevention, Resilience, Personalisation, Connections and Communities" have a strong relevance to the function and operation of the justice social work service.
- 5.2. The published inspection report shows the extent to which this service is working with individuals who have complex needs and multiple disadvantages and supporting them to fulfil individual and statutory outcomes.

6. Management of Risk

6.1. Identified risks(s)

There are no obvious risks arising from this report and the Care Inspectorate's publication of its Aberdeen City justice social work inspection report.



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

The publication of regulatory inspection reports can have a reputational management impact. The relevant entry (6) in the strategic risk register is “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”.

Given the very positive inspection report there is no risk of reputational damage.

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

Given that there are no identified strategic or operational risks, it is envisaged that publication of the Care inspectorate’s report and the accompanying discussion of this across sectors and services will help raise the profile of the justice social work service, highlight the complex needs of the individuals with whom the service works and the good outcomes that are being achieved. All of this will make a positive contribution to the partnership’s reputational management activities.

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

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Inspection of justice social work services in Aberdeen

February 2021

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Introduction

The governance arrangements for justice services are set out in legislation, making local authorities responsible for delivering a range of services for those involved in the criminal justice system¹. This includes the completion of reports for courts and the Parole Board and the supervision of individuals on statutory social work orders and licences. Statutory social work orders include community payback orders (CPO) that can be imposed by courts in Scotland as an alternative to a custodial sentence. A person subject to a CPO can be required to comply with the terms of a supervision requirement and/or undertake an unpaid work requirement. A supervision requirement is one of nine provisions available to the court that can be imposed as part of a CPO². Unpaid work takes place in local communities and is for the benefit of the community. These are the two most commonly used requirements and someone on a CPO can be subject to one of these or both depending on circumstances outlined in a report provided to court by justice services and the decision of the court³. Guidance on the management and supervision of these is contained within National Outcomes and Standards⁴ and CPO practice guidance⁵.

There has been significant change in justice social work over the last decade including the introduction of CPOs in 2011⁶. Effective community-based sentencing options are essential to the successful implementation of the Scottish Government's community justice strategy⁷ and the extension of the presumption against short sentences. In this context, the Care Inspectorate has decided to focus inspections of justice services at the present time on how well CPOs are implemented and managed, and how effectively services are achieving positive outcomes.

How we conducted this inspection

We began our inspection on 25 November 2019. We examined a self-evaluation report and supporting evidence provided by Aberdeen city health and social care partnership. An inspection team visited Aberdeen in early March 2020 and completed a review of a representative sample of the records of people who were or had been subject to a CPO during the two-year period prior to December 2019. This related to 110 records from a population of 1,436 individuals. As a consequence of the COVID-19 pandemic, the inspection in Aberdeen was suspended by the Care Inspectorate on 13 March 2020. We resumed our inspection activity in October 2020 and undertook the outstanding activities in accordance with public health guidance.

¹ Social Work (Scotland) Act 1968, Criminal Justice (Scotland) Act 2003, Community Justice and Licensing (Scotland) Act 2010.

² In imposing a CPO, the court may include one or more of nine specific requirements. These are unpaid work or other activity requirement; offender supervision requirement; compensation requirement; programme requirement; residence requirement; mental health treatment requirement; drug treatment requirement; alcohol treatment requirement; and conduct requirement.

³ A court report is not required if the CPO will contain only a level 1 unpaid work or other activity requirement.

⁴ National Outcomes and Standards for Social Work Services in the Criminal Justice System, Scottish Government, 2010.

⁵ Community Payback Order Practice Guidance, Scottish Government, 2019.

⁶ Community Payback Orders were introduced by the Criminal Justice and Licensing (Scotland) Act 2010.

⁷ National Strategy for Community Justice, Scottish Government, 2016.

This involved minor changes to the inspection methodology to enable us to talk to individuals using the service, staff and partners virtually using telephone calls and video conferencing facilities. Despite the gap, the scope and stages of inspection were unchanged. We spoke with 47 people subject to CPOs including those with a supervision requirement or an unpaid work order, or both. We undertook focus groups and interviews with key members of staff, partner agencies, stakeholders and senior managers with responsibility for the justice service.

During the inspection, we considered how well National Outcomes and Standards and practice guidance were being applied and what difference CPOs were making to the lives of individuals who were, or have been, subject to them. The scope of the inspection focused on:

- the ability of the justice service to demonstrate improved outcomes for individuals subject to CPOs
- how people subject to CPOs experience services
- key processes linked to CPOs, including quality of risk/needs assessment, planning and intervention
- leadership of justice services.

We used a quality indicator model (appendix 2) to consider how the service was performing against a number of quality indicators and we have provided evaluations using a six-point scale (appendix 1) for the following indicators.

- 1.1 improving the life chances and outcomes for people subject to a community payback order.
- 2.1 impact on people who have committed offences.
- 5.2 assessing and responding to risk and need.
- 5.3 planning and providing effective intervention.
- 9.4 leadership of improvement and change.

In the course of the inspection, we also explored the extent to which justice services were prepared for the extension of the presumption against short sentences.

For the purposes of this report, we refer to criminal justice social work services as **justice services** and at times **the service** as an abbreviation. We refer to people who are, or have been, subject to a CPO as **individuals**. Where we refer to staff, we mean justice workers who have responsibility for supervising the various requirements of a CPO unless referred to by their specific designation. Justice social workers have responsibility for supervising the various requirements of a CPO and are sometimes referred to as **supervising officers** to reflect their qualification, role and function. **Order supervisors** are responsible for the management of unpaid work requirements and **task supervisors** are responsible for supervising individuals on unpaid work placements. Aberdeen also employs **support workers**; paraprofessionals, not qualified in social work, who undertake a variety of community payback related tasks across the range of CPO teams. **Managers** refers to the justice service manager and senior social workers who oversee operational delivery. **Leaders** refers to those with strategic oversight of the service across the local authority and wider health and social care partnership.

Context

Aberdeen is the third largest city in Scotland. With a population of 228,670, extending across 186 square kilometres, it is one of the most densely populated local authority areas. As a centre for the oil and gas industries over many years the city has prospered but is not without its difficulties. Sharp differences between affluent and deprived parts of the city bring inequalities, not just economically, but also in terms of health, wellbeing and social inclusion. Aberdeen also experiences high levels of drug and alcohol abuse and in 2019, had the joint 5th highest average annual rate of drug deaths of all local authorities in Scotland.⁸ A generally strong local economy, resulting in high living costs, has also created challenges in recruiting to public services. This has required the justice service to work closely with local universities and human resources colleagues to maximise opportunities to recruit and retain staff.

Strategic priorities, including those for community justice, are embedded within the community planning Aberdeen local outcome improvement plan 2016-2026, which is reviewed and updated every two years. The plan was usefully informed by a comprehensive population needs assessment, and investment in early intervention and prevention is a core principle within strategic plans.

Justice services are devolved from Aberdeen city council to the Aberdeen city health and social care partnership. The services are delivered across three main sites with three dedicated CPO teams being based together at one of them. The work of the CPO teams is interconnected to a range of other teams which include the unpaid work team, the throughcare team and the **Connections women's centre**, which was established in 2015. A team of support workers also works across the teams to provide additional practical and emotional support to individuals on CPOs. Specialist, nationally-accredited programmes are delivered by the **Caledonian System** team and the Joint Sex Offender Project in a partnership which operates across the north-east of Scotland.

In 2018 -19, the justice service supervised 949 CPOs (755 individuals), the fifth highest rate in Scotland per 10,000 population. This was down from 1,151 (895 individuals) in 2017-18, reflecting the national downward trend in the number of orders imposed.

⁸ *Drug Related Deaths in Scotland in 2019*, National Records of Scotland, 2020

Key messages

- The support provided by justice staff in Aberdeen is having a transformative impact on individuals subject to CPOs. Individuals experience compassionate, consistent, focused and flexible support that frequently exceeds their expectations and is enabling positive change.
- The service is delivering highly person-centred interventions. Staff work proactively to identify and remove barriers to engagement and provide a wide range of practical assistance.
- The clear focus on supporting individuals to address offending behaviour is an important strength. The service is investing in a full range of structured interventions and delivery is tailored to individual needs and risks.
- Leaders demonstrate a strong vision for transformational change that is supported by well-developed plans and ambitious targets. Core principles of early intervention and prevention permeate planning and delivery at all levels of the service.
- A strong commitment to continuous improvement is underpinned by an embedded improvement methodology. This is contributing to improved performance in the delivery of CPOs.
- Performance trends across almost all CPO measures are improving and individuals are being supported to achieve positive outcomes. Embedding the performance management framework offers potential to better demonstrate the difference the service is making to the lives of those on CPOs.
- There is a need to strengthen compliance in meeting expected timescales for assessments and plans. Work is also required to increase staff confidence in the use of accredited assessment tools, including assessment and analysis of risk of serious harm.

Achieving outcomes

In this section, we look at the extent to which the justice service can demonstrate improving trends against clear performance measures and can show tangible results in improving the life chances and outcomes for individuals subject to community payback orders.

How well are performance measures achieved?

A clear commitment to continuous improvement enabled the service to demonstrate consistent or improving performance trends across almost all CPO measures. In 2018/19, 76%⁹ of first face-to-face contacts took place on the same day, or within one working day of an order being imposed, which was slightly better than the national average. Court and social work duty processes had been strengthened to drive further improvement. Induction rates were broadly in line with the national average and the timely commencement of **unpaid work** had significantly improved from 30% in 2016/17 to 70% in 2018/19. These positive developments reflected the effectiveness of a focused and sustained approach to quality assurance within the service.

A well embedded approach to continuous improvement was supporting staff and managers to meaningfully contribute to improvement activities. Through a coherent system of practice oversight groups, staff, supported by an information analyst, were making effective use of available performance data to identify improvement priorities. **Level of service/case management inventory (LS/CMI)** data was increasingly used to understand individual needs and to inform service design and delivery. Benchmarking performance against comparator and neighbouring authorities demonstrated a willingness to look outward and learn from others.

Quality assurance processes identified challenges in supporting individuals to complete unpaid work requirements within court-imposed timescales. The rate of timely completions had dropped from 83% in 2016/17 to 66% in 2018/19, below the national average of 74%. A review of practice undertaken by the service identified reduced staffing capacity linked to local recruitment difficulties. This was compounded by an increased demand for flexible unpaid work placements to enable individuals who had multiple and complex needs to undertake light duties or partial workdays. Managers were taking steps to address the issue by broadening the range of flexible placements for those on CPOs and by working across departments to attract internal candidates.

⁹Nationally reported figure was amended following resolution of local inputting issue. Aberdeen updated figure (2018/19) is noted.

How well are outcomes for individuals improving?

A highly motivated, **trauma-informed** staff group was working diligently to achieve positive outcomes for individuals, reflecting a strong commitment to relationship-based practice. Data from exit questionnaires demonstrated improved outcomes for individuals in relation to a range of factors that are known to support desistance from offending behaviour. Individuals reported significant improvements in relation to their use of drugs and alcohol, mental health, personal relationships, and housing. Importantly, individuals had also benefitted from opportunities to develop coping skills, which impacted positively on their self-esteem and self-management.

This was confirmed by our review of records. We found that most of the individuals within our sample evidenced positive changes in their circumstances during their CPO. The most notable improvements related to personal relationships, mental health and wellbeing, accommodation, finances, and reductions in the seriousness or frequency of offending behaviour. Almost all individuals who required additional support were better connected to community resources during their CPO.

A performance management board was bringing added rigour and oversight to two practice development forums - the Best Practice Group and the Practice Issues Group. Chaired by the lead for social work and supported by the planning and development manager, the board reported to the **clinical care and governance group** of the health and social care partnership. These arrangements were helping to strengthen the connection between operational practice and strategic governance. Leaders acknowledged that performance monitoring in the partnership was largely focussed on the national health and wellbeing outcomes with limited consideration of justice data measures beyond exception and annual reporting. To address this, a justice service delivery plan and supporting performance management framework had been developed and were awaiting finalisation and implementation.

Although improvement work had resulted in an increased number of exit questionnaires being completed by individuals ending their CPO during the first quarter of 2019/20, the service was not yet able to demonstrate consistent improvements in individual outcomes over time. Mechanisms to enable the service to systematically capture and review qualitative data at key assessment, planning and review stages were limited. The performance management framework and related datasets offered opportunities to increase the range, breadth and depth of measures for capturing and reporting on person-centric outcomes. Embedding these frameworks will be central in enabling leaders to raise the profile of the service, ensure oversight and demonstrate the impact of community payback orders.

Delivery of key processes

In this section, we look at the extent to which the justice service recognises the need for help and support and provides this at the earliest opportunity. We consider the quality of assessment and planning and the range and quality of different types of intervention. We also look at how individuals are involved in key processes.

How well do staff provide help and support?

The design and delivery of justice services was supporting early and intensive engagement with individuals, and staff clearly recognised the importance of providing timely access to help and support. The creation of a **predisposal team** located adjacent to Aberdeen sheriff court was helping to ensure that most individuals were seen on the same day, or within one day of their order being imposed. A responsive and pro-active team of support workers was providing individuals across all parts of the service with access to a wide range of practical assistance. This included help to arrange and attend appointments, support to apply for housing and benefits, and help to develop budgeting plans and address rent arrears. A duty system was in place to enable quick access to help from a support worker, supplemented by a senior social worker where a crisis response was required.

The service was working creatively with third sector and statutory partners to limit unnecessary contact with justice services through increased use of alternatives to CPOs. Available options included **diversion**, **structured deferred sentences** and the **problem-solving approach**, reflecting the commitment to early intervention and prevention outlined in the local outcome improvement plan. There was a clear commitment to continuity of relationships with staff for those with a **supervision** requirement. Wherever possible, individuals were allocated a social worker they knew, to build on existing connections and encourage engagement. In almost all instances, early recognition of need and proactive efforts by staff to remove barriers were supporting individuals to effectively engage with and carry out their CPOs.

The unpaid work service offered a broad range of placements and activities that catered to the varied needs of individuals. As well as offering evening and weekend sessions for those in employment, individual and short-day placements, light-duty options and women-only groups were available. Staff were described as helpful and approachable and were making efforts to accommodate individuals' needs and preferences. The service had made efforts to increase the availability of placements, however the current provisions were not always meeting the additional needs of young people, women and individuals with mental health and addiction issues. Offence-focused interventions designed to address the root causes of offending behaviour were being tailored to personal learning styles. Non-judgmental approaches from staff were enabling individuals to explore the factors underpinning their offending behaviour in a way that felt safe. Recognising the significant inequalities experienced by many individuals subject to CPOs, the service was

providing access to a variety of practical resources to enable individuals to engage with their CPO.

Efforts to offer tailored placements within the unpaid work service, coupled with recruitment issues had contributed to delays in some individuals starting their hours. Staff were alert to this and were considering how they might source additional support and reconfigure services to meet demand. Despite persistent efforts from justice staff, difficulty in accessing assessment and support from mental health services was an ongoing issue. Referral processes into traditional clinical pathways were noted to be inflexible. In the absence of access to specialist clinical advice, social workers struggled to know how to best support individuals with complex and enduring mental health needs. In a bid to promote an outreach approach, the health and social care partnership was piloting a mental wellbeing out-of-hours hub situated in the police custody suite. This alternative model targeted individuals who came to the attention of first responders and aimed to support a wider cultural shift from symptom management to early intervention and prevention. It was too early to demonstrate whether the outreach model was having an impact for individuals on CPOs.

How well do staff assess risk and need?

Initial assessments of risk and need outlined within justice social work reports for court were helpfully informing decisions about individuals' suitability to undertake the requirements of a CPO. The majority of reports were high quality and most had been informed by appropriate collaboration with partner agencies. For individuals made subject to a CPO, a comprehensive assessment of risk and need was in place in almost every instance. We rated the majority of assessments that we read as good or better. Almost all the assessments reflected that staff had actively sought to involve the individual in the assessment process and that other partners had been appropriately consulted.

A range of specialist assessments were being undertaken to inform interventions. Individuals convicted of domestic abuse were assessed by a worker who was trained in the Caledonian System and the Spousal Abuse Risk Assessment¹⁰ tool. Staff were also trained in the Risk Matrix 2000¹¹ and the Stable and Acute 2007¹² to support the assessment of individuals convicted of sexual offending.

Support for young people reflected a commitment to embedding the **Whole System Approach for Young People Who Offend**. Staff across justice and youth services were working jointly with police and the Scottish Children's Reporter Administration to ensure that, wherever possible, young people involved in offending were

¹⁰ The Spousal Abuse Risk Assessment (SARAv3) is a structured guide for spousal risk evaluations in individuals who are suspected of, or who are being treated for, spousal abuse.

¹¹ Risk Matrix 2000 (RM2K) is an actuarial risk assessment used to assess risk posed by individuals convicted of sexual offences.

¹² Stable and Acute 2007 is used to undertake a dynamic assessment of risks posed by individuals convicted of sexual offences.

supported to remain within children's rather than adult services. This had resulted in a significant reduction in the number of young people entering the adult criminal justice system and reflected a strong commitment to delivering best practice. To support this approach, staff within the youth and justice social work teams were trained in the application of a range of age-appropriate risk assessment tools.

Proportionate, risk-based information sharing was helpfully informing responses to risk and need within the service and across wider social work teams and multi-agency partners. Justice staff attended multi-agency public protection arrangement (**MAPPA**) meetings as well as adult support and protection and child protection case conferences as required. Staff were alert to the importance of timely information sharing to inform victim safety planning in cases involving domestic abuse. Multi-agency risk assessment conference (**MARAC**) arrangements were operating effectively.

Overall, unpaid work staff had access to information to help them allocate work placements or respond to emerging concerns about individuals' risks and needs. Managers recognised the need to further develop the consistent and timely application of the full range of functions within the LS/CMI assessment tool. Although it related to a relatively small number of assessments, staff lacked confidence in applying the processes associated with assessing and analysing risk of serious harm. More broadly, the service was committed to completing comprehensive assessments within the 20-day timescale required by National Outcomes and Standards. However, this was being achieved in just over half of cases. Quality assurance processes had previously identified these as areas for improvement and work was being taken forward through an LS/CMI improvement plan and the work of a LS/CMI champions group.

How well do staff plan and provide effective interventions?

There were significant strengths in the planning and delivery of interventions. Practice was underpinned by a strong commitment to relationship-based practice and sustained investment in a range of evidence-based interventions designed to reduce involvement in offending behaviour. Almost all individuals had a **case management plan** in place, and we rated the quality of most plans that we read as good or very good. The quality of work to support the implementation of plans was good or better in most instances.

Staff across the service were delivering highly person-centred, holistic and trauma-informed interventions that were helping to improve outcomes for individuals on CPOs. As well as having an allocated social worker, many individuals received additional input from a proactive team of support workers. These support workers were providing practical and effective help to address a wide range of welfare needs. This included help to access addiction services, benefits and housing support. For almost all individuals, the intensity of supervision was commensurate with their

identified risks and needs, and staff were tenacious in their efforts to help individuals access the resources they required.

Across the service, there was a notable focus on helping individuals understand the impact of their offending behaviour. A range of well-established, offence-focused programmes were being delivered including **Moving Forward: Making Changes (MF:MC)** and the Caledonian programme. The **Respect** programme was available as an alternative to the Caledonian group for men with a conviction for domestic abuse who were in irregular employment or whose first language was not English. To help individuals fully prepare for and embed learning from their group work, the service was training all social workers to deliver the Caledonian programme and MF:MC case management materials. This was equipping staff to deliver robust and focused one-to-one interventions and was bringing a structured approach to their wider practice. Through these interventions, individuals were supported to address a wide range of offending-related issues including anger management, consequential thinking and victim empathy. As a result, individuals were demonstrating improved self-management and reduced levels of offending.

The unpaid work service was offering a broad range of flexible unpaid work opportunities. The majority of individuals had the opportunity to undertake **other activity** as part of their unpaid work requirement. This included access to training and employment support opportunities commissioned through **Aberdeen Foyer**; educational support from the adult learning and development team; and outdoor education activities through **Venture Trust**. When we reviewed records, we found that almost all the unpaid work placements were suitable and were supporting the majority of individuals to develop new skills. While other activity was being used flexibly, not all activities were experienced as purposeful. Individuals expressed a desire for access to digital learning opportunities and more placements that would encourage meaningful links with the community.

For women subject to CPOs, the Connections women's centre was offering responsive and bespoke support delivered in a safe and relaxed environment. Women using the service benefitted from access to a support worker and were actively involved in developing a personal plan. The structured, modular Connections programme delivered by the women's service was tailored to individual needs. This included input from a range of third sector and statutory partners, which was contributing to improved health and wellbeing. The service also facilitated individual unpaid work placements for women whose personal circumstances made it difficult for them to attend the central unpaid work facility. This flexible approach was supporting those women, who might otherwise have struggled to comply, to successfully complete their orders and move on from justice services.

Strong collaborative working between justice staff and partner agencies was supporting the development and implementation of case management plans. In most cases, individuals were referred to appropriate resources at the earliest opportunity and were able to access all required interventions. Effective referral

routes were in place to drug and alcohol services. Work to establish clear referral pathways and protocols with housing colleagues had resulted in significantly improved access to housing and housing support.

Managers had good oversight of practice and were undertaking regular quality assurance activities. These were consolidated through staff supervision, team meetings and practice development groups, reflecting a service commitment to learning and improvement. Staff had a good awareness of National Outcomes and Standards and their statutory responsibilities and were managing non-compliance and exercising discretion appropriately.

While there were clear strengths in relation to the quality of planning and interventions, there were opportunities to strengthen adherence to national guidance. The service was committed to producing case management plans in accordance with National Outcomes and Standards timescales but this was not being achieved consistently. In some instances, the frequency of reviews and home visits was below the level required. The service had already identified these as areas for improvement.

How well do staff involve individuals in key processes?

Staff were actively seeking the views of individuals at all stages and were working proactively and creatively to encourage engagement. Individuals were given clear information at the start of their CPOs, which helped them to understand what was expected of them. Non-judgemental attitudes from staff were supporting individuals to take responsibility for their offending behaviour. Flexible and person-centred approaches were enabling them to overcome obstacles and successfully complete their CPOs. **Statutory reviews** were being used to encourage them to reflect on their progress and provide feedback on the service they were receiving. Home visits were welcomed by individuals who felt that they provided additional opportunities to build relationships with staff. Although there was scope to further increase their usage, exit questionnaires were being used to capture individuals' views and staff clearly listened and responded to the feedback received. Data gathered from questionnaires was also being reviewed on a quarterly basis to identify areas for service improvement.

Wider feedback and input from individuals about specific projects and initiatives was being used to shape service delivery. Men attending unpaid work had been invited to work alongside third sector partners to develop a 'Confidence to Cook' course. Feedback from women about their experience of unpaid work had prompted the service to begin offering placements at the women's centre.

There was a clear aspiration among staff and managers to encourage individuals to actively participate in their orders and to further develop opportunities for meaningful engagement. Staff within the service were considering how they could build on

learning from efforts to establish a women's forum and how to maximise the involvement of individuals in the case management planning process.

Impact and experience of community payback orders

This section focuses on the impact that justice services, including commissioned services, were having on the lives of those individuals who are, or have been, subject to a community payback order. It considers if individuals have benefitted from positive relationships with staff and what effect getting help and support has had on them.

The support provided by the justice service was having a transformative impact on the lives of individuals who were subject to CPOs. Almost all individuals were consistently and overwhelmingly positive about their relationships with staff from across all aspects of the justice service. Justice service staff were described as reliable, approachable, professional, genuine, and accepting. Relationships were characterised by the provision of compassionate, consistent, focused and flexible support that frequently exceeded individuals' expectations and, where required, extended beyond the life of the order. This consistent message was captured eloquently by one individual who noted "I kept expecting punishment, but I got help and I've come out a better person". Multiple individuals described their relationship with staff as the biggest catalyst for change in their lives.

Individuals on supervision were being consistently and effectively supported to address their offending behaviour. While some individuals had completed activities that were structured, in-depth and focused on their offence, others described less formal and supportive discussions about their offending behaviour. This indicated a tailored and person-centred approach. Almost all individuals reported that the non-judgemental approach of staff had enabled them to examine their behaviour, accept responsibility for their actions and begin to make positive changes. Structured group-work interventions, while challenging, were also experienced as satisfying and were supporting individuals to change their thinking and behaviour.

Individuals undertaking unpaid work gained a sense of worth, purpose and satisfaction from the activities, particularly when the work delivered obvious benefits to the community. In addition to offering opportunities to develop new skills, participation in unpaid work was providing helpful routine and reducing social isolation. Positive and constructive input from staff supported individuals to develop increasingly pro-social attitudes and perspectives. Individuals with additional needs appreciated the efforts unpaid work staff made to identify suitable placements that took account of their personal requirements. This had enabled them to successfully engage with their order and fulfil their commitment to the court.

The women's centre was experienced as a safe and accessible space providing access to social and emotional support for women and their children. Attendees

benefitted from opportunities to participate in a wide range of groups and activities and were supported to access wider welfare services. As a result of these inputs, women were experiencing improved physical and mental health and increased levels of confidence and safety.

Leadership

How well are leaders supporting improvement and change?

This part of our report examines the effectiveness of leaders in striving for excellence in the quality of justice services. We look at how well leaders provide governance and oversight and use performance management to drive forward service improvement, innovation and change. We also look at the extent to which leaders involve staff and partners and learn from others to develop services.

Leaders were ambitious and aspirational in their pursuit of transformational change. A vision to make Aberdeen ‘a place where all people can prosper’¹³ was reflected in the local outcome improvement plan. This was informing and driving the priorities of the justice service, the community justice group and the health and social care partnership. The local outcome improvement plan was usefully informed by a population needs assessment and a specific justice needs assessment. This was helping to ensure that planning was evidence-based and delivery was targeted to the identified areas of need within the community. A bold commitment to early intervention and prevention was evident across the suite of strategic plans and this was reflected in a range of ambitious justice ‘stretch outcomes’.

Leaders within the health and social care partnership expressed a clear sense of ownership of justice social work. In the early days of the integration arrangements, the service was not as fully involved as it had expected to be. Concerted efforts had been made to redress this balance and there was an ongoing commitment to raising the profile and visibility of the service within the wider partnership. Leaders had directed the preparation of a justice service delivery plan that clearly demonstrated the alignment between justice priorities, local outcome improvement plan priorities and national outcomes. The creation of a lead for social work post within adult social work services had also brought a helpful focus to the justice service. Working alongside the chief social work officer, the post holder was a visible and vocal champion for the service in all key decision-making forums. This was strengthening strategic and operational links for justice services.

Both strategic and operational leaders were strongly committed to the ongoing improvement of the service. Efforts to embed performance management systems across the service were supporting data-led learning and improvement. A performance management board was established to replace ad hoc structures. This

¹³ Local Outcome Improvement Plan: 2016-26, Community Planning Aberdeen (2020) p3.

board's first priorities included development of the justice service delivery plan and an associated performance management framework. In addition, robust quality assurance was put in place. The board reviewed monthly reports from the two practice development groups, which provided oversight and scrutiny of performance, improvement and assurance. Clear governance structures were enabling annual and exception reporting from the performance management board to the clinical care and governance group. This coherent approach was supporting positive change and improved outcomes against national and local priorities.

At an operational level, managers had established a strong culture of continuous learning that was resulting in improved delivery of CPOs. The best practice and practice issues groups included staff representatives from across the range of justice teams and created useful space for review and reflection. These groups were delivering demonstrable improvements through a series of change projects relating to the use of LS/CMI, and the delivery of unpaid work and women's services. The service had invested heavily in training social work students through strong links with Robert Gordon University and the provision of an in-house practice teacher. This had aided recruitment and established a clear culture of learning within the service. This learning ethos was reinforced by a strong team of senior social workers who were actively driving development and improvement work across the service. Professional development was supported by access to training, supervision and practice-focused team meetings. Staff also had access to a coherent range of policies, procedures, and practice guidance to support compliance with statutory duties. Staff were actively encouraged and empowered to take on additional roles and responsibilities based on their areas of interest.

Health and social care integration arrangements and the clear commitment to ongoing improvement were contributing to effective relationships with key local and national justice stakeholders. Coherent governance aligned to strategic plans was underpinned by a strong improvement methodology. The decision to incorporate the **community justice outcome improvement plan** within the local outcome improvement plan had helped to raise the profile of justice services. This was contributing to a shared sense of purpose and ownership across partners by providing clarity about joint goals and measures. Partners were very positive about the quality of collaborative relationships, and the strong strategic approach from leaders was supporting effective links with justice services and increasing opportunities to work innovatively together.

Operational leaders were viewed by staff as visible and approachable. Staff and stakeholders felt that their views were sought and listened to as a result of the collegiate and participative leadership style demonstrated by managers. Encouragingly, staff had been involved in developing the justice service delivery plan.

Despite the efforts by leaders to increase the visibility of justice services, some staff questioned the extent to which the work of the justice service was seen and valued

by strategic leaders within the wider partnership. Leaders were alert to the need to finalise and implement the service delivery plan and associated performance management framework. Completing this work offers opportunities to re-engage with staff and partners to raise their awareness of the place and contribution of the justice service within the wider health and social care partnership.

Preparation for the extension of the presumption against short sentences

The service had undertaken a profiling exercise in preparation for the extension of the presumption against short sentences (EPASS) on 4 July 2019. The purpose was to consider individuals' needs and review the service's capacity to meet any increased demand. This highlighted the need for increased staffing and more flexible and varied placements to accommodate increasing numbers of individuals with complex or additional needs. The service was recruiting task supervisors from across the local authority. In addition, they had started to reconfigure the service and invest in better equipment to enable them to broaden the range of available activities. This work to develop the service was ongoing as part of an unpaid work improvement plan.

The service had been collaborating with partners to increase the availability of alternatives to CPOs and this reflected a strong commitment to early intervention and prevention. This included the use of diversion, bail supervision, structured deferred sentences, and a problem-solving approach. Monthly data monitoring was in place to identify trends and track any potential impact on workload that might require resources to be redeployed. No significant increase in demand had been identified, other than a rise in court requests for assessments for restriction of liberty orders. While it remained too early to determine the impact of EPASS, the service was well placed to meet additional demands.

Areas for improvement

- To enable robust oversight and increased ability to demonstrate outcomes and impact, senior officers should ensure that the justice service delivery plan and performance management framework are agreed and implemented, and associated reporting cycles established.
- To ensure key processes are effective, senior managers should further strengthen quality assurance to support consistent, confident and timely risk assessment and case planning processes, particularly those relating to risk of serious harm.

Capacity for improvement

The service embraced the learning opportunities provided by our scrutiny and engaged fully with the inspection process, despite the very challenging circumstances of the pandemic. Notwithstanding the significant difficulties facing partnerships due to COVID-19, we were assured that the service was able to make improvements and was committed to pursuing excellence in service delivery.

Our confidence was grounded in the ambitious leadership and strong management capability that we observed across the service. A clear vision for transformational change was reflected in well-aligned strategic plans and supported by coherent governance structures. There was clear ownership of the service within the wider health and social care partnership. The development of the justice service delivery plan and performance management framework reflected leaders' ambitions to become a data-led service and offered opportunities to strengthen oversight. The creation of the lead for social work post had brought visibility to the service within strategic forums. Strong improvement methodology was driving a programme of performance management and service improvement. Supported by strong, values-driven leadership, a team of capable and committed senior social workers and staff were implementing a wide range of practice development activities that were contributing to ongoing improvements. This demonstrated that the culture of continuous learning permeated all aspects of the service.

The transformative impact of the consistent and individualised support that staff were providing to individuals on CPOs further demonstrated the strength of the service. In addition to addressing offending behaviour, relationship-based interventions reflected a clear commitment to meeting individuals' health and wellbeing needs. This evidence-based approach was supporting individuals to make positive changes in their lives and reflected the clear focus on improving outcomes. In combination, aspirational leadership, strong management, and an invested workforce leave the service well placed to pursue excellence and innovation in all aspects of their service delivery.

Evaluations

What key outcomes have we achieved?

1.1 Improving the life chances and outcomes for people subject to a community payback order

Good

Rationale for the evaluation

We found consistently positive or improving trends across key nationally-reported CPO performance indicators. Sustained quality assurance contributed to important improvements in some unpaid work measures. Operational staff and managers worked collaboratively within a coherent system of practice oversight groups, and were using performance data effectively to identify improvement priorities. There were challenges in completing unpaid work requirements within court-imposed timescales because of reduced staff capacity and increasing numbers of individuals with complex needs. Staff understood the impact of trauma, poverty and inequality and were strongly committed to supporting individuals to achieve positive outcomes. Feedback from questionnaires completed at the end of a CPO noted that respondents were treated with respect. Individuals indicated they had benefitted from opportunities to develop coping skills that had a positive impact on self-esteem and self-management. Similarly, our review of records and discussions with individuals on CPOs found positive changes in the lives of most individuals during their CPO. While the use of exit questionnaires was increasing, the service was not yet able to demonstrate consistent improvements in individual outcomes over time. Mechanisms to systematically capture and review qualitative data at key assessment, planning and review stages were limited. In recognition, a performance management framework had been developed and was awaiting agreement and implementation.

How well do we meet the needs of our stakeholders?

2.1 Impact on people who have committed offences

Excellent

Rationale for the evaluation

The support provided by the justice service was having a transformative impact on the lives of individuals who were subject to CPOs. Almost all individuals were consistently benefitting from very positive relationships with staff across all aspects of the service. Staff treated individuals with genuine care and acceptance and were proactive and persistent in their efforts to provide help and support. Individuals told us that the level of help they received frequently exceeded their expectations and was a catalyst for positive change in their lives. Practice was underpinned by a very strong value base and clear commitment to a consistent, relationship-based approach. Interventions were highly person-centred and aimed to address the root causes of offending behaviour. Combined with a compassionate, flexible, and non-judgemental approach, they were supporting individuals to take increased responsibility and move away from offending behaviour. As a consequence, individuals experienced improved self-awareness, increased self-management skills and reduced levels of offending. The practical help, support and advice provided by

staff was contributing to improved physical and mental wellbeing and better life circumstances. Early recognition of need, and support to engage with appropriate services was resulting in more stable housing, decreased levels of drug and alcohol use, improved relationships, enhanced levels of safety, and improved confidence.

How good is our delivery of services?	
5.2 Assessing and responding to risk and need	Good
<p>Rationale for the evaluation</p> <p>Justice social work reports were high quality and helpfully informing sentencing options. Comprehensive assessments of risk and need were in place for almost every individual, and the majority of these were also high quality. A full range of specialist assessments were being undertaken to inform interventions, including age-appropriate assessments for use with young people. A strong commitment to involving the individual and collaborating with partner agencies was evident at every stage of the assessment process. Proportionate, risk-based information sharing was helpfully informing responses to identified risk and need within the service and across wider social work teams where appropriate. Although there was a service-level commitment to following national guidance, just over half of comprehensive assessments were completed within the expected 20-day timescale. There was a recognised need to strengthen compliance with assessment timescales and to further develop staff confidence in using the full range of functions within the LS/CMI assessment tool. This included assessing and analysing risk of serious harm.</p>	
5.3 Planning and providing effective intervention	Very Good
<p>Rationale for the evaluation</p> <p>There were major strengths in the planning and delivery of interventions across the service. Almost all individuals had a case management plan in place and these plans, along with the work being done to implement them, were consistently high quality. Staff demonstrated a very clear commitment to relationship-based practice. Proactive, tailored support was being offered to address a wide range of welfare needs, and staff made concerted efforts to encourage engagement and remove barriers to participation. In addition, there was a notable focus on supporting individuals to address their offending behaviour through the various group work programmes and robust one-to-one interventions. The unpaid work service was offering a broad range of flexible unpaid work opportunities that took account of the needs of individuals and supported skills development. The women's centre gave women access to responsive, bespoke support to address offending behaviour and their wider needs. Strong collaborative working between justice staff and a range of statutory and third sector partners was supporting development and implementation of case management plans. Staff were effectively managing non-compliance in line with statutory responsibilities and exercising discretion appropriately. Managers had good oversight of case management. Routine quality assurance measures were well established, reflecting a wider commitment to learning and improvement. The service recognised that adherence to National Outcomes and Standards in relation to key processes needed to improve. Case management plans were not being consistently completed within the 20-day timescales, and reviews and home visits</p>	

were not always taking place at the required frequency.

How good is our leadership?

9.4 Leadership of improvement and change

Very Good

Rationale for the evaluation

Leaders were ambitious and aspirational in their pursuit of transformational change. A coherent vision outlined in the local outcome improvement plan was shaping and driving the improvement priorities of the justice service. This was underpinned by a clear commitment to early intervention and prevention which permeated strategic plans and was reflected in a range of ambitious outcomes for the justice service. There was a clear sense of ownership of the justice service from chief officers, who were taking steps to raise the profile of the service within the health and social care partnership. A delivery plan had been developed to articulate priorities along with performance management structures to strengthen oversight of performance, improvement, and assurance activities. This reflected the strong commitment to continuous learning and improvement that permeated all levels of the service. Operational leaders had embedded a very strong culture of practice learning through a range of improvement initiatives. Staff at all levels were encouraged and empowered to take part in developing the service. This was contributing to better delivery of CPOs. Clarity about shared goals and measures was contributing to effective collaboration with partners. Some staff questioned whether the work of the service was seen and valued within the wider partnership. To address these concerns, leaders needed to finalise and implement the delivery plan and associated performance management frameworks to increase visibility and effectively demonstrate impact.

The six-point evaluation scale

The six-point scale is used when evaluating the quality of performance across quality indicators

Excellent	Outstanding or sector leading
Very Good	Major strengths
Good	Important strengths, with some areas for improvement
Adequate	Strengths just outweigh weaknesses
Weak	Important weaknesses – priority action required
Unsatisfactory	Major weaknesses – urgent remedial action required

An evaluation of **excellent** describes performance which is sector leading and supports experiences and outcomes for people which are of outstandingly high quality. There is a demonstrable track record of innovative, effective practice and/or very high quality performance across a wide range of its activities and from which others could learn. We can be confident that excellent performance is sustainable and that it will be maintained.

An evaluation of **very good** will apply to performance that demonstrates major strengths in supporting positive outcomes for people. There are very few areas for improvement. Those that do exist will have minimal adverse impact on people's experiences and outcomes. While opportunities are taken to strive for excellence within a culture of continuous improvement, performance evaluated as very good does not require significant adjustment.

An evaluation of **good** applies to performance where there is a number of important strengths which, taken together, clearly outweigh areas for improvement. The strengths will have a significant positive impact on people's experiences and outcomes. However, improvements are required to maximise wellbeing and ensure that people consistently have experiences and outcomes which are as positive as possible.

An evaluation of **adequate** applies where there are some strengths but these just outweigh weaknesses. Strengths may still have a positive impact but the likelihood of achieving positive experiences and outcomes for people is reduced significantly because key areas of performance need to improve. Performance, which is evaluated as adequate, may be tolerable in particular circumstances, such as where a service or partnership is not yet fully established, or in the midst of major transition. However, continued performance at adequate level is not acceptable. Improvements must be made by building on strengths while addressing those elements that are not contributing to positive experiences and outcomes for people.

An evaluation of **weak** will apply to performance in which strengths can be identified but these are outweighed or compromised by significant weaknesses. The weaknesses, either individually or when added together, substantially affect peoples' experiences or outcomes. Without improvement as a matter of priority, the welfare or safety of people may be compromised, or their critical needs not met. Weak performance requires action in the form of structured and planned improvement by the provider or partnership with a mechanism to demonstrate clearly that sustainable improvements have been made.

An evaluation of **unsatisfactory** will apply when there are major weaknesses in critical aspects of performance which require immediate remedial action to improve experiences and outcomes for people. It is likely that people's welfare or safety will be compromised by risks which cannot be tolerated. Those accountable for carrying out the necessary actions for improvement must do so as a matter of urgency, to ensure that people are protected, and their wellbeing improves without delay.

The quality indicator model

The inspection team used this model to reach evaluations on the quality and effectiveness of services.

What key outcomes have we achieved?	How well do we jointly meet the needs of our stakeholders?	How good is our delivery of services for those involved in community justice?	How good is our operational management?	How good is our leadership?
1. Key performance outcomes	2. Impact on people who have committed offences, their families and victims	5. Delivery of key processes	6. Policy, service development and planning	9. Leadership and direction
1.1 Improving the life chances and outcomes of those with lived experience of community justice	2.1 Impact on people who have committed offences 2.2 Impact on victims 2.3 Impact on families	5.1 Providing help and support when it is needed 5.2 Assessing and responding to risk and need 5.3 Planning and providing effective intervention 5.4 Involving people who have committed offences and their families	6.1 Policies, procedures and legal measures 6.2 Planning and delivering services in a collaborative way 6.3 Participation of those who have committed offences, their families, victims and other stakeholders 6.4 Performance management and quality assurance	9.1 Vision, values and aims 9.2 Leadership of strategy and direction 9.3 Leadership of people 9.4 Leadership of improvement and change
	3. Impact on staff		7. Management and support of staff	
	3.1 Impact on staff		7.1 Staff training and development, and joint working	
	4. Impact on the communities		8. Partnership working	
	4.1 Impact on the community		8.1 Effective use and management of resources 8.2 Commissioning arrangements 8.3 Securing improvement through self-evaluation	
<p align="center">10. What is our capacity for improvement? Overall judgement based on an evaluation of the framework of quality indicators</p>				

Terms we use in this report

Aberdeen Foyer is an employability support service primarily for those on CPOs who have unpaid work and other activity requirements.

Caledonian System is an integrated approach to addressing domestic abuse that combines a court-ordered programme for men, aimed at changing their behaviour, with support services for women and children who have been victims of abuse.

Case management plan should be developed in collaboration with the individual and should seek to address the identified risks and needs and promote the strengths identified by the assessment process.

Clinical care and governance group is a subgroup of the clinical care and governance committee which reports to the integration joint board. The group scrutinises reports to provide assurance to the committee on the delivery and quality of safe, effective, person-centred care.

Community justice outcome improvement plan - the Community Justice (Scotland) Act 2016 places a duty on community justice statutory partners to produce this plan, which outlines local needs and priorities and the actions to address these.

Connections women's centre provides a range of support to women subject to CPOs in Aberdeen including the Connections programme to address offending related issues. The centre provides unpaid work opportunities, enables access to other agencies and hosts a drop-in service for domestic abuse victims.

Diversion can be imposed following a decision by the Crown Office Procurator Fiscal Service to divert a case for social work intervention with the aim of preventing further offending in cases involving young people, individuals being charged for the time, minor offences or where there is no overriding public interest for a prosecution.

Local outcome improvement plan outlines how the community planning partnership plans to deliver improved outcomes for its communities.

Level of service/ case management inventory (LS/CMI) is a risk/need assessment and management planning method for general offending. In Scotland, the LS/CMI approach has been developed to combine an actuarial approach with an evaluation of the pattern, nature, seriousness and likelihood of offending.

MAPPA is the acronym for multi-agency public protection arrangements put in place to manage the risk posed by registered sex offenders and other individuals who pose a high risk of harm to people and communities.

MARAC stands for multi-agency risk assessment conference arrangements, which are professional processes designed to identify and protect individuals from domestic abuse.

Moving Forward: Making Changes (MF:MC) is a behavioural programme providing interventions for men who commit sexual offences or offences with a sexual element.

Other activity requirements can be undertaken as part of an unpaid work requirement and provide an opportunity for individuals to undertake other rehabilitative activities that promote desistance from offending, for example alcohol or drug education, employability training, problem solving, interpersonal skills training and so on. Other activity must not exceed 30% of hours, to a maximum of 30 hours.

Pre-disposal team enables early engagement with people appearing in court, provides services to Aberdeen sheriff court and passes relevant information to justice and children's social work services.

Problem-solving approach is a collaborative approach combining the authority of the court with a range of community-based supports and interventions to reduce the use of short custodial sentences and reduce offending by taking a rehabilitative and supportive approach that is tailored to meet the needs of the individual.

Respect is an accredited programme for working one-to-one with perpetrators of domestic abuse.

Statutory reviews – National Outcomes and Standards indicate that case management plans should be reviewed and, where necessary, revised at regular intervals during the course of a CPO.

Structured deferred sentences allow individuals an opportunity to prove to the court that they can be of good behaviour and avoid further offending.

Supervision is one of nine provisions available to the court that can be imposed as part of a CPO. With the exception of unpaid work for individuals aged 18 and over, none of the CPO requirements can be imposed without the addition of a supervision requirement. Supervision requires the individual to attend appointments with a justice social worker for a specified period. The aim of supervision is to encourage compliance and reduce reoffending by engaging the individual in a process of change.

Trauma-informed practice is grounded in understanding and responding to the impact of trauma. It emphasises physical, psychological and emotional safety and creates opportunities for survivors to rebuild a sense of control and empowerment.

Unpaid work is intended as an alternative to imprisonment, this takes place in local communities and is for the benefit of the community. Unpaid work can be imposed as a standalone requirement by means of a Level 1 or Level 2 order or can be imposed in conjunction with a range of other requirements, including supervision.

Venture Trust (Scotland) is a national charity providing intensive personal development programmes and outdoor activities to help reduce offending and support desistance.

Whole System Approach for Young People Who Offend is the Scottish Government's programme for addressing the needs of young people involved in offending. It aims to divert young people from statutory measures, prosecution and

custody through early intervention and robust community initiatives. It is aligned to the principles of the Getting it Right for Every Child approach.

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RISK, AUDIT AND PERFORMANCE COMMITTEE

Date of Meeting	27 April 2021
Report Title	National Updates
Report Number	HSCP.21.016
Lead Officer	Alex Stephen, Chief Finance Officer
Report Author Details	Alex Stephen Job Title: Chief Finance Officer alestephen@aberdeencity.gov.uk
Consultation Checklist Completed	Yes
Appendices	Appendix A - Local Government in Scotland: Financial Overview Appendix B – National Health Service In Scotland 2020 Report

1. Purpose of the Report

- 1.1. To present to the Risk, Audit and Performance Committee (RAPC) the Audit Scotland Financial Overview Report as published by the Accounts Commission from their high-level independent analysis of the financial performance of councils and Integration Joint Boards (IJBs) during 2019/20 and their financial position at the end of that year; and
- 1.2. To present to RAPC the National Health Service in Scotland 2020 Report as published by the Auditor General for Scotland.

2. Recommendations

- 2.1. It is recommended that the Risk, Audit and Performance Committee (RAPC):
 - a. Note the content of Appendix A - the Local Government Financial Overview report 2019/20.
 - b. Note the content of Appendix B – National Health Service in Scotland 2020 report.



RISK, AUDIT AND PERFORMANCE COMMITTEE

3. Summary of Key Information

Local Government

- 3.1. Appendix A, the Financial Overview Report is an annual report prepared by Audit Scotland on the 2019/20 financial performance of councils and IJBs and their financial position at the end of that year. The report also looks ahead and comments on the financial outlook for councils and IJBs. The reporting on IJBs can be found from page 30 in Appendix A.
- 3.2. The report recognises that Councils and Integration Joint Boards (IJB's) play a vital role in supporting Scotland's communities, and that this has been amplified by the Covid-19 global pandemic. In 2019/20, before the pandemic really took hold in Scotland, the financial impact of Covid-19 was limited.
- 3.3. During 2020/21 the financial impact of the pandemic on public services whilst recognised in the report as extreme, also acknowledges at the same time the strength and resilience of many communities as they have worked with public service partners to provide invaluable support to those who need it most.
- 3.4. The Financial Overview Report is one of two overview reports that the Accounts Commission publishes each year. The second report, commenting on councils' initial response to the Covid-19 pandemic, will be published in May 2021.
- 3.5. Audit Scotland has published a Guide for audit and risk committees (Appendix A, page 4), to support effective scrutiny of how public bodies have responded to Covid-19. This covers key areas, including internal controls and assurance, financial management and reporting, governance and risk management. The guide highlights that good governance, strong financial management and transparency of decision making will be critical for local government bodies in dealing with the implications and fallout from the pandemic.

National Health Service (NHS)

- 3.6. Appendix B presents a report published by the Auditor General for Scotland in February 2021 on the NHS for 2020. This report outlines the response to the pandemic by the NHS in Scotland and presents an overview of its financial and operational performance for 2019/20 (found at Appendix 1, page 37 within Appendix C to this report).
- 3.7. The report acknowledges that the Covid-19 pandemic created a unique and challenging set of circumstances for the NHS in Scotland, and notes that the



RISK, AUDIT AND PERFORMANCE COMMITTEE

Scottish Government and NHS in Scotland's response to Covid-19 continues to develop as the pandemic progresses. The report comments that policy and guidance are being updated frequently and the findings reflect the situation in January 2021.

- 3.8. The longer-term impact of Covid-19 on the NHS in Scotland will be included in the 2021 report.

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** – The Chief Finance Officer for the Aberdeen City Health & Social Care Partnership is required to set out a balanced financial plan for services delegated to the Integration Joint Board in accordance with the integration scheme. There is robust financial monitoring against the plan.
- 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** – there are no other implications arising from this report.

5. Links to ACHSCP Strategic Plan

This report links to all aims within the ACHSCP strategic plan – prevention, resilience, personalisation, connected and communities.

6. Management of Risk

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

A risk of IJB financial failure with demand outstripping available budgets.

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

Audit Scotland reporting and the updated guidance on internal controls and assurance, financial management and reporting, governance and risk management which are complemented by our own robust monitoring of expenditure.



RISK, AUDIT AND PERFORMANCE COMMITTEE

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

Local government in Scotland

Financial overview 2019/20



ACCOUNTS COMMISSION 

Prepared by Audit Scotland
January 2021

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Audit team

The core audit team consisted of: Blyth Deans, Lisa Duthie, Chris Lewis and Lucy Ross, under the direction of Brian Howarth.

Links

 PDF download

 Web link



Exhibit data

When viewing this report online, you can access background data by clicking on the graph icon. The data file will open in a new window.

Chair's introduction

Councils and Integration Joint Boards (IJBs) play a vital role in supporting Scotland's communities. This has been amplified by the Covid-19 global pandemic. Covid-19 has fundamentally affected local government services and increased the uncertainty of how those services will be provided in the future. The financial impact of the pandemic on our public services is extreme. At the same time, we have seen the strength and resilience of many communities highlighted as they have worked with public service partners to provide invaluable support to those who need it most.

In 2019/20, before the pandemic really took hold in Scotland, the financial impact of Covid-19 was limited. This report notes that more councils added to their usable revenue reserves than in previous years. Reserves play an important role in effective financial management and provide a cushion for future unexpected events. I think that the emergence of the global pandemic and resultant UK lockdown from 23 March 2020 could be described as a once-in-a-lifetime event and Council reserves can be a key tool to manage the medium-term financial impacts of Covid-19.

Scottish Government funding accounts for the majority of council income. After several years of reductions in funding, there has been a real terms increase in 2019/20. It is important to note though that around 40 per cent of the increase was intended to meet the Scottish Government's policy of expanding early learning and childcare provision. As we have reported before, councils have limited flexibility over how they use this type of additional funding. It is also important to recognise that although funding in 2019/20 improved, reductions in local government funding over the past six years are still larger than in other areas of the Scottish Government budget.

Capital funding had experienced significant increases in the past three years by 33 per cent between 2017/18 to 2019/20. But Scottish Government capital funding in 2020/21 is now decreasing by 30 per cent in real terms. This will have an impact on councils' future investment plans.

In IJBs, the bodies set-up to deliver local health and social care services, the financial pressures are significant, with many needing additional funding from councils and health board partners to break-even in 2019/20. We also continue to see a high turnover in leadership in many IJBs, at a time when they are tackling both the impact of Covid-19 along with the ongoing and longer-term pressures of increased demand.

2020 presented significant challenges to the preparation and audit of councils', pension funds' and IJBs' annual accounts. However, 92 per cent of annual accounts were signed off by the revised audit deadlines due to the dedication of local government finance staff and of our auditors in these challenging circumstances. I am grateful for everyone's hard work and diligence to achieve this outcome.

During 2020/21, the pandemic and associated lockdown has affected many aspects of Councils' and IJB's finances and created significant financial uncertainty. Councils face the challenge of meeting additional mobilisation and recovery costs as well as the lost income resulting from closures of leisure facilities and reductions in income from fees and charges. Councils are also administering support schemes on behalf of the Scottish Government. Substantial additional funding for councils has been announced by the Scottish Government together with some further financial flexibilities, but it is currently unclear whether this will cover all cost pressures faced by councils in 2020/21 and beyond.

2020/21 also saw a large shift in the way that public services and communities worked together to support those most in need. Many communities and individuals stepped in to provide much needed local services and were empowered and encouraged to do so by councils, IJBs and their partners. We have heard of much good practice and hope that this continues.

The Accounts Commission's future reporting, together with the Auditor General for Scotland, will be refocused on the significant impact of Covid-19 across all public services. This report highlights the emerging and developing financial challenges due to Covid-19, but future financial overview reports will be better able to assess the full year impact in 2020/21, based on financial reporting to 31 March 2021. Our Local Government Overview 2021 report, due to publish in May, will consider the initial response phase of the pandemic.

Audit Scotland has published a [Guide for audit and risk committees](#)  to support effective scrutiny of how public bodies have responded to Covid-19. This covers key areas, including internal controls and assurance, financial management and reporting, governance and risk management. Good governance, strong financial management and transparency of decision making will be critical for local government bodies in dealing with the implications and fallout from the pandemic.

Elma Murray

Interim Chair of the Accounts Commission

Key messages

Councils and pension funds

- 1** Councils' funding and income increased by £0.8 billion in 2019/20. There was an increase in Scottish Government funding of £0.5 billion, but reductions over the past seven years are still larger than in other areas of the Scottish Government budget
- 2** Nearly half of the increase in Scottish Government funding in 2019/20, and all the initial additional funding in 2020/21, was to fund the expansion in early learning and childcare
- 3** Councils continue to plan for, and deliver, savings as part of their annual budgets, but there are significant variations in individual councils' ability to deliver planned savings
- 4** More councils added to their usable revenue reserves totalling £65 million (net) in 2019/20
- 5** Glasgow City Council's equal pay funding strategy had a significant impact on total reserves, debt and capital expenditure this year (2019/20)
- 6** The financial cost of Covid-19 on councils in 2020/21 is estimated to be £767 million, with just over half due to lost income. We estimate that funding announced by November 2020 meets 60 to 70 per cent of the cost pressures identified by councils, although total costs and funding are still uncertain
- 7** Councils' auditors reported wider medium-term financial implications of Covid-19

Integration Joint Boards (IJBs)

- 8** A majority of IJBs (22) struggled to achieve break-even in 2019/20 and many received year-end funding from partners
 - 9** Total mobilisation costs for Health and Social Care Partnerships for 2020/21 due to Covid-19 are estimated as £422 million. It is not yet clear whether the Scottish Government is to fund all of these costs
 - 10** Instability of leadership continues to be a challenge for IJBs. There were changes in chief officer at 12 IJBs in 2019/20
-

About this report

1. This report provides a high-level independent analysis of the financial performance of councils and IJBs during 2019/20 and their financial position at the end of that year. It also looks ahead and comments on the financial outlook for councils and IJBs. It is one of two overview reports that the Accounts Commission publishes each year. The second report, commenting on councils' initial response to the Covid-19 pandemic, will be published in May 2021.

2. Our primary sources of information for the financial overview are councils' and IJBs' 2019/20 unaudited accounts, including management commentaries and the 2019/20 external annual audit reports, where available. We have supplemented this with data submitted by councils to COSLA as part of their Covid-19 cost collection exercise, and mobilisation plan financial summaries submitted to the Scottish Government by IJBs. COSLA returns were requested and obtained from auditors. We received 29 returns, with 3 outstanding. The COSLA returns are not subject to audit review.

3. The Covid-19 pandemic has created new challenges which have affected the preparation of this report. The rescheduling of audit timetables meant that audited accounts for all councils were not available for analysis and, as a result, judgements are based on data from unaudited accounts, except where significant audit adjustments have been identified. We are comfortable with this approach, and our analysis of available audited information tells us that the level of change between unaudited and audited accounts has not significantly affected our key judgements. We have reviewed external annual audit reports for 2019/20 that were available at 30 November 2020.

4. We refer to 'real-terms' changes in this report. This means we are showing financial information from past and future years at 2019/20 prices, adjusted for inflation so that they are comparable. Similarly, where 2020/21 comparisons are made, we have adjusted for inflation to 2019/20 prices. We also refer to figures in 'cash terms'. This means we are showing the actual cash or money paid or received.

Key facts

	2019/20 £ billion	2018/19 £ billion	Movement
 Councils' funding and income	£18.5	£17.7	4.5%
 Scottish Government revenue funding	£10.3	£9.8	5.4%
 Councils' capital spending	£3.6	£2.8	29.0%
 Councils' usable revenue reserves	£2.0	£1.9	3.4%
 IJBs' spending	£9.2	£8.6	7.0%
 Additional estimated cost in councils and IJBs due to Covid-19 in 2020/21	£1.2 billion		

Councils' income in 2019/20

Key messages

- 1** Councils' funding and income increased by £0.8 billion in 2019/20
 - 2** The cash increase in Scottish Government funding (£0.5 billion) in 2019/20 improved the position relative to others, but reductions over the past seven years are still larger than in other areas of the Scottish Government budget
 - 3** Nearly half of the increase in Scottish Government funding in 2019/20 was to fund the expansion in early learning and childcare
-

Total revenue funding and income

Councils' funding and income increased by £0.8 billion in 2019/20

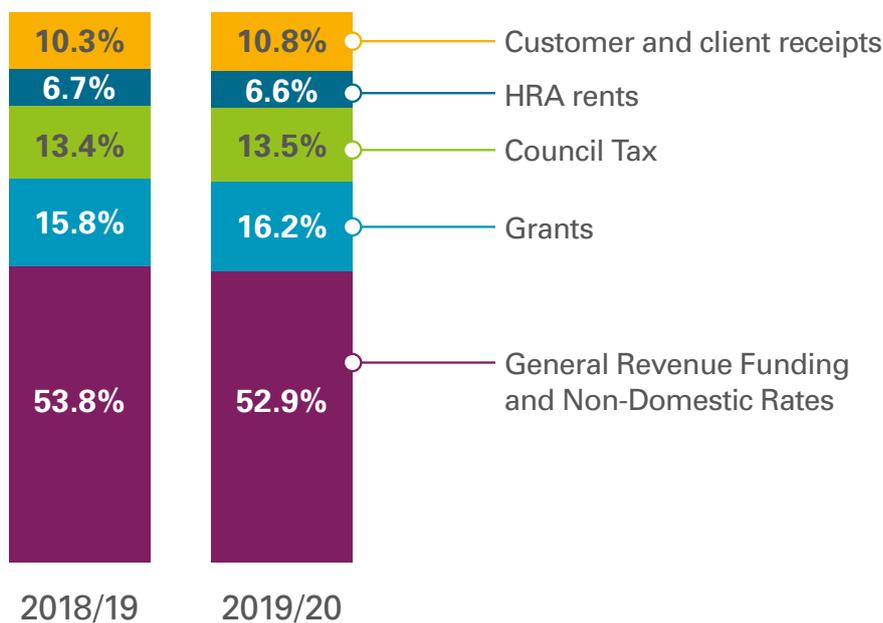
5. Total revenue funding and income received by councils was £18.5 billion in 2019/20, representing an increase of £0.8 billion (or five per cent) on the previous year. A comparison between years ([Exhibit 1](#)) shows that most of the funding comes from the Scottish Government and the relative value of specific grant income to councils has increased.

Councils' funding and income increased by £0.8 billion in 2019/20.

Exhibit 1

Sources of funding and income, 2018/19 and 2019/20

The majority of funding for councils comes from the Scottish Government.



Source: Unaudited financial statements 2019/20 (audited financial statements 2018/19)

6. Grant income includes housing benefit and Scottish Government specific grants (eg Early Learning and Childcare and Criminal Justice Social Work), which are treated as service income by councils generally. Scottish Government direct grants increased by £0.2 billion in 2019/20. There were also increases in grants from other sources. For example, Aberdeen City Council received £0.1 billion from Transport Scotland for the Aberdeen Western Peripheral Route.

7. Council tax income has increased by £0.1 billion (or 5 per cent) mainly as the Scottish Government raised the cap on council tax rate increases to 4.8 per cent. Twelve councils took the decision to increase the council tax rate by the full amount.

Scottish Government funding

Scottish Government revenue funding increased by 3.4 per cent in real terms in 2019/20

8. In 2019/20, the total revenue funding from the Scottish Government increased by 5.4 per cent in cash terms and increased by 3.4 per cent in real terms ([Exhibit 2](#)). Total revenue funding of £10.3 billion consists of the general revenue grant funding of £7.0 billion; Non-Domestic Rates distribution (NDR) £2.8 billion and specific grants of £0.5 billion.

Exhibit 2

Changes in Scottish Government revenue funding in 2019/20

Scottish Government revenue funding increased by 3.4 per cent in real terms in 2019/20.

	2018/19	2019/20	Cash %	Real %
General Revenue Grant and Non-Domestic Rate Income	9,521	9,811	3.0%	1.1%
Specific Revenue Grants	274	508	85.5%	82.0%
Total revenue funding	9,795	10,319	5.4%	3.4%
Health & Social Care funding via NHS	355	355	0.0%	-1.9%
	10,150	10,674	5.2%	3.2%

Source: Finance Circulars 04/2020 and Scottish Government budget documents (June 2020 ONS deflators)

Funding in 2019/20 improved relative to others, but an historic difference still exists

9. Funding from the Scottish Government to local government between 2013/14 and 2019/20 decreased by 4.7 per cent, in real terms ([Exhibit 3, page 12](#)). The increased funding in 2019/20 improved the position that existed last year (2018/19), when the total reduction was 7.6 per cent. Scottish Government funding to other areas of the total Scottish budget decreased by 0.8 per cent between 2013/14 and 2019/20, demonstrating that local government funding has still undergone a larger reduction than the rest of the Scottish Government budget over this period.

Nearly half of the increased funding in 2019/20 was to fund the expansion in Early Learning and Childcare

10. There is an element of the revenue settlement for funding that is linked to specific ongoing policy initiatives and expectations.

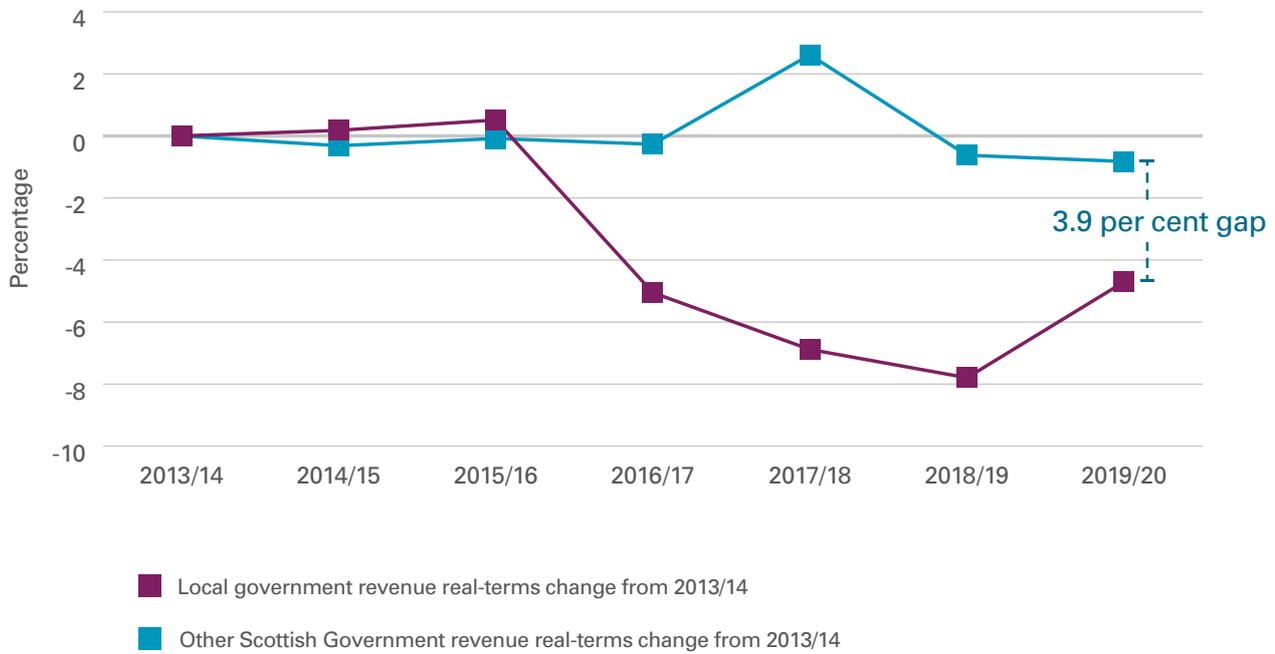
11. Specific revenue grants increased in cash terms by £234 million in 2019/20, growing from 2.8 per cent of total revenue funding to 4.9 per cent. This represented 45 per cent of the increase in revenue funding in cash terms between 2018/19 and 2019/20. The majority of this increase could be attributed to an additional £210 million allocated to councils to support the expansion in funded Early Learning and Childcare entitlement to 1,140 from 600 hours by 2020 for all three- and four-year-olds and eligible two-year-olds.

Scottish Government revenue funding increased by 3.4% in real terms in 2019/20. Nearly half of this was to support the expansion in Early Learning and Childcare.

Exhibit 3

A comparison of real-terms changes in revenue funding in local government and other Scottish Government areas

Over the last six years local government revenue funding from the Scottish Government fell by 4.7 per cent, while other Scottish Government revenue funding fell by 0.8 per cent.



Source: Finance Circulars 04/2020 and Scottish Government budget documents (June 2020 ONS deflators)

Councils' financial position in 2019/20

Key messages

- 1** On the whole councils continue to deliver savings as part of their budget in 2019/20, but there are significant variations in individual councils
 - 2** In 2019/20 councils' auditors reported wider medium-term financial implications of Covid-19
 - 3** More councils added to their usable revenue reserves in the year totalling £65 million (net)
 - 4** Two councils are at risk of running out of general fund reserves in the medium-term if current trends continue
 - 5** Glasgow City Council's equal pay funding strategy had a significant impact on total reserves, debt and capital expenditure this year
 - 6** Councils had the highest level of capital expenditure of the last five years
 - 7** Local auditors drew attention to material uncertainty in property and investment valuations due to Covid-19
 - 8** Local government pension funds returns were negatively affected by Covid-19, but the majority of funds still tended to outperform their benchmarks
-

Council budgets and outturn 2019/20

In 2019/20 budget gaps were to be addressed by planned savings

12. In 2019/20, councils identified budgeted net expenditure of £12.6 billion. The initial budget gap in 2019/20 was £0.5 billion (three per cent). In 2018/19, the initial budget gap was similar at £0.4 billion. Planned savings were the most common way of addressing funding gaps in 2019/20.

Councils appear to have delivered 2019/20 savings plans, but with significant variation

13. A sample analysis of 14 councils identified that 84 per cent of the planned savings were delivered. However, there was significant variation in how individual councils performed against their savings targets:

- East Lothian Council, which planned savings of £5.2 million, and Stirling Council, which planned savings of £7.3 million, reported achieving 100 per cent of their targets.
- Comhairle nan Eilean Siar planned to deliver savings of £2.6 million but achieved savings of £0.8 million or just 31 per cent of its target.

Impact of Covid-19

The effect of Covid-19 was not material in 2019/20 and councils were able to manage this within existing budgets

14. Covid-19 restrictions began in March 2020 and the financial effect on councils (excluding social care – see [paragraph 70](#)) in 2019/20 was limited to between £20 million and £25 million.¹ Councils reported that lost income and unachieved savings accounted for two-thirds of identified financial impacts. The remaining costs were mainly associated with mobilising support services for vulnerable groups and the wider community.

15. There were no additional Covid-19-related funding allocations from the Scottish Government in 2019/20. Our review of available annual audit reports confirms that Covid-19 did not have a significant impact on councils' outturn, and costs were mostly managed within existing available budgets. Additional Covid-19-related funding allocations to councils were not received until 2020/21.

In 2019/20, councils' auditors reported wider financial consequences of Covid-19 in their annual reports

- **Delays in growth deals:** Dumfries and Galloway Council. The impact of Covid-19 has delayed some of the progress in establishing governance structures and formal sign off of the Borderlands' Collaboration Agreement as part of the Borderlands growth deal.
- **Additional borrowing:** East Lothian Council and Inverclyde Council both took out additional loans towards the end of March 2020 to ensure sufficient liquid funds to address the expected consequences of Covid-19.
- **Planned savings proposals:** East Lothian Council identified that many of the plans related to savings have effectively been placed on hold to enable the council to focus its attention and support on responding to Covid-19. East Dunbartonshire Council anticipated that transformation programme savings for 2020/21 were unachievable due to the impact of the pandemic.

The financial effect of Covid-19 was not material in 2019/20 and councils were able to manage this within existing budgets.

- **Medium term financial planning:** West Lothian Council reported that early planning arrangements for its next medium-term financial plan have been deferred to 2021/22 as management focuses on the more immediate impact and actions arising from the impact of Covid-19.
- **Capital programmes:** Aberdeenshire Council identified that the capital programme was suspended for around three months with a phased restart thereafter. In Inverclyde Council officers have reviewed the phasing of the 2020–23 Capital Programme in light of Covid-19 and have estimated the slippage for 2020/21 as 47 per cent. An initial additional budget of £2.7 million has been agreed to cover the potential cost pressures resulting from the site working requirements, increases in the price of materials and general cost increases generated by Covid-19.
- **Delays in bad debt collection:** Aberdeenshire Council reported that elements of the debt recovery processes had been suspended for several months owing to Covid-19 and recognised the potential for bad debts to increase.
- **Expected capital receipts:** West Dunbartonshire Council identified that expected capital receipts of £9 million from the sale of sites were subject to greater uncertainty due to Covid-19 effects on asset values.
- **Going concern issues in subsidiary/joint venture partners:** Some auditors of group component bodies, including those arms-length external organisations (ALEOs) and partners that provide housing repair and leisure services, drew attention to the additional going concern uncertainty due to the financial impact of the Covid-19 pandemic.

Reserves

More councils (22) added to their usable revenue reserves, but most of the total relates to Glasgow City Council

16. Last year we reported that councils were increasingly using up revenue reserves to balance their budgets. This trend did not continue into 2019/20 ([Exhibit 4, page 16](#)). Twenty-two councils reported increases in their revenue reserves balance (13 last year) with a net increase of £65 million (or 3 per cent) across all councils.

17. The most significant increase was Glasgow City Council, where usable revenue reserves went up by £87 million (or 80 per cent) mainly due to the equal pay funding strategy that was implemented in the year ([paragraph 28](#)).

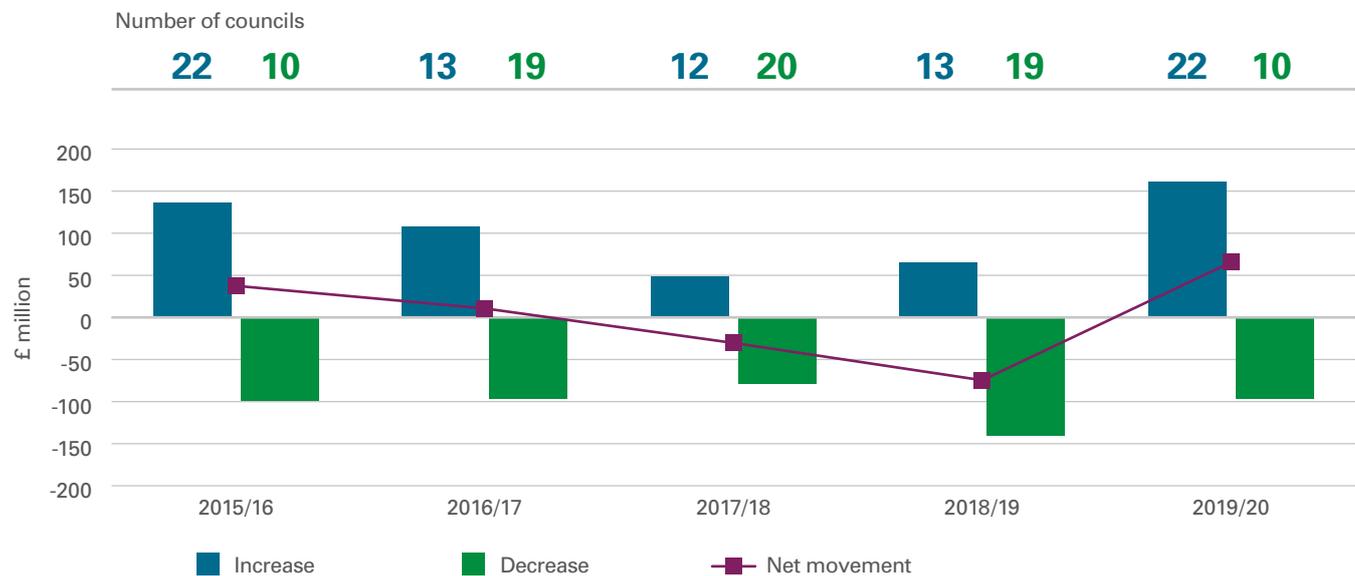
18. Highland Council also experienced a significant increase in its usable revenue reserves of £15 million (or 47 per cent). Contributing factors include spending constraints on recruitment and discretionary spend and £22 million of delivered savings and additional income.

More councils added to their usable revenue reserves in 2019/20, with a net increase of £65 million across all councils.

Exhibit 4

Movement in usable revenue reserves over the past five years

More councils added to their usable revenue reserves in 2019/20.



Source: Unaudited financial statements 2019/20, except where significant audit adjustments identified, and audited financial statements 2015/16 to 2018/19

There is variation in whether councils have been adding to or using up general fund reserves

19. Councils have different strategies for managing their financial position and reserves position over time, so we would expect to see variation in the movements and balances held. Reserves play an important role in effective financial management. They provide a working balance to smooth out uneven cashflows, protect against the financial impact of unexpected events, as well as enabling funds to be built up for known future commitments.

20. Exhibit 5 (page 17) shows the annual average rate of general fund use at 31 March 2020, based on the last three years. It indicates how long it would take for a council to run out of its general fund reserve if the pattern of use (over the last three years) were to continue. An amount less than minus 25 per cent would indicate reserves would be depleted in less than four years.

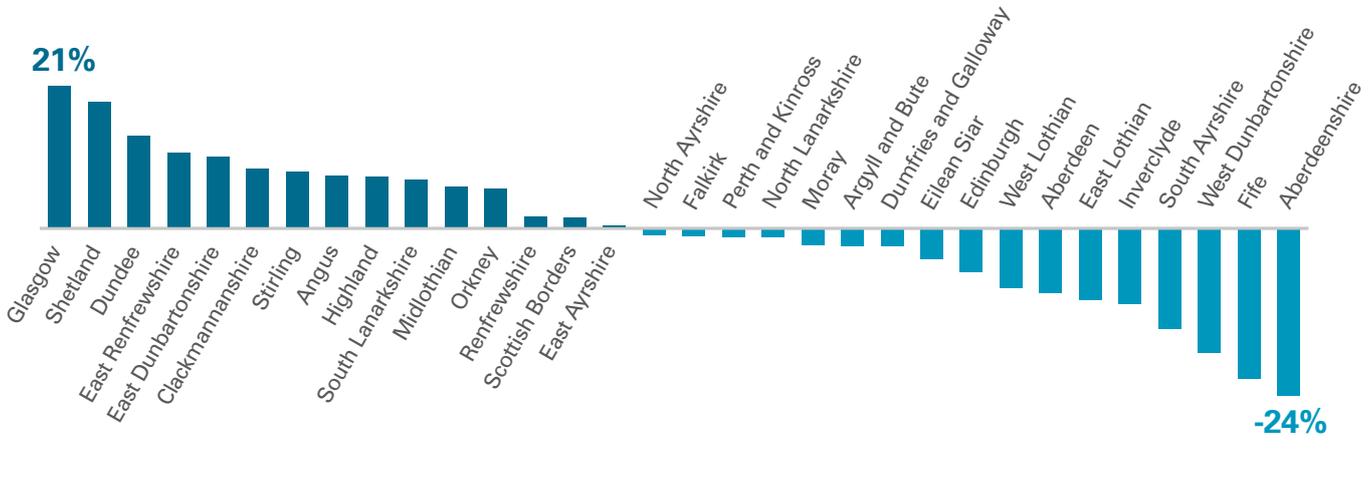
Moray Council sustainability has improved with a significant surplus in 2019/20

21. In our 2018/19 report, we highlighted Moray Council as being at risk of depleting its reserves within five years. In 2019/20, the council's financial position improved, with the general fund increasing by £7 million. This was in contrast to a budgeted reduction of £5 million in the general fund. The turnaround was largely due to better than expected funding and income, including council tax income, Business Rates Incentivisation Scheme (BRIS) retention, a one-off VAT refund and insurance settlement and additional general revenue grant funding. The council also exceeded its savings target and delivered £13 million of savings in year.

Exhibit 5

Average annual movement in the general fund (including HRA) over the last three years

The movement on councils' general fund reserves varies significantly.



Source: Unaudited financial statements 2019/20, except where significant audit adjustments identified, and audited financial statements 2018/19 and 2017/18

Two councils are now at risk of running out of general fund reserves in the medium term if current trends continue

22. Fife and Aberdeenshire Council are now at risk of running down their general fund balance within four to five years if their current trend of using these continues ([Exhibit 5](#)). Neither council planned to use general fund balances as part of their 2020/21 initial budget, but the unusual circumstances of Covid-19 may now affect this.

23. Local auditors report that Aberdeenshire Council regularly reviews reserves as part of its medium-term financial strategy. The recent [Best Value Assurance Report](#) (October 2020) identified that reserves have largely decreased due to planned use. However, this also includes some unplanned use, including additional contributions of £5.5 million to the Aberdeenshire Integration Joint Board (IJB), to meet the council's share of IJB revenue budget overspends. The Report notes that the remaining balance is low relative to other councils.

24. Fife Council has been drawing on its reserves over the last few years, particularly the planned use of committed balances. However, the council's medium-term financial strategy forecasts the level of general fund will continue to deteriorate over the next three years and will be insufficient to fully mitigate against the financial impact of Covid-19.



Best Value Assurance Report: Aberdeenshire Council
October 2020 [Download](#)

Capital

Councils recorded the highest level of capital expenditure over the last five years

25. Capital expenditure increased by £0.8 billion (or 29 per cent) to £3.6 billion in 2019/20. Glasgow City Council's sale and leaseback transactions, as part of the equal pay funding strategy, make up £0.5 billion of the increase ([paragraph 28](#)). Excluding this, capital expenditure is still the highest level recorded by councils

over the last five years. This is aligned with a peak in Scottish Government capital funding ([Exhibit 12, page 29](#)).

Some councils had significant increases in their capital investment:

- City of Edinburgh Council: £0.15 billion (or 49 per cent) increase. New or additional investment across several areas including the Trams to Newhaven Project, creation and expansion of educational properties, investment in council houses, sports facilities and road infrastructure.
- Moray Council: £0.04 billion (or 87 per cent) increase. Investment in schools and early learning and childcare facilities, council houses and waste management facilities. This includes a joint venture with Aberdeen City and Aberdeenshire Councils to build an energy from waste plant.

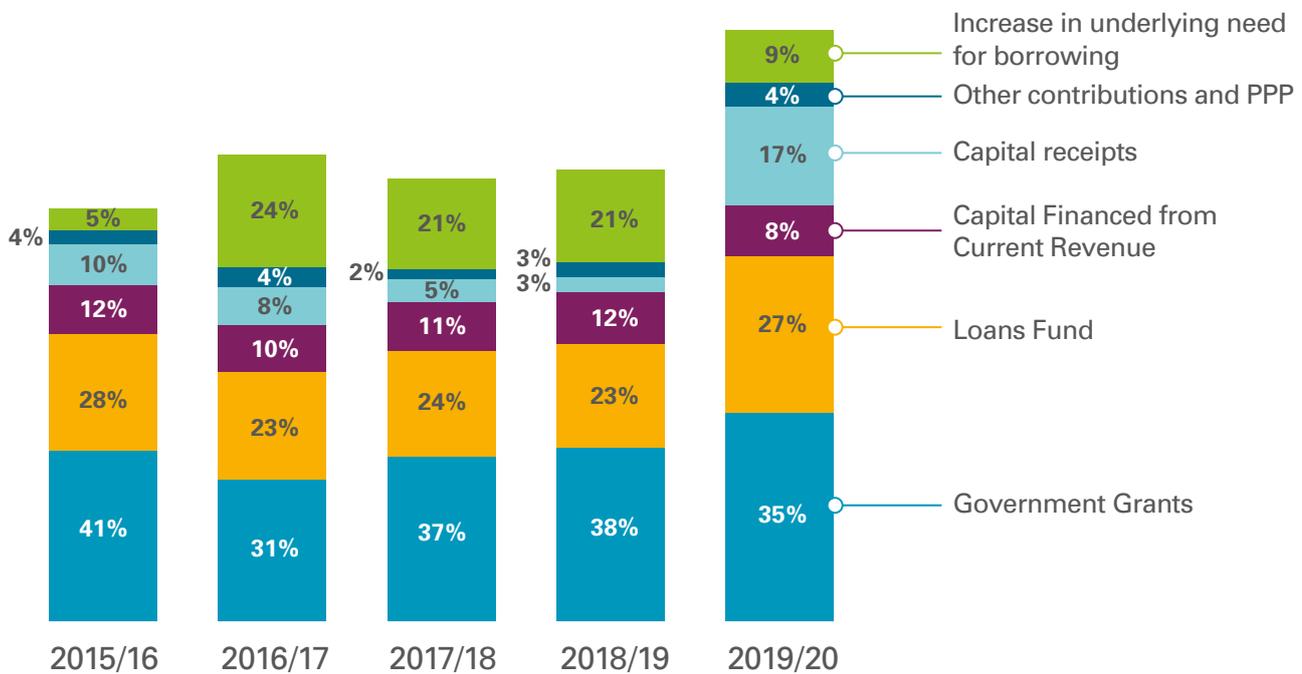
The main sources of capital financing are still government grants and internal loans fund repayments from council services

26. Government grants continued to provide the main source of capital finance. The effect of the sale and leaseback arrangements at Glasgow City Council significantly increased the element of funding generated from capital receipts in 2019/20 ([Exhibit 6](#)).

Exhibit 6

Capital expenditure analysed by source of finance 2015/16 to 2019/20

Sixty-two per cent of capital expenditure was financed by government grants or internal loans fund repayments.



Source: Unaudited financial statements 2019/20 and audited financial statements 2015/16–2018/19

Debt

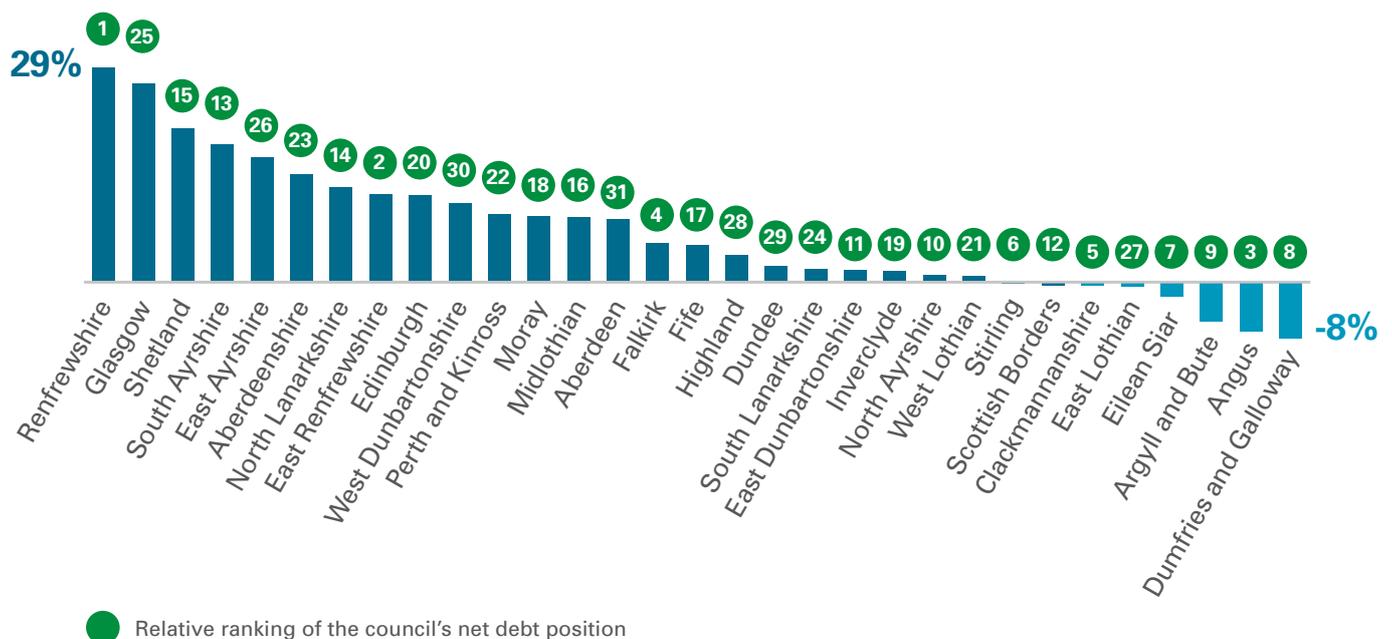
Most councils increased their net debt, typically by 4 per cent or more in 2019/20

27. Total net debt (total debt² less cash and investments) across councils has increased by £1.4 billion, or nine per cent, to £17 billion. [Exhibit 7](#) shows the relative movement in net debt between 2018/19 and 2019/20 for each council. The median movement is 4.3 per cent. Renfrewshire Council incurred the most significant increase, but this is due to lower cash balances, rather than an increase in borrowing. Renfrewshire Council still has the lowest level of net debt relative to its annual revenue. As noted earlier in this report, the Glasgow City Council sale and leaseback of council properties ([paragraph 28](#)) also contributed to a significant increase in its net debt position.

Exhibit 7

Percentage movement in net debt between 2018/19 and 2019/20 at council level with relative ranking of total net debt

Most councils increased their net debt by 4 per cent or more.



Note: Orkney has been excluded as it has net investments.

The rankings (1 to 31) indicate the net debt position of the council relative to others, with 1 being the lowest. Net debt is shown as a proportion of net annual revenue.

Source: Unaudited financial statements 2019/20.

Equal pay settlements at Glasgow City Council were financed through sale and leaseback

28. Glasgow City Council included a provision for equal pay costs in 2018/19 and during 2019/20 settled the majority of outstanding equal pay claims. The £500 million cost of settlement was met by a funding strategy that raised £549 million. This included the refinancing of a City Property loan arrangement (the Council's Arm's Length Organisation or ALEO) and the sale and leaseback of 11 council properties to City Property. As the income from the funding strategy exceeded the cost of settlement, the council has earmarked £70 million to support any

future equal pay liability arising from the implementation of a new pay and grading system. This accounts for the majority of the net increase of £84 million in the general fund balance held by the council ([paragraph 17](#)).

29. The arrangement is represented in non-current assets and by a deferred liability. This contributed £453 million to the total Scottish debt. The total annual rent payable to City Property by the Council is now £20.4 million and is subject to annual inflation of 2.75 per cent.

Audit of 2019/20 annual accounts

Auditors drew attention to material uncertainty in property valuations relating to Covid-19

30. Most councils' auditors reported a material valuation uncertainty in council property valuations related to the potential impact of Covid-19. An 'emphasis of matter' paragraph was included in the independent auditor's reports to draw attention to this matter.

Local Government Pension Funds

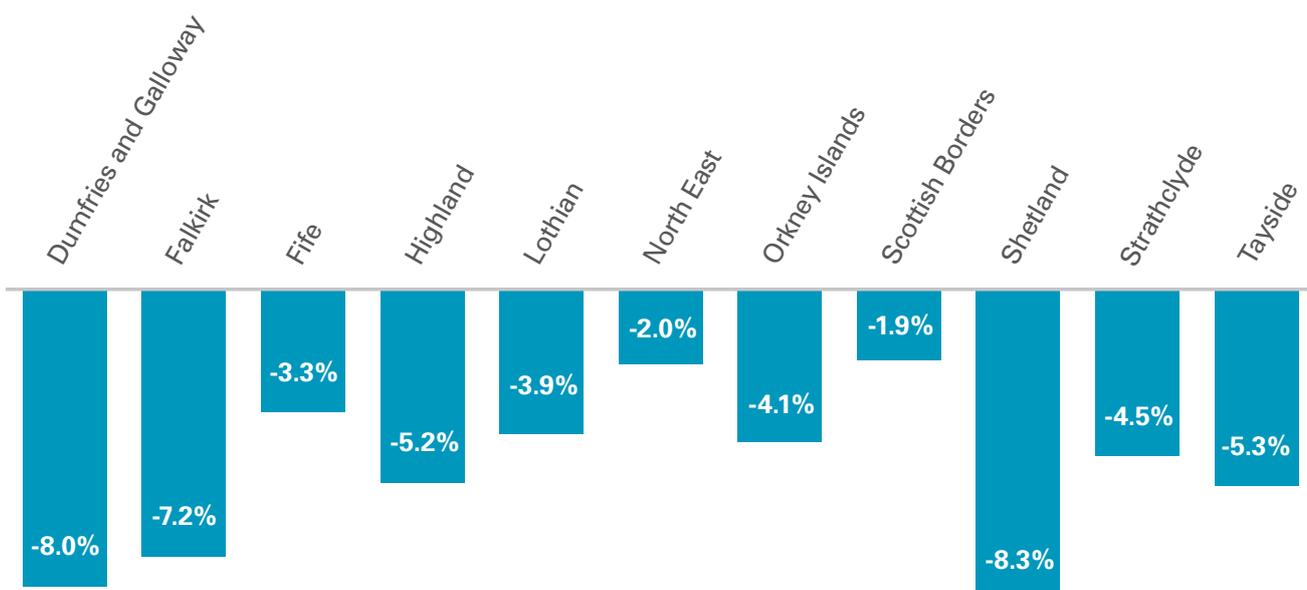
Pension Fund investment returns were negative in 2019/20 as a result of Covid-19

31. The eleven main Scottish Local Government Pension Funds experienced negative investment returns as a result of the impacts of Covid-19 on global markets in the last quarter of 2019/20. The annual return was between -1.9 per cent and -8.3 per cent in individual funds, based on the average assets position ([Exhibit 8](#)).

Exhibit 8

Investment returns based on average assets in Scottish Pension Funds 2019/20

2019/20 investment returns were adversely affected by Covid-19.



Source: Audited accounts of the Pension Funds 2019/20

Funds still tended to outperform their benchmarks

32. In the majority of funds, the overall investment returns still outperformed their individual annual benchmarks to 31 March 2020. Since then there has been a partial recovery in global markets. The auditors of Tayside Pension Fund report that net assets fell by 16 per cent due to Covid-19 in the last quarter of 2019/20 but had recovered over two-thirds of these losses by the end of June 2020.

Some elements of pension investments were more uncertain as result of Covid-19

33. A number of pension fund auditors drew attention to the levels of greater uncertainty attached to 'level 3' investments, by including an 'emphasis of matter' paragraph in their auditors' reports. In Fife Pension Fund, level 3 investments include investments in property, infrastructure and private equity. These make up around £270 million or 11 per cent of the fund's total investments at 31 March 2020. As there is no market data to support the valuation these are based on judgements by investment funds. These valuations included material valuation uncertainty disclosures this year due to Covid-19.

The next triennial valuation of Scottish Local Government Pension Funds is due to be completed in March 2021

34. Triennial valuations of Scottish Local Government Pension Funds are due to be completed in March 2021. This will identify the funding level in each scheme and inform future funding and investment strategies as well as determining the level of employer and employee contribution rates from 2021/22 onwards.

Pension Fund investment returns were negative in 2019/20 as a result of Covid-19, but most funds still tended to outperform their benchmarks.

Councils' financial outlook

Key messages

- 1** 2020/21 initial budgets identified savings targets as the main way to close a budget gap of £0.5 billion, with more councils setting multi-year indicative budgets
 - 2** Before the impact of Covid-19, Scottish Government revenue funding in 2020/21 increased by 1.4 per cent in real terms, but this is to fund the expansion in Early Learning and Childcare
 - 3** The financial cost of Covid-19 on councils in 2020/21 is estimated to be £767 million, with just over half due to lost income
 - 4** We estimate that funding announced by the Scottish Government by November 2020 meets 60 to 70 per cent of the cost pressures identified by councils through COSLA's cost-gathering exercise, although total costs and funding are still uncertain
 - 5** Scottish Government capital funding to local government in 2020/21 is decreasing by 30 per cent in real terms
 - 6** Councils need to review and revise their medium-term financial plans due to Covid-19
-

Budget gap 2020/21

Initially councils identified a total budget gap of £0.5 billion in 2020/21 and again plan to address these through savings targets

35. Councils original 2020/21 budgets were set before the Covid-19 pandemic emerged in Scotland. Councils set net expenditure budgets after taking into account projections of local income from fees and charges. Councils approved net expenditure budgets of £13.5 billion for 2020/21 including a budget gap of £0.5 billion (or three per cent). The budget gap is shown before action such as savings, council tax rate increases and use of reserves. There is still some inconsistency in how councils present their own budget gaps. For example, whether it is stated before or after the council tax increase. The relative size of the budget gap was consistent with the two previous years. Savings plans were the main way councils planned to bridge the budget gap, contributing 55 per cent with council tax increases contributing a further 23 per cent.

36. Eighteen councils approved a council tax rate increase in line with the 4.84 per cent cap set by Scottish Government in 2020/21. Six councils increased their council tax rate by three per cent and the remaining eight councils approved an increase of between 3.95 per cent and 4.8 per cent.

More councils presented multi-year indicative budgets in 2020/21

37. A new development was for more councils to set multi-year indicative budgets, as part of the 2020/21 budget setting process. Fifteen councils presented multi-year indicative budgets. In four councils (Aberdeen, Aberdeenshire, Scottish Borders and Stirling) budgets covered the next five years, with the others covering three years.

2020/21 funding settlement

Prior to additional Covid-19 related funding, Scottish Government revenue funding in 2020/21 increased by 1.4 per cent in real terms

38. The Local Government revenue settlement from the Scottish Government in 2020/21, before taking into account changes due to Covid-19, increased by 3.4 per cent (cash terms) from 2019/20 to £10.7 billion. This was a real terms increase of 1.4 per cent ([Exhibit 9](#)).

Exhibit 9

Changes in Scottish Government revenue funding in 2020/21 (excluding Covid-19 funding)

Scottish Government revenue funding increased by 1.4 per cent in real terms in 2020/21.

	2019/20	2020/21	Cash %	Real %
General Revenue Grant and Non-Domestic Rate Income	9,811	9,958	1.5%	-0.5%
Specific Revenue Grants	508	710	39.8%	37.1%
Total revenue funding	10,319	10,668	3.4%	1.4%
Health & Social Care funding via NHS	355	355	0.0%	-1.9%
	10,674	11,023	3.3%	1.3%

Source: Finance Circulars 04/2020 and Scottish Government budget documents

Most of the increased funding in 2020/21 was to fund the expansion in Early Learning and Childcare

39. Specific revenue grants increased in cash terms by £202 million in 2020/21, growing from 4.9 per cent of total revenue funding to 6.7 per cent. This represented 1.4 per cent of the increase in revenue funding in cash terms between 2019/20 and 2020/21. Most of this increase was due to an additional £201 million allocated to councils to support the expansion in funded Early Learning and Childcare entitlement to 1,140 hours by 2021.

Financial impact of Covid-19 in 2020/21

The financial cost of Covid-19 on councils in 2020/21 is estimated to be £767 million³

40. As noted above, initial budgets and funding settlements did not reflect the changed environment and financial effects of Covid-19. During the early phases of Covid-19, the Convention of Scottish Local Authorities (COSLA) worked with councils to summarise the expected financial effects of Covid-19 on local government. This was summarised by COSLA in their *Cost Collection Exercise: Analysis and Narrative – 3rd Iteration (Full Year Figures), (July 2020)* and the financial impact of Covid-19 in 2020/21 is estimated to total £767 million (excluding Education and Early Learning and Childcare costs). The projected amount covers the full financial year and includes gross additional costs of £855 million, offset by savings of £88 million (from lower property costs and school meal costs). £86 million of the gross additional cost figure relates to projected capital costs.

41. This estimate does not include additional social care costs which are covered in [paragraph 70](#) as part of Health and Social Care Partnership costs.

Lost income accounts for over half of Covid-19 costs in councils

42. Loss of income accounts for over half of the forecast additional costs. Loss of income from fees and charges was projected to result in a loss of £161 million. The most significant proportion of these losses related to the anticipated reduction in parking fee income ([Exhibit 10, page 25](#)). All councils projected a loss of income from sports and leisure facilities at July 2020, totalling £75 million. Mobilisation costs and the costs arising from reconfiguring services (recovery costs) made up the remaining Covid-19 costs.

43. Several larger urban councils have ALEOs that were set up to manage commercial activities and provide income back to councils. This includes conference facilities and transportation services. The projected loss of income for councils from these was £39 million. This included Lothian Buses, Edinburgh Trams, Scottish Exhibition and Conference Centre and the Aberdeen Exhibition and Conference Centre.

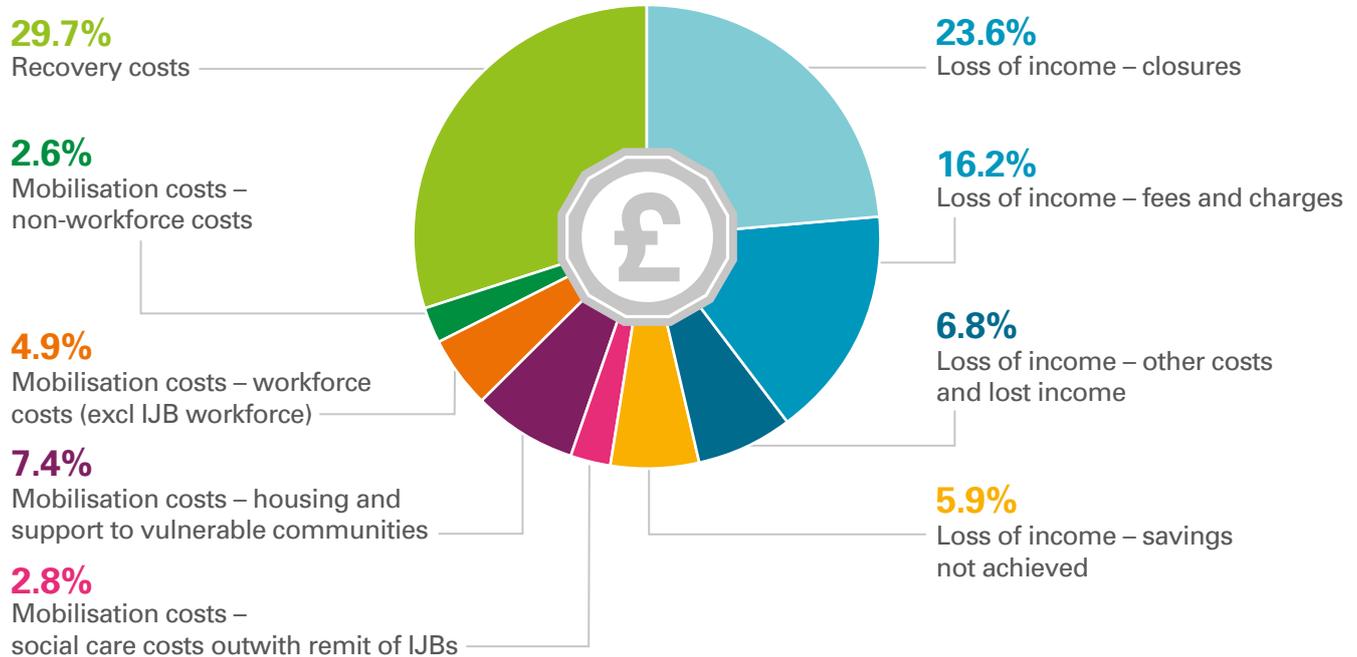
44. Loss of income from harbour and ferry activities is another area that has been projected to be significantly impacted. Four councils projected a loss of income totalling £11 million.

The financial cost of Covid-19 on councils in 2020/21 is estimated to be £767 million. Over half of this relates to lost income.

Exhibit 10

2020/21 Projected Covid-19 related expenditure/lost income

Loss of income accounts for over half of the forecast additional costs.



Source: COSLA summary (full year returns) (July 2020) and COSLA council returns. Proportions based on returns from 25 councils.

Scottish Government support for Covid-19 pressures

The proportion of NDR and General Revenue Grant funding was adjusted

45. In March 2020, the Scottish Government made a £972 million reduction to the distributable amount of Non-Domestic Rates (NDR) in 2020/21 together with a corresponding increase in the General Revenue Grant (GRG). This reflected measures arising from The Non-Domestic Rates (Coronavirus Reliefs) (Scotland) Regulations 2020 which included 1.6 per cent of Universal Relief, 100 per cent relief for Retail, Hospitality and Leisure and 100 per cent relief for Airports and Baggage Handlers.

46. The change reflected a recognition that NDR income collected by councils would be lower than anticipated due to Covid-19. As the Scottish Government guarantee each council's formula share of GRG plus NDR, the change resulted in no overall impact on council's total revenue funding.

Councils have administered funding of over £1 billion as part of the Covid-19 Business Support Fund Grant Scheme

47. In March 2020, the Scottish Government announced that businesses could apply for grants to help them deal with the impact of Covid-19.⁴ These grants would be administered by councils on behalf of the Scottish Government, with funding made available to councils to finance the costs incurred. Councils received a grant of £950 million in 2020/21 providing an initial advance of the estimated costs projected by the Scottish Government, based on the number of businesses eligible for relief within each council area. The remaining amount will be disbursed as necessary up to a maximum collective limit of £1.2 billion.

48. Councils reported that over 106,000 applications were received for the Small Business Grant Scheme and the Retail, Hospitality and Leisure Business Grant Scheme across Scotland. Of the applications received, over 90,000 were successful with grants of over £1 billion awarded by September 2020.

Further funding of £936 million has been announced by November 2020

49. As at November 2020, £936 million of Scottish Government Covid-19 support for councils had been either allocated or announced ([Exhibit 11, page 27](#)). This is made up of the following:

- £723 million of revenue support, including £90 million (estimated) from the loss of income compensation scheme
- £150 million of NHS funding to be passed on to Health and Social Care Partnerships
- £63 million of capital support for Regeneration Capital Grant Fund, Town Centres Capital Fund, school transport support and digital inclusion funding

We estimate that funding announced by November 2020 meets 60 to 70 per cent of the revenue cost pressures identified by councils, with total costs and funding still uncertain

50. In [paragraph 40](#), we noted estimated council cost pressures of £767 million, split between revenue cost projections of £681 million and capital cost projections of £86 million. Not all the announced additional funding can be matched to these costs. Of the total £936 million announced, £234 million has been provided to benefit third parties or did not form part of the council's original cost submission.

51. The funding for the Scottish Welfare Fund (£45 million), council tax reduction scheme (£50 million) and discretionary housing payments (£5 million) are administered by the councils but will benefit individuals and businesses within the community.

52. The additional educational recovery funding (£134 million) is a consequence of the decision to re-open schools and early years establishments full-time from 11 August 2020. The necessary social distancing and cleaning measures result in additional costs to councils to be met from this funding. These were not envisaged in the councils' initial cost collection exercise, which predated decisions to return to school on a full-time basis.

53. The funding of £150 million to be passed to Health and Social Care Partnerships did not form part of the councils' estimated costs as these form part of the IJB mobilisation costs. These are described at [paragraph 70](#).

54. After taking into account the above issues, we estimate that the beneficial announcements of revenue funding to councils meet 60 to 70 per cent of the estimated revenue costs at July 2020. However, some of this funding is ringfenced, with £236 million being allocated for specific purposes. For example, £65 million for the food fund and for free school meals. Councils may have cost pressures in other separate areas, which may not be met by this specific funding.

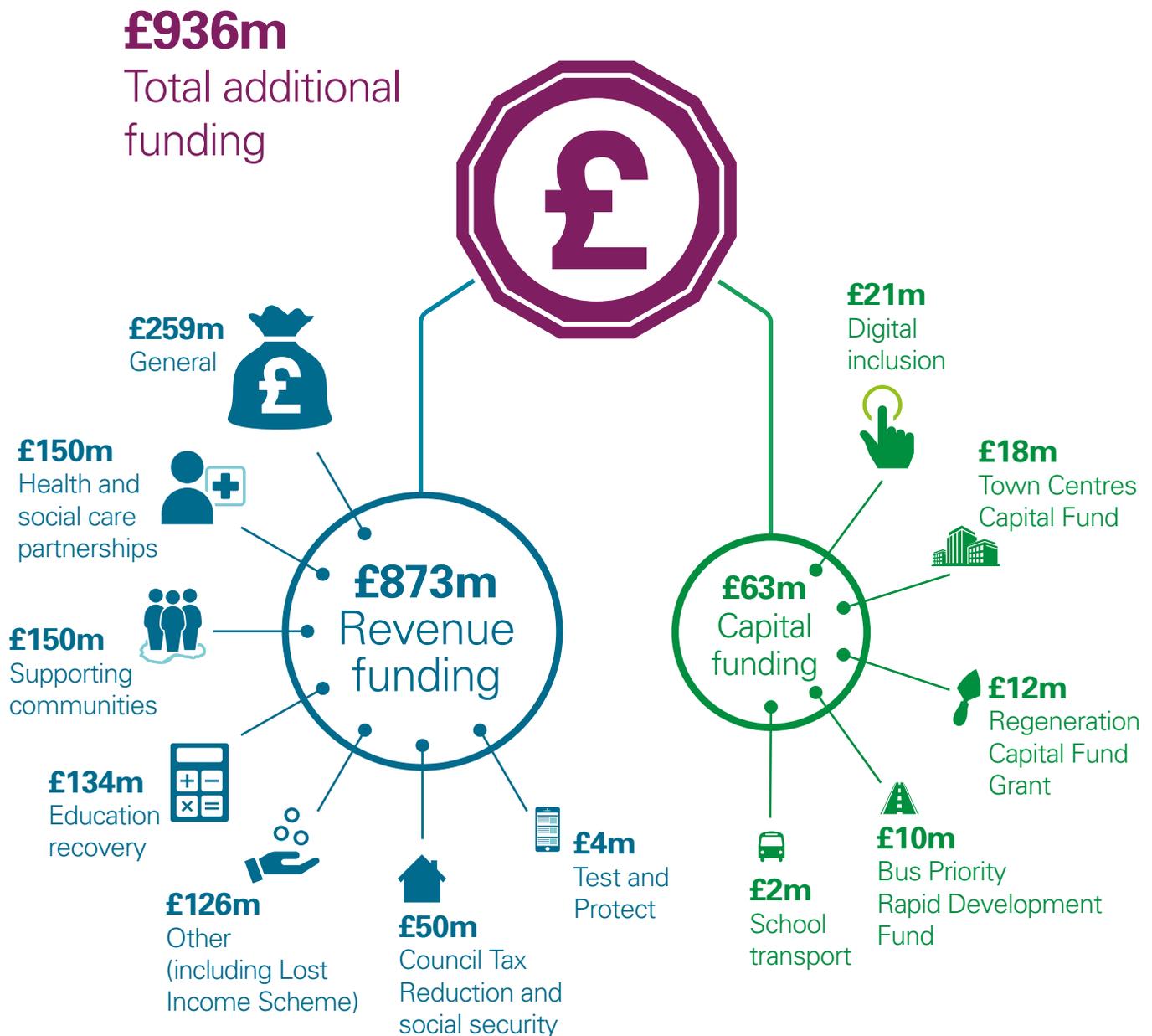
55. The effects of the Covid-19 pandemic continue to develop, as do projections of associated costs and funding.

As at November 2020, £936 million of Scottish Government Covid-19 support for councils had been either allocated or announced.

Exhibit 11

Scottish Government Covid-19 funding in 2020/21

Councils were allocated £936 million of additional Covid-19 funding in 2020/21 (November 2020).



Source: Scottish Government funding announcements and COSLA report



The Scottish Government has given councils additional financial flexibility to respond to the Covid-19 crisis

56. Councils have been given an additional package of spending powers and financial flexibility that the Scottish Government claims could be worth up to £600 million.⁵ This figure will apply if all councils are able to use all the new flexibilities, however COSLA does not consider this to be a likely scenario. Councils will need to consider the increased costs that may arise in future years and the effects of Covid-19 may impact on some areas, for example expected capital receipts. The new funding levers open to councils apply to Covid-19-related

pressures only and apply to this and the next financial year. Additional spending powers include the following:

- enabling the use of capital receipts to meet one-off revenue funding pressures, including Covid-19 related costs
- extending debt repayment periods over the life of the asset rather than the contract period
- allowing councils to take a repayment holiday in either 2020/21 or 2021/22 to defer internal loan fund repayments.

57. In addition to these measures, the Scottish Government has provided flexibility around the guidance for using the following specific funding:⁶

- Pupil Equity Funding
- Challenge Authority and Schools' Programme funding
- funding for Regional Improvement Collaboratives, allowing resource linked to this initiative to be repurposed to the Covid-19 response, and
- deploy early learning and childcare funding flexibly to deliver critical provision for children and families.

58. The extent of how these individual flexibilities may be used by each council, is yet unclear. Judgements will be required by each council and this may depend on the extent of unavoidable commitments already existing, for example in early learning contract commitments to parents.

Medium and long-term financial planning

The financial changes due to Covid-19 mean that councils need to review and revise their medium-term financial plans

59. Auditors have reported greater uncertainty in current financial planning arrangements at councils due to Covid-19. Medium term financial plans will now require revision at all councils to take into account additional financial pressures and updated funding arrangements, as well as consideration of updated savings requirements and financial assumptions.

Capital funding

Scottish Government capital funding in 2020/21 is decreasing by 30 per cent in real terms

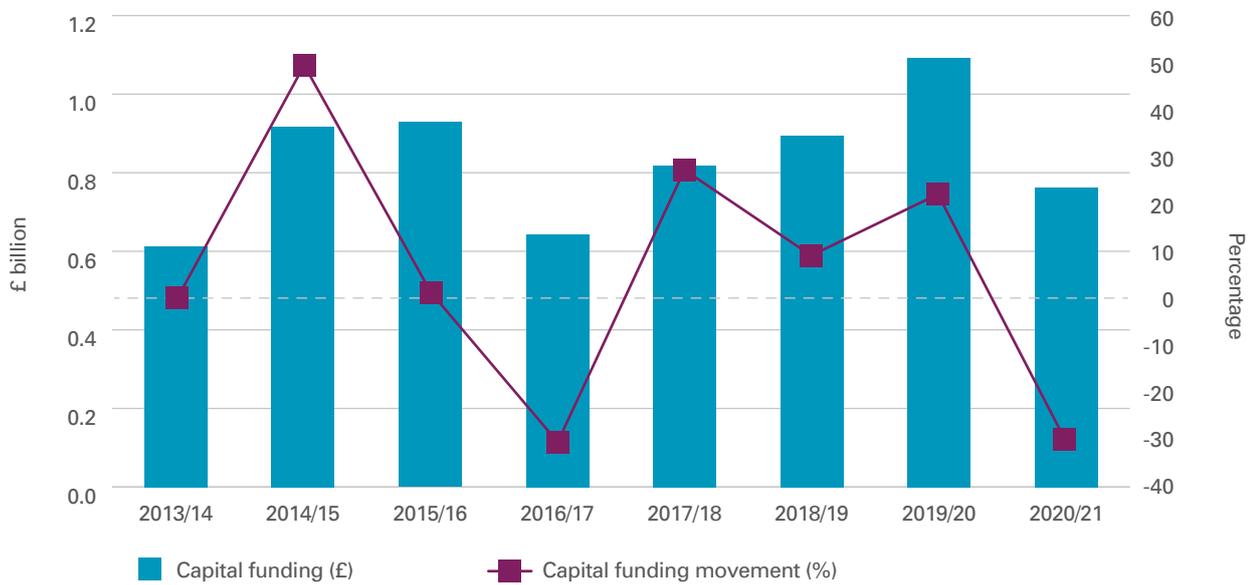
60. The Local Government capital settlement in 2020/21 decreased from £1.1 billion in 2019/20 to £0.8 billion. Capital funding had experienced significant increases in the past three years (33 per cent increase between 2017/18 to 2019/20). Total capital funding has now returned to levels more similar to those in 2017/18, in real terms ([Exhibit 12, page 29](#)). This could have a significant impact on councils' future investment plans.

Scottish Government capital funding in 2020/21 is decreasing by 30 per cent in real terms.

Exhibit 12

Real terms capital funding between 2013/14 and 2020/21 (excluding Covid-19 funding)

Scottish Government capital funding in 2020/21 (excluding Covid-19 funding) is decreasing by 30 per cent.



Source: Finance Circulars 04/2020 and Scottish Government budget documents

Integration Joint Boards

Key messages

- 1** A majority of IJBs (22 of 30) struggled to achieve break-even in 2019/20 or recorded deficits
 - 2** Total mobilisation costs for Health and Social Care Partnerships for 2020/21 are estimated as £422 million. It is not yet clear whether the Scottish Government is to fund all these costs
 - 3** Revisions will be required to medium-term financial plans to reflect the impact of Covid-19
 - 4** There were changes in chief officer at 12 IJBs in 2019/20
-

Funding and expenditure

In 2019/20 overall funding to IJBs increased by six per cent

61. Overall funding to IJBs, in 2019/20, increased by £0.5 billion (or six per cent) to £9.1 billion. Most of this increase is in health board contributions to the IJB.

Sixteen IJBs recorded deficits

62. Sixteen of the thirty IJBs reported a total deficit of £32 million in 2019/20, compared with only eight IJBs reporting a deficit of £11 million in 2018/19. Of the remaining IJBs, 13 reported a total surplus of £17 million and one reported a breakeven position.

A further six IJBs needed additional funding to achieve surplus or breakeven

63. Six of the IJBs that reported a surplus or breakeven position would not have achieved this without additional funding from partners. A total of thirteen IJBs had extra financial support from partners of £50 million. Without this, 22 IJBs would have reported a total deficit of £77 million (19 IJBs with a deficit of £58 million in 2018/19).

IJBs reported mixed performance against the achievement of savings targets in 2019/20

64. We reported last year that of the £208 million projected budget gap for 2019/20, 59 per cent of this was anticipated to be met by identified savings and 30 per cent by unidentified savings plans. Comparing this to actual performance and based on a sample of 22 IJBs, only four delivered 100 per cent of planned savings in 2019/20. Generally, there was significant variation in how IJBs performed against savings targets, with savings achieved ranging from 37 per cent at Aberdeen City IJB to 100 per cent at Inverclyde IJB.

IJB reserves have decreased in 2019/20

65. The IJBs' total reserves decreased by £15 million (9 per cent), to £143 million. This contrasts with a £34 million increase in reserves in 2018/19. Last year we reported that some of the increase in reserves was a result of IJBs holding unspent earmarked funding from the NHS, including those associated with Primary Care Improvement Fund and the Mental Health Strategy. The Scottish Government has advised health boards and IJBs that it expects these earmarked balances to be used before further funds are drawn down. Part of the decrease in reserves this year relates to the use of these specific funds ([Exhibit 13, page 32](#)).

66. Some of the more significant reductions include:

- Edinburgh IJB used reserves of £7 million to address a budget gap, as outlined in the recent Edinburgh City Council [Best Value Assurance Report](#)  (November 2020).
- Dumfries and Galloway and South Lanarkshire IJBs used up a significant element of specific reserves, including Primary Care Transformation and Mental Health programmes of work.

A majority of IJBs struggled to achieve break-even in 2019/20 or recorded deficits.

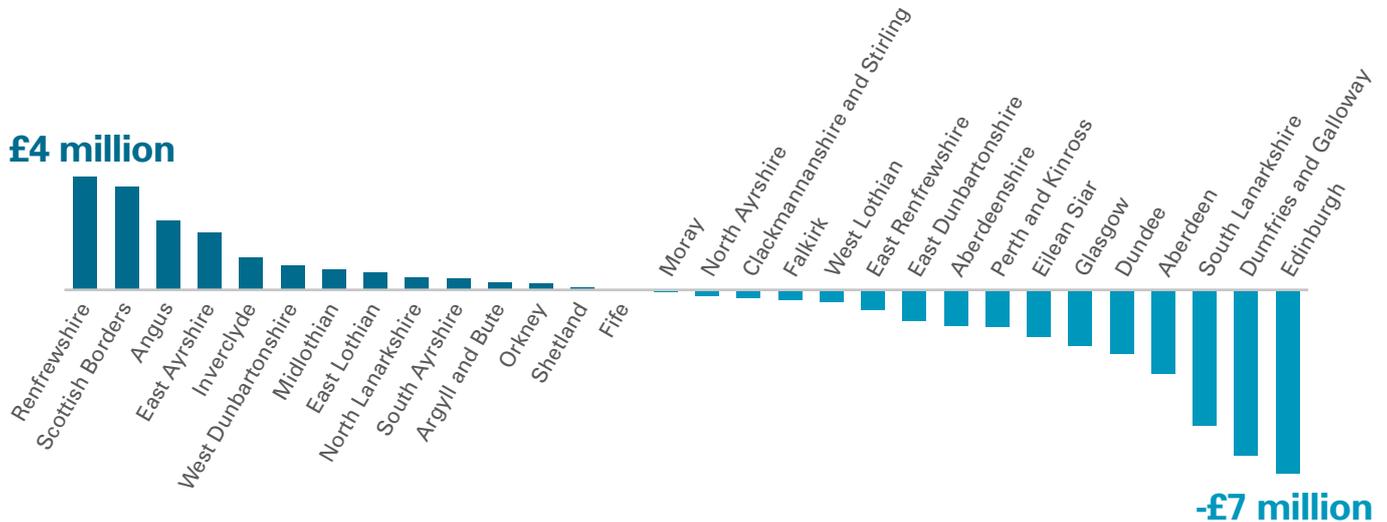


Best Value Assurance
Report: City of Edinburgh
Council
November 2020 

Exhibit 13

Individual movements in general fund reserves between 2018/19 and 2019/20

Sixteen IJBs reported a decrease in the general fund balance.



Source: Unaudited financial statements 2019/20, except where significant audit adjustments identified



Financial planning

More IJBs agreed budgets with partners before the start of the financial year

67. Previously we reported that eleven IJBs failed to agree a budget with their partners at the start of the 2019/20 financial year. This position improved for 2020/21, when only six IJBs had not agreed their budgets by 1 April. Auditors identified the main reasons for this as the impact of Covid-19 and the timing of partner bodies setting their budgets.

Prior to Covid-19 costs, the projected budget gap was £185 million for 2020/21

68. Auditors identified a total estimated budget gap of £185 million for 2020/21, representing 2 per cent of total projected net expenditure. This is an improvement in comparison to 2019/20 (£208 million). The 2020/21 budget gap as a proportion of total projected net expenditure varied between 0.6 and 5.7 per cent.

69. Of the £185 million budget gap, 62 per cent (59 per cent in 2019/20) was anticipated to be met by identified savings and 25 per cent (30 per cent in 2019/20) by unidentified savings plans. Five IJBs planned to cover part of the estimated funding gap from reserves.

Covid-19 related costs

As at October 2020, estimated total Covid-19 mobilisation costs for Health and Social Care Partnerships for 2020/21 were £422 million

70. Financial data, provided to the Scottish Government by NHS Boards, shows estimated total Covid-19 mobilisation costs for Health and Social Care Partnerships of £422 million for 2020/21. This projected total covers the full financial year and is based on returns submitted to NHS Boards by IJBs in the period June to September 2020. The main contributory factors to this are:

- additional costs for externally provided services, including PPE (£113 million)
- additional payments to Family Health Services contractors (£18 million) and prescribing (£15 million)
- additional temporary staff (£27 million)
- additional care home beds (£21 million)
- additional staff overtime and enhancements (£20 million)
- costs associated with Community Hubs (£27 million)
- homeless and criminal justice services (£10 million)
- mental health services (£10 million)
- expected underachievement of savings (£72 million), and
- loss of income (£24 million).

It is not yet clear if the Scottish Government will provide financial support to IJBs for the full impact of the pandemic

71. Several IJBs have included an assumption within budget papers and monitoring reports that the Scottish Government will provide financial support to cover all 'reasonable' expenditure included in cost submissions. However, there remains uncertainty around the extent to which the Scottish Government will fund these costs. Uncertainty of funding in care elements of the IJB has a significant impact on councils too, as the impact of costs and funding has been assumed to be neutral or excluded from council estimates.

72. At September 2020, the Scottish Government confirmed that £2.6 billion received in consequentials will be passed on for health and social care. This amount should be sufficient to cover the projected Covid-19-related revenue costs of £1.62 billion for health (£1.2 billion) and social care (£0.42 billion) for 2020/21.

73. In late September 2020, the Scottish Government announced additional funding of £1.1 billion to support the health and social care sector in dealing with Covid-19 related pressures. The funding will be allocated to NHS Boards and Health and Social Care Partnerships across Scotland to meet the costs of additional staffing or sickness expenditure, enhanced infection prevention and control measures, and the purchase of PPE. However, the basis for allocation to individual partnerships is not yet clear.⁷

As at October 2020, estimated total Covid-19 mobilisation costs for Health and Social Care Partnerships for 2020/21 were £422 million.

Revisions will be required to medium-term financial plans

74. More IJBs developed medium-term financial plans in 2019/20. Auditors reported that 26 had a medium-term financial plan in place. The impacts of Covid-19 could be significant for individual IJBs and medium-term financial plans will need to be revised to reflect this.

Wider governance issues

There were changes in chief officer at 12 IJBs in 2019/20 and instability of leadership continues to be a challenge

75. Auditors continued to identify significant changes in senior officers of IJBs. In 2019/20 there were changes in the chief officer at 12 of the 30 IJBs. Two-thirds of the chief officers who resigned left for a new role, either at another IJB (three chief officers) or elsewhere (five chief officers). There were also changes in chief finance officer at two of the IJBs. At Western Isles IJB (Curam is Slainte nan Eilean Siar) the absence of a chief officer has contributed to delays in strategic planning and issues with workforce planning.

Some IJBs did not review their integration scheme due to Covid-19

76. The Public Bodies (Joint Working) (Scotland) Act 2014 sets out that IJBs have a statutory duty to review their integration scheme within a five-year period. Auditors reported that six IJBs had not reviewed their integration scheme within the required timeframe. In all cases, Covid-19 was noted as a reason for the delay.

Instability of leadership continues to be a challenge for IJBs.

Endnotes

- 1 COSLA returns (3 month and full year returns) – based on 29 councils. Cost projection ranges were derived for the missing councils. Please note that this also includes the loss of the £6 million dividend from Lothian Buses.
- 2 Debt is total outstanding borrowing and other liabilities, including assets acquired through Private Finance Initiative (PFI), Public Private Partnership (PPP) and Non-Profit Distributing (NPD) models.
- 3 Excludes additional costs due to the decision to re-open schools and early years establishments full-time from 11 August 2020, as the cost collection exercise was conducted prior to this.
- 4 Scottish Government announcement (<https://www.gov.scot/news/gbp-1-billion-business-support-fund-opens/>)
- 5 Scottish Government announcement (<https://www.gov.scot/news/supporting-local-government-recovery>)
- 6 Scottish Government announcement (<https://www.gov.scot/publications/coronavirus-covid-19-letter-to-local-authorities-regarding-education-and-early-learning-and-childcare-funding-flexibility>)
- 7 The IJB is a separate legal entity, responsible for the strategic planning and commissioning of the wide range of health and social care services across a partnership area. Health and Social Care Partnerships are the partnerships that deliver services based on decisions made by the IJB.

Local government in Scotland

Financial overview

2019/20

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AUDITOR GENERAL 

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Audit team

The core audit team consisted of Leigh Johnston, Fiona Watson, Eva Thomas-Tudo and John Kirkwood, with support from other colleagues and under the direction of Angela Canning.

Links

-  PDF download
-  Web link

Summary



Key messages

- The challenges presented by Covid-19 are significant and unprecedented. Staff across the NHS and Scottish Government have worked hard, in challenging circumstances, to respond quickly to the pandemic. NHS frontline staff have put themselves at risk to meet the demands presented by Covid-19, reflecting their extraordinary commitment to public service. The NHS implemented several actions during the first wave of Covid-19 that prevented it from becoming overwhelmed, such as increasing intensive care capacity and stopping non-urgent planned care. The Scottish Government's Test and Protect strategy is crucial to suppressing the virus and will continue to be until Covid-19 vaccinations are fully rolled out.
- Some people have been more adversely affected by Covid-19 than others. For instance, those from the most deprived areas are twice as likely to die from Covid-19 than those in the least deprived areas. Covid-19 has so far caused or contributed to the deaths of almost 9,000 people across Scotland, and deaths from other causes were also higher than average at the start of the pandemic. The NHS workforce has been under considerable pressure during the pandemic, with high levels of work-related stress reported.
- The Scottish Government could have been better prepared to respond to the Covid-19 pandemic. It based its initial response on the 2011 UK Influenza Pandemic Preparedness Strategy but did not fully implement improvements identified during subsequent pandemic preparedness exercises. It also did not include an influenza pandemic as a standalone risk in its corporate or health and social care directorate risk registers, despite assessing it as high risk.
- Remobilising the full range of NHS services is challenging and maintaining innovation and learning from the pandemic will be essential. Covid-19 has led to a substantial backlog of patients waiting for treatment. NHS boards are prioritising those in most urgent need; those who are of lower clinical priority will have to wait longer. NHS leaders need to work collaboratively, in partnership across public services, to deal with the ongoing challenges caused by Covid-19 and to remobilise services.

- Covid-19 has exacerbated the existing financial and operational challenges in the NHS and is predicted to cost £1.67 billion in 2020/21. Most NHS boards achieved their savings targets in 2019/20, but four NHS boards needed additional financial support from the Scottish Government to break even. Responding to the pandemic has resulted in significant additional expenditure across health and social care and there is uncertainty about the longer-term financial position.

Recommendations

The Scottish Government should:

- ensure that NHS National Services Scotland returns to procuring personal protective equipment (PPE) through a competitive tender process as soon as practicable, considering options that reduce the environmental impact where possible, while demonstrating good value for money and robust quality assurance ([paragraph 17, page 12](#))
- update and publish national pandemic guidance for health and social care as a priority. The scope of this guidance should not be limited to covering only an influenza pandemic and it should include lessons learned from the Covid-19 pandemic and the previous pandemic preparedness exercises ([paragraph 46, page 21](#))
- ensure that the work undertaken as part of the re-mobilise, recover, re-design programme of work has clear priorities that align with the remobilisation framework. Work should be monitored and reported to ensure sufficient progress is being made ([paragraph 56, page 25](#))
- work with its partners to update the integrated workforce plan. This should consider how services will be delivered differently in the future, and how this will affect the shape of the health and social care workforce in the longer term ([paragraph 57, page 25](#))
- ensure that all NHS leaders, particularly those newly appointed, have the support they need to balance the ongoing challenges presented by Covid-19 with the need to remobilise health and social care services ([paragraph 60, page 26](#)).

The Scottish Government and NHS boards should:

- monitor and report on the effectiveness of the measures introduced to support the health and wellbeing of staff, to assess whether sufficient progress is being made ([paragraph 23, page 14](#))
- take action to meet the needs of those whose access to healthcare has been reduced as a result of the pandemic and monitor the long-term impact of this on health outcomes ([paragraph 27, page 16](#)) ([paragraph 49, page 22](#))
- publish data on performance against the clinical prioritisation categories to enable transparency about how NHS boards are managing their waiting lists ([paragraph 48, page 22](#)).

Introduction



1. The Covid-19 pandemic has created a unique and challenging set of circumstances for the NHS in Scotland. This report outlines the response to the pandemic by the NHS in Scotland and presents an overview of its financial and operational performance for 2019/20 ([Appendix 1, page 37](#)).

2. The Scottish Government and NHS in Scotland's response to Covid-19 continues to develop as the pandemic progresses. Policy and guidance are being updated frequently and our findings reflect the situation at January 2021, using information available prior to publication. We plan to consider the longer-term impact of Covid-19 in our *NHS in Scotland 2021* report.

3. We would like to acknowledge the support and assistance provided by the Scottish Government and NHS boards that has enabled us to prepare this report.

The response to Covid-19



The challenges presented by Covid-19 are significant and unprecedented The Scottish Government and NHS in Scotland responded quickly to the rapidly developing pandemic

4. The response to the Covid-19 pandemic by the Scottish Government and NHS Scotland began soon after the emergence of the outbreak in China, before any cases had been confirmed in Scotland. In January 2020, the Scottish Government started to implement its emergency response plans. This included attending the UK Government's COBRA meetings and activating the Scottish Government Resilience Room (SGoRR). The SGoRR is the main point of contact between the UK Government and Scotland's resilience partnerships in the event that UK-level action is initiated.¹ The four nations of the UK coordinated their initial response to the pandemic, publishing a joint Covid-19 action plan on 3 March 2020.² This action plan is based on the 2011 UK Influenza Pandemic Preparedness Strategy.³ Military liaison officers were deployed to NHS boards to assist with logistics and planning.

5. The Scottish Government established a Covid-19 directorate, with a workforce of staff redeployed from other departments across the government. There was good oversight and regular communication across the NHS and Integration Authorities (IAs) from the Scottish Government.⁴ NHS boards revised their governance arrangements during the pandemic. Some reduced in size or suspended subcommittees, while maintaining close contact with the Scottish Government and their local partners.

The NHS implemented a number of actions that prevented it from becoming overwhelmed

6. The Scottish Government had difficult decisions to make about how to prevent the NHS from becoming overwhelmed during the first wave of the Covid-19 pandemic. There are longer-term risks associated with some of these decisions, but the Scottish Government needed to prioritise creating additional capacity for Covid-19 patients. From March 2020, the Scottish Government instructed NHS boards to implement several key actions at pace, that enabled them to treat Covid-19 patients while maintaining vital emergency, maternity and urgent care. For instance:

- All non-urgent surgery, treatment and appointments were suspended, and national screening programmes for some types of cancer were paused. This enabled existing facilities and equipment to be repurposed and staff to be retrained and redeployed to support the response to Covid-19.
- The number of intensive care beds was increased from 173 to 585.⁵ This meant that the NHS had sufficient intensive care capacity throughout the first wave of the pandemic. The number of patients in intensive care beds

(including non-Covid-19 patients) exceeded the original capacity between 31 March and 24 April, peaking at 250 on 9 April. The number of Covid-19 patients in intensive care beds peaked at 221 on 12 April.

- A rapid discharge strategy was introduced with the aim of reducing delayed discharges from hospital. This resulted in a reduction of 64 per cent, from 1,612 on 4 March to 580 on 27 April. The impact of this strategy on outbreaks of Covid-19 in care homes is discussed in [paragraph 29, page 17](#).
- NHS workforce capacity was increased, which enhanced NHS resilience. During the first wave of Covid-19, 4,880 nursing students were deployed, registration dates for 575 junior doctors were brought forward and recently retired NHS staff were invited to return to work. An accelerated recruitment portal was also launched, which received 16,000 expressions of interest.
- Digital improvements were rolled out across the NHS including software to facilitate working from home, and the use of virtual appointments such as Near Me increased.⁶ Video consultations increased from about 300 per week in March 2020 to more than 18,000 per week in November 2020. By December, more than 600,000 video consultations had taken place.
- The NHS Louisa Jordan, a temporary hospital at the Scottish Event Campus in Glasgow, was established. It was set up in under three weeks and was operational by 20 April, with an initial capacity of 300 beds, and the ability to expand to 1,036 beds if needed – including 90 intensive care unit (ICU) beds. The hospital has not yet been needed to treat Covid-19 patients. It has been used for outpatient appointments and for diagnostic services such as X-ray and ultrasound. By January 2021, the facilities had also been used to train more than 5,000 healthcare staff and students and vaccinate nearly 10,000 NHS staff.⁷ The hospital remains on standby to receive Covid-19 patients if needed.
- Covid-19 community hubs and assessment centres were established. These hubs assess patients presenting with Covid-19 symptoms in the community, relieving pressure on GP surgeries. Between March 2020 and January 2021, over 250,000 consultations for advice or assessment were conducted through these hubs and centres.⁸

7. Cases of Covid-19 in Scotland decreased significantly over summer 2020 but started to increase again throughout autumn and winter.⁹ The NHS already faces more demand and pressure over winter months and increasing cases of Covid-19 exacerbated these existing challenges. The Scottish Government published its *Winter Preparedness Plan* in October 2020, which outlined several strategies during the second wave to prevent the NHS from becoming overwhelmed. Strategies included the ability to expand ICU capacity again if needed, while maintaining access to essential healthcare services, including mental health support. Some of the strategies for suppressing Covid-19 during the second wave differed from the response during the first wave.¹⁰ For instance:

- An extensive vaccination programme has been implemented. Three Covid-19 vaccines have been approved by the UK Medicines and Healthcare Products Regulatory Agency. The Scottish Government committed that by 5 February 2021, care home staff and residents, frontline health workers and people aged over 80 years in the community will have received their first dose. By 1 February 2021, more than 500,000 people had received

their first vaccination. The Scottish Government also increased eligibility criteria for the flu vaccine, to help prevent additional pressure being placed on the NHS.

- The Test and Protect programme is being expanded to help suppress the virus. The Scottish Government increased testing capacity, widened eligibility criteria, and improved contact tracing processes to quickly isolate potential cases.
- New clinical triage arrangements for urgent care have been introduced through NHS 24. This aims to optimise access to care by offering virtual appointments or a face-to-face appointment, if required, at the nearest Accident and Emergency (A&E). This aims to reduce demand on healthcare services under pressure and avoid unnecessary travel and waiting in crowded areas.

The Test and Protect strategy is crucial to suppressing the virus and will remain so until Covid-19 vaccinations are fully rolled out

8. Testing, tracing and isolating all cases of Covid-19, and quarantining their contacts is essential to control transmission of the virus.¹¹ The Scottish Government published its Test and Protect strategy on 4 May 2020. The strategy aims to control the spread of Covid-19 by identifying local outbreaks in the community and tracing contacts to prevent further transmission. The Scottish Government set up a new directorate to lead the strategy and launched the Test and Protect programme on 28 May.

9. The Scottish Government recognised that having enough capacity to test all possible cases of Covid-19 would be essential for the Test and Protect strategy to be effective. The Scottish Government planned to increase testing capacity in Scotland to 65,000 per day by December 2020. This target was achieved, with a maximum capacity for more than 68,000 tests per day created by the end of December. By the end of January 2021, Scotland had a maximum capacity for more than 77,000 tests per day. The majority of testing capacity was provided by the UK Government testing programme (64 per cent) and the remainder by NHS Scotland laboratories (36 per cent).

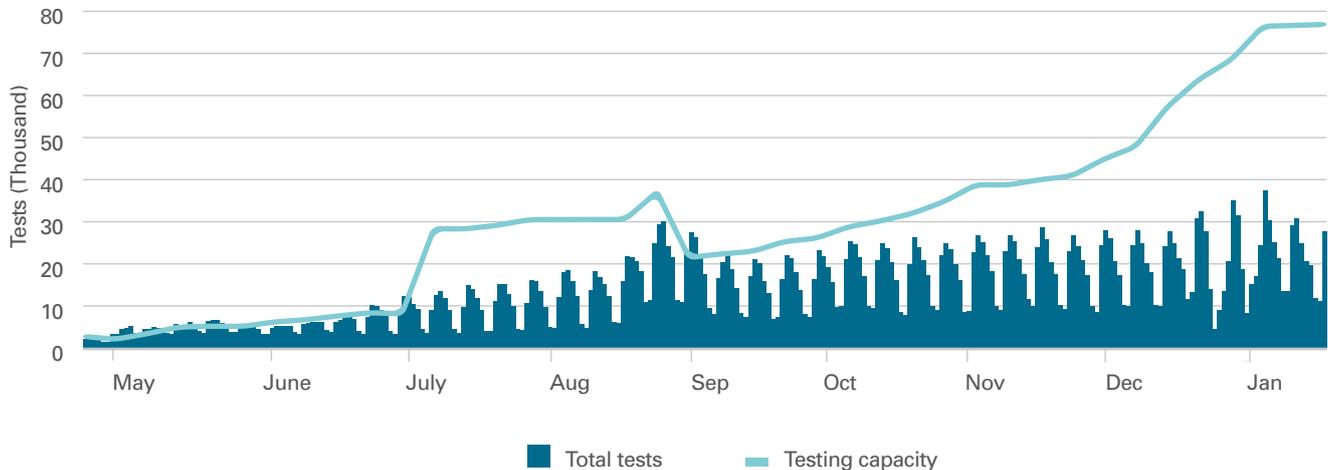
10. The number of tests carried out has not yet increased in line with this additional capacity. In October 2020, the Scottish Government estimated that demand for tests based on eligible groups at the time would be about 54,000 per day by winter. In January 2021, an average of just over 21,000 tests were carried out per day ([Exhibit 1, page 10](#)). The Scottish Government intends to use the additional capacity to expand eligibility for testing to certain people without symptoms. This includes expanding asymptomatic community testing, and introducing routine testing for:

- workplaces providing essential services where the risk of transmission is high, such as food processing and distribution, and emergency service control rooms
- additional health and care staff such as GPs, pharmacists and community nurses
- close contacts of confirmed cases
- supporting the return to schools.

Exhibit 1

Covid-19 testing capacity and total tests carried out from April 2020 to January 2021

The Scottish Government achieved its target to have capacity for 65,000 tests per day by the end of December 2020. The number of tests carried out has not yet increased in line with the additional capacity.



Notes:

1. In June 2020, Public Health Scotland and the Scottish Government began reporting total capacity as 'NHS Scotland capacity plus full capacity of the Glasgow Lighthouse lab'.
2. In August 2020, total capacity was calculated as NHS Scotland capacity plus a population share of the total UK lighthouse lab network.
3. Capacity data from 21 April to 11 October 2020 was reported by Public Health Scotland. Capacity data from 12 October was reported by NHS NSS and NHS England. Scotland's share of UK Government testing capacity is included from 30 June.

Source: Scottish Government and Public Health Scotland

Between November 2020 and January 2021, enough contacts of people testing positive with Covid-19 have been traced for the system to work effectively

11. Contact tracing is an essential part of the Test and Protect strategy. This is carried out by health protection teams within territorial NHS boards and by the National Contact Tracing Centre (NCTC) managed by NHS National Services Scotland (NHS NSS). The Scottish Government also launched the Protect Scotland app in September 2020, which alerts users if they have been in contact with another app user who has tested positive for the virus. It complements existing contact tracing processes and has more than 1.8 million users.

12. The Scottish Government asked NHS boards to make 2,000 staff from within existing resources available for contact tracing activity ahead of the launch of Test and Protect in May 2020. This was achieved, with 2,002 staff being made available for deployment across NHS boards and the NCTC if required. As prevalence of the virus decreased and NHS services started to resume over summer 2020, some staff returned to their substantive positions. This meant that contact tracing capacity was reduced, with 717 staff being available on 26 August 2020. As cases started to rise again, more staff were rostered to keep up with demand. At 23 December 2020, 2,707 staff had been fully trained in contact tracing.

13. The Scientific Advisory Group for Emergencies (SAGE) agreed that at least 80 per cent of contacts need to be reached for the system to be effective. It also found that contacts that were not isolated within 48-72 hours led to significantly increased spread of the virus.¹² In Scotland, enough cases have had their contacts

traced for the system to work well (95 per cent between 26 October and 24 January). On average, over the same timeframe 84 per cent of contacts of positive cases were traced within 72 hours.¹³ The Test and Protect strategy will remain central to suppressing Covid-19 until the Covid-19 vaccinations are fully rolled out.

Demand for PPE has been unprecedented with shortages early in the pandemic, but the situation has since improved

14. There has been huge global demand for personal protective equipment (PPE) since the start of the pandemic.¹⁴ The Scottish Government had a pandemic PPE stockpile in place, as part of a UK-wide approach, but the PPE requirements during the Covid-19 pandemic were unprecedented. For example, in early February 2020, NHS NSS shipped 96,911 items of PPE weekly, however by 6 April this figure was 24,496,200 weekly. Therefore, the pandemic PPE stockpile was not enough to fully meet the demands of the NHS. For example:

- Some NHS boards reported shortages of certain items of PPE early in the pandemic. NHS boards set up PPE groups to monitor and manage PPE availability. Local supply chains were disrupted during the pandemic, so the National Distribution Centre supplied the majority of PPE.¹⁵ In some instances, however, NHS boards had to procure some items directly.
- In a survey of Scottish members carried out in late April 2020, the British Medical Association (BMA) reported that some doctors did not have access to correct and sufficient PPE. This was highlighted as the most concerning issue for 16 per cent of respondents.¹⁶ Those working in higher-risk areas reported shortages of a number of items of PPE, including full-face visors (29 per cent) and long-sleeved disposable gowns (16 per cent).
- The Royal College of Nursing (RCN) surveyed its members in Scotland in April 2020.¹⁷ It found that, of those respondents working in high-risk environments, 25 per cent had not had their mask fit tested and 47 per cent were asked to reuse single-use equipment.

NHS National Services Scotland has played a vital role in securing and distributing Scotland's PPE supply throughout the pandemic

15. Initial difficulties in supplying and distributing sufficient PPE across the NHS in Scotland have since been resolved and supply is now meeting demand. The central coordination by NHS NSS has been vital in supplying the health and social care sector with PPE throughout the pandemic. Its remit was extended to include distributing PPE directly to General Medical Services, such as GP surgeries and community pharmacies, and social care settings, including private providers. From April 2020, NHS NSS established 48 regional hubs, where PPE has been stored and distributed to social care providers and unpaid carers. Councils and IAs manage the hubs. Between 1 March 2020 and 27 January 2021, NHS NSS had distributed more than 800 million items of PPE to health and social care services throughout Scotland.¹⁸

16. Because of the unprecedented need for PPE and how quickly it was required, NHS NSS procured PPE under emergency regulations, rather than through a competitive tender process as normal. The cost of PPE increased globally because of increased demand. In March 2020, the World Health Organization called on industry and governments to increase PPE manufacturing by 40 per cent to meet demand. In response, NHS NSS worked with a multi-agency team, including Scottish Enterprise and the Scottish Government, to establish new

supply chains with a number of Scotland-based companies. Agreements included providing 40,000 non-sterile gowns per week and a contract to supply high-protection, medical-grade face masks and visors until summer 2021.¹⁹

17. In October 2020, the Scottish Government published its PPE action plan, which outlined its plans for maintaining sufficient supply of PPE to health and social care over the winter.²⁰ The action plan sets out the intention to significantly increase the amount of PPE that is manufactured in Scotland. The Scottish Government aims for over 90 per cent of Scotland's demand for PPE (excluding gloves) to be supplied from Scottish manufacturers by March 2021. This would support its aim to develop a robust and resilient supply chain of many critical items of PPE for any potential future outbreak. The Scottish Government should ensure that NHS NSS returns to procuring PPE through a competitive tender process as soon as practicable. It should consider options that are more environmentally friendly, such as reusable gowns, where possible, while demonstrating value for money and robust quality assurance. We will cover PPE arrangements during the pandemic in more detail in our forthcoming work on this topic.

18. The Scottish Government has been providing PPE across health and social care, free of charge during the pandemic. It has committed to continue this support until the end of June 2021. It is not clear what support, if any, will be available beyond this date for those who were previously responsible for their own PPE supplies.

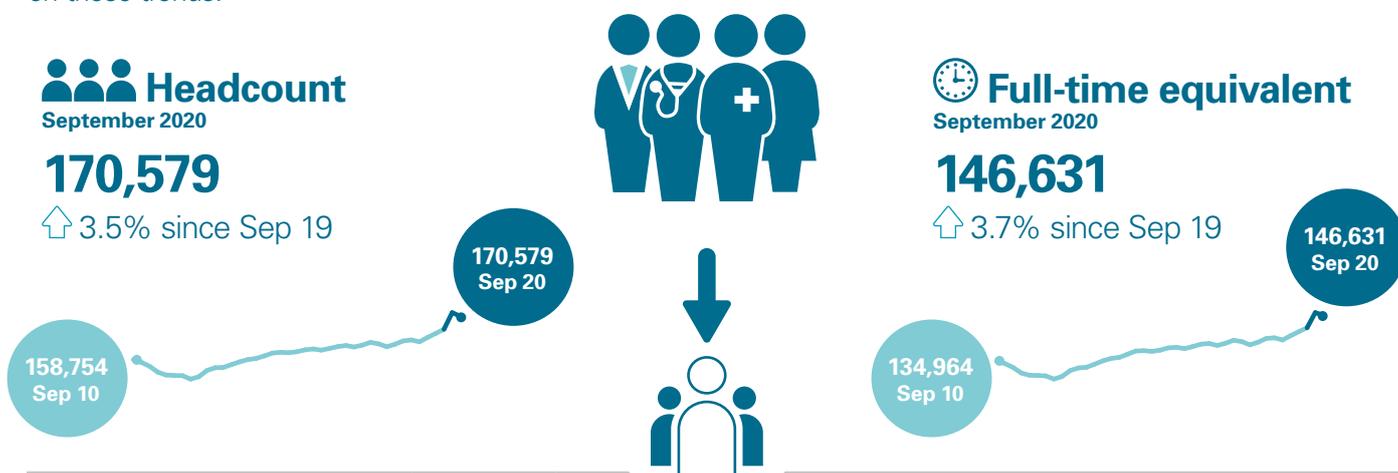
The NHS workforce has been under considerable pressure during the pandemic

19. We have highlighted in previous reports that the NHS workforce has been under pressure for several years.²¹ It has been increasingly difficult to recruit enough people with the necessary skills and using temporary staff has become commonplace ([Exhibit 2, page 13](#)). During the pandemic, staff across the Scottish Government and NHS in Scotland worked hard to maintain essential services. Some staff have been redeployed and retrained, and new staff have been appointed, to support the response to the pandemic. It is too soon to tell what impact this additional recruitment during the pandemic will have on the NHS workforce in the longer term.

Exhibit 2

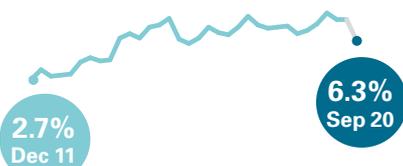
NHS workforce update

The number of people working for the NHS continues to increase, but the NHS continues to struggle to recruit people with the necessary skills. It is too soon to tell what the longer-term impact of the Covid-19 pandemic will be on these trends.



Vacancy rates (September 2020)

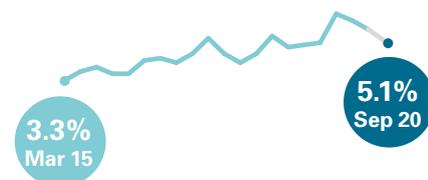
Consultant



55%

vacancies open for at least six months
↑ from 52% in Sep 19

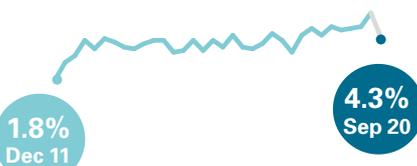
Nursing and midwifery



29%

vacancies open for at least three months
↑ from 28% in Sep 19

Allied health professional



32%

vacancies open for at least three months
↓ from 33% in Sep 19

Temporary staffing costs (2019/20) in real terms

Medical locum

£102.9m
2018/19 - £99.9m
2015/16 - £106.6m

Nursing agency

Data not available for 2019/20
2018/19 - £26.7m
2015/16 - £25.5m

Nursing bank

£180m
2018/19 - £165m
2015/16 - £145.9m

Sickness absence

5.3%

↓ down from 5.4% in 2018/19

Staff turnover

6.4%

↔ no change from 2018/19

20. To better understand the experiences of staff working in health and social care during the pandemic, the Scottish Government and unions have conducted a series of surveys:

- BMA Scotland surveyed Scottish doctors in April 2020.²² The survey showed nearly 40 per cent of 1,171 respondents reported problems with depression, anxiety, stress, burnout, emotional distress or other mental health conditions relating to their work. This had worsened for 25 per cent of respondents during the pandemic.
- The RCN conducted a UK-wide survey in May 2020.²³ It received almost 42,000 responses and reported that nurses feel undervalued and under pressure. Thirty-five per cent of respondents were considering leaving the profession (more than 14,000). Of the 3,800 respondents in Scotland, 77 per cent reported an increase in stress levels and 90 per cent were concerned about the wellbeing of those in the nursing profession. In addition, 34 per cent reported that staffing levels had worsened during the pandemic, with the same percentage reporting that they were working longer hours.
- The Scottish Government conducted a short survey for all NHS, community health and social care staff in September 2020.²⁴ This replaced the annual iMatter staff experience survey and received 83,656 responses, a response rate of 43 per cent. It found that 41 per cent of respondents were worried about the threat of a second wave of Covid-19. Thirty-five per cent were worried about catching Covid-19 themselves and passing it on to colleagues, friends and family.

21. The Scottish Government worked to improve the support available for the health and social care workforce during the pandemic. It established a workforce senior leadership group, bringing together partners, staff and regulators from across health and social care, to respond to issues quickly. The group has met frequently throughout the pandemic and provides strategic guidance and oversight on areas such as staff wellbeing, Covid-19-related absences and guidance for staff needing to shield.

22. Demand for the Scottish Government's National Wellbeing Hub website has been high. By December 2020, there had been over 50,000 visits to the website.²⁵ It was developed by NHS Greater Glasgow and Clyde's Anchor Service and NHS Lothian's Rivers Centre and was launched in May 2020. It gives staff, carers, volunteers and their families access to a range of resources to help them look after their physical and mental health. A helpline and a wellbeing champions network were also launched. In addition, practical staff support was put in place including assistance with accommodation and transport, and the creation of rest areas within NHS hospitals for staff to use.

23. The Scottish Government and NHS boards should monitor and report publicly on the effectiveness of the measures introduced to improve staff health and wellbeing, to assess whether sufficient progress is being made.

Health impact of Covid-19



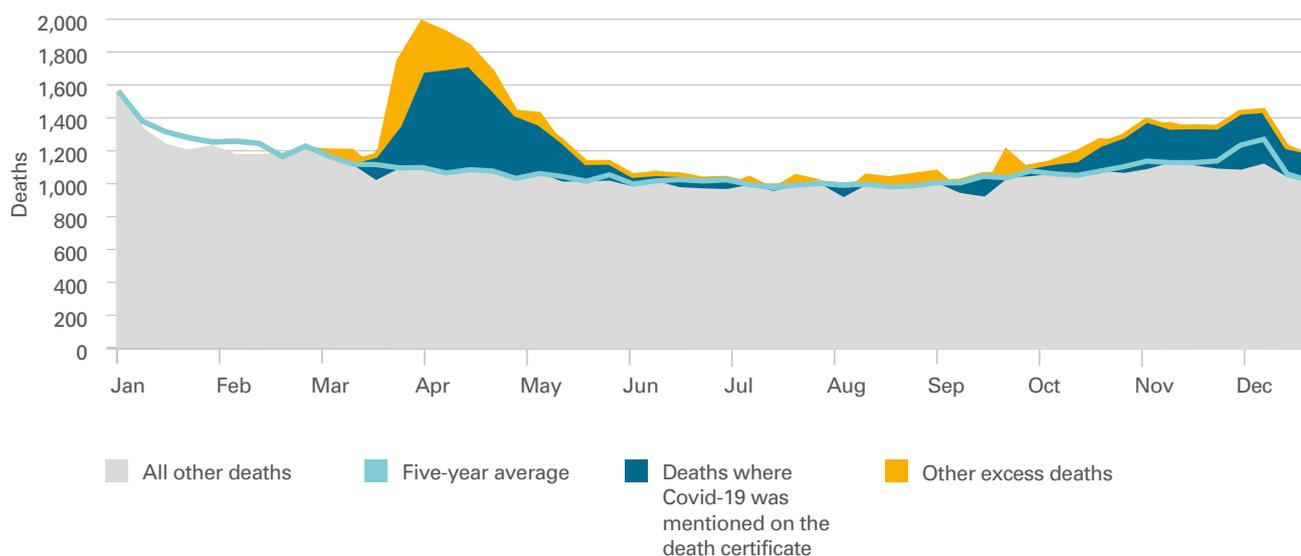
Covid-19 is causing a substantial number of deaths

24. In April and May 2020, deaths from all causes were considerably higher than the five-year average ([Exhibit 3](#)). Most of this increase can be attributed to Covid-19-related deaths. By February 2021, there had been almost 9,000 deaths in Scotland where Covid-19 was mentioned on the death certificate. Between 30 March 2020 and 17 May 2020 however, the number of deaths where Covid-19 was not mentioned on the death certificate was also considerably higher than the five-year average. For example, deaths attributed to heart disease, stroke, cancer and dementia increased significantly in the week beginning 30 March 2020.²⁶

Exhibit 3

Excess deaths January to December 2020

Deaths in April and May 2020 were considerably higher than the five-year average and increased again from September.



Source: National Records of Scotland

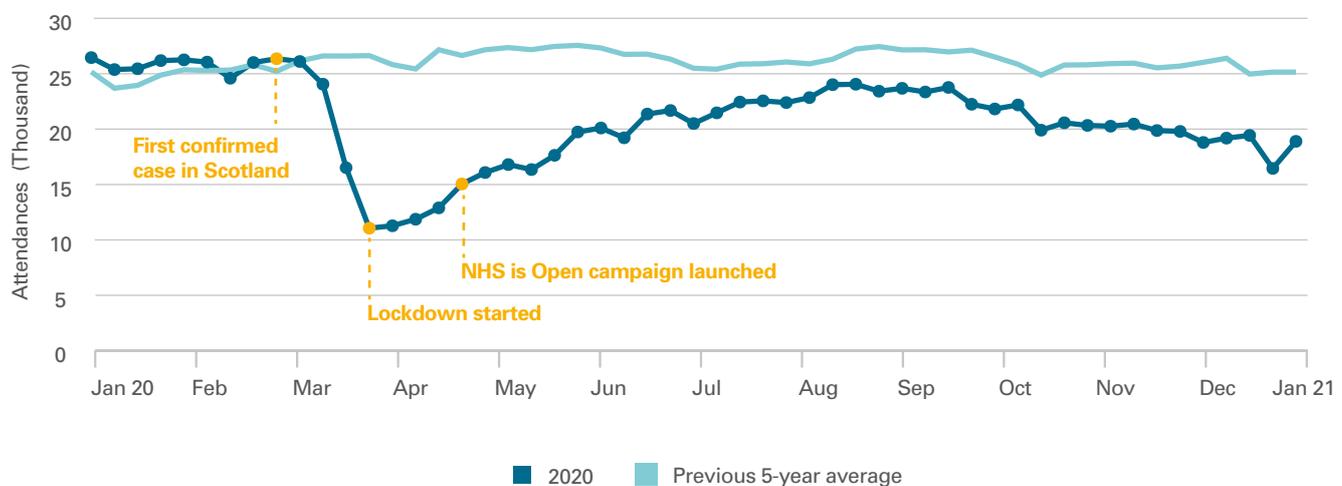
25. During the first few months of the pandemic, the number of people attending A&E fell dramatically ([Exhibit 4, page 16](#)). In April 2020, a survey found that up to 45 per cent of people said they would avoid going to GPs or hospitals for

immediate non-Covid-19-related health concerns.²⁷ The Scottish Government and senior medical officials were concerned that people with symptoms requiring urgent attention, such as those associated with strokes and heart attacks, were not seeking help. There were also concerns that pauses in national screening programmes would cause delayed or missed diagnosis among people with serious medical conditions such as cancer.

Exhibit 4

A&E attendances in Scotland from January 2020 to January 2021

A&E attendances fell sharply during March. Attendances increased steadily between April and September but decreased again throughout winter 2020.



Source: Public Health Scotland

26. The BMA surveyed 1,351 doctors in Scotland in April 2020, as part of regular monitoring of the impact of Covid-19.²⁸ It found that 55 per cent of respondents felt that prioritising patients with Covid-19 was having a detrimental impact on care for people with other healthcare needs.

27. The Scottish Government set up the NHS is Open campaign to encourage people with urgent symptoms to continue to seek help. There were regular reminders that hospitals were open and urgent care was still available. A&E attendances increased between April and August 2020 but started to decrease again from September as Covid-19 cases started to rise. The percentage of people who said they would avoid going to GPs or hospitals decreased from 45 per cent in April to 27 per cent in October.²⁹ There were significantly fewer referrals for outpatient appointments and mental health services between April and June 2020. The longer-term impact of delayed or missed diagnoses or treatment is yet to be determined. The Scottish Government and NHS boards should monitor this and take action to mitigate any adverse impacts as a result.

Some people have been more adversely affected by the pandemic than others

28. Issues emerged across social care during the pandemic that need to be addressed. By July 2020, 65 per cent of all adult care homes reported having at

least one suspected case of Covid-19. By January 2021, 39 per cent of all Covid-19-related deaths were in care homes, 55 per cent were in acute hospitals and six per cent were at home or non-institutional settings.³⁰

29. Public Health Scotland (PHS) reviewed hospital discharges to care homes between 1 March and 31 May 2020 because of the significant number of Covid-19 cases and deaths in care homes.³¹ PHS found that hospital discharge was associated with an increased risk of an outbreak of Covid-19 when considered in isolation. However, the risk of an outbreak was much more strongly associated with the size of care homes. Of the care homes with more than 90 places, 90 per cent had an outbreak, compared to less than four per cent of care homes with fewer than 20 places. After accounting for this and other care home characteristics, PHS considered that the risk associated with hospital discharges decreased and was not statistically significant. Public Health Wales conducted similar analysis and had similar findings. PHS highlighted that there were significant issues with the availability of data about care home residents and made recommendations for improvement.

30. The Scottish Government acknowledged there was a lack of oversight of the care home sector and stepped in to provide an enhanced system of assurance during the pandemic. In April 2020, the Scottish Government announced that NHS directors of public health in NHS territorial boards would provide oversight and clinical support to care homes across Scotland. The Care Inspectorate had stopped on-site inspections early in the pandemic to reduce the risk of spreading Covid-19. From May, the Care Inspectorate resumed on-site inspections of care homes that were deemed to be high risk. The findings of these inspections are currently reported to the Scottish Parliament every two weeks. From 4 May to 31 July, 134 visits had been carried out. These visits resulted in 16 letters of serious concern, one improvement notice and one application for cancellation of registration.³²

31. In May 2020, the Care Inspectorate carried out an unannounced inspection of the 37-bed, privately-run Home Farm Care Home on Skye following the deaths of ten residents from Covid-19. It identified failings in the quality of care provided and made an application for emergency cancellation of Home Farm's registration. NHS Highland became the registered provider and operator of the care home in November 2020, with the Scottish Government providing £0.9 million to fund the purchase.³³

32. Legal experts, human rights groups and others had concerns that people who lacked capacity may have been discharged from hospital or moved without due legal process and without their consent. This may have been a breach of their human rights.³⁴ In addition, the Scottish Human Rights Commission (SHRC) highlighted concerns about the care-at-home provision being reduced or removed during the pandemic.³⁵ It reported that in many cases decisions to change care-at-home provision happened quickly, without adequate assessment of the impact and were poorly communicated. The SHRC made 24 recommendations including to urgently restore care and support; improve assessments and communication; and incorporate the United Nations Convention on the Rights of Persons with Disabilities into Scots law.

33. As part of the Programme for Government 2020/21, the Scottish Government commissioned an independent review of adult social care. This considered options for improvement, including the establishment of a national care service. A report was published in February 2021. The findings of the report will be discussed in our forthcoming work on social care sustainability.

Systemic issues, such as socio-economic and health inequality, were exacerbated during the pandemic, leading to a disproportionate impact on certain groups

34. Certain groups have been disproportionately affected by Covid-19. For example:

- the death rate from Covid-19 is more than twice as high in the most deprived areas (183 per 100,000 population) than in the least deprived areas (79 per 100,000 population)³⁶
- there is around a twofold increase in risk of admission to critical care or death from Covid-19 among people of South Asian origin. There is also evidence of an increased risk of hospitalisation arising from Covid-19 among those of Caribbean or black ethnicity.³⁷

35. In April 2020, the Scottish Government published its framework for decision-making in relation to the use of restrictions to manage the pandemic. This outlined four main categories of harm that the Scottish Government would consider in making decisions on whether to ease or tighten restrictions. These categories were the direct health impact of Covid-19, non-Covid-19-related health harms, societal impact and economic impact. In July, the Scottish Government published an impact assessment of the measures it planned to take to manage the pandemic.³⁸ This outlined how some people with certain protected characteristics and socio-economic disadvantages were more adversely affected by the pandemic and by the measures taken to suppress it.³⁹

36. The Scottish Government established an expert group to study the effects of Covid-19 on minority ethnic communities. In September 2020, the group published two reports with initial advice and recommendations for the Scottish Government.⁴⁰ One report called for improvements in data and evidence on ethnic inequalities and health. The other report recommended improving systemic issues such as socio-economic and health inequality.

37. Health inequalities are wide and have worsened over the last ten years.⁴¹ We have previously reported on the impact of factors such as deprivation and ethnicity on health inequalities.⁴² These long-standing systemic issues were exacerbated during the pandemic, leading to the disproportionate impact experienced by these groups.

The Scottish Government updated its ethical decision-making framework to improve clarity on equality and human rights obligations

38. If the pandemic causes an increase in demand for healthcare that exceeds capacity, complex and challenging decisions may need to be made about the delivery of healthcare. In April 2020, the Scottish Government published an ethical advice and support framework (EASF).⁴³ The EASF outlines the structures and principles for supporting an ethical approach to decision-making during the pandemic if needed.

39. The Scottish Government conducted an equalities impact assessment (EIA) to ensure that the EASF complied with equality and human rights legislation.⁴⁴ As a result, the EASF was updated in July 2020 to improve clarity on equality and

human rights obligations. The language was revised throughout. In addition, a new section on equality and human rights was added to:

- outline how the EASF relates to the Human Rights Act (1998) and the Equality Act (2010)
- emphasise the national commitment to ensure that every patient has the right to the highest possible standard of physical and mental health.

40. As part of the EASF, NHS boards were required to establish ethical advice and support groups. These groups were designed to help clinicians to make difficult ethical decisions and enable theoretical discussions to support planning during the pandemic. A national group was also available to provide advice to local groups and to consider national ethical issues, although this had not been used as of February 2021.

Pandemic preparedness



Not all actions from previous pandemic preparedness exercises were fully implemented

The Scottish Government based its initial response to Covid-19 on the 2011 UK Influenza Pandemic Preparedness Strategy

41. In its consideration and assessments of risks to Scotland, the Scottish Government rated the risk of an influenza pandemic as highly likely to occur with a potentially severe impact.⁴⁵ This aligns with the risk classification of an influenza pandemic in the UK National Risk Register of Civil Emergencies, 2017.⁴⁶ However, the Scottish Government did not include an influenza pandemic as a standalone risk in its corporate or health and social care risk registers. This meant that there was not adequate corporate oversight of this risk, and it is therefore unclear how it was being managed and monitored.

42. The Covid-19 pandemic was caused by a new virus with unknown characteristics. Initially, there was insufficient evidence internationally to show how the virus behaved and was transmitted, who was at risk and what the incubation period was. The Scottish Government had no plan in place to manage this specific kind of outbreak, so its response was informed by the 2011 UK Influenza Pandemic Preparedness Strategy. This was developed jointly by the four governments of the UK. The Scottish Government's response was also informed by the 2017 Management of Public Health Incidents: Guidance on the roles and responsibilities of Incident Management Teams. The Scottish Government's response to Covid-19 had to be adapted frequently as new information emerged.

43. In the five years prior to the Covid-19 pandemic, Scotland was involved in three pandemic preparedness exercises:

- **Exercise Silver Swan** was conducted across Scotland in late 2015 and sponsored by the Scottish Government.⁴⁷ It involved a range of partners, including the Scottish Government, NHS boards, councils and Health and Social Care Partnerships (HSCPs), and consisted of a series of four separate desk-based exercises. The exercises focused on health and social care, excess deaths, business continuity and overall coordination nationally. Seventeen recommendations for further action were identified. A review exercise was conducted in November 2016.
- **Exercise Cygnus** was held in October 2016.⁴⁸ It was a three-day, UK-wide simulation of a severe pandemic and involved the Scottish Government. The exercise identified 22 ways in which the 2011 UK Influenza Pandemic Preparedness Strategy could be improved.

- **Exercise Iris** was delivered by the Scottish Government in March 2018.⁴⁹ It involved territorial NHS boards, NHS 24, Health Protection Scotland and the Scottish Ambulance Service. It assessed the readiness of the NHS in Scotland to respond to suspected outbreaks of a Middle East respiratory syndrome coronavirus (MERS-CoV). Thirteen actions were identified.

44. Each of these exercises highlighted a number of areas that required improvement. They defined specific actions to be implemented, with some common themes, including the need to:

- clarify roles and responsibilities in the event of a pandemic
- increase the capacity and capability of social care to cope during an outbreak
- ensure the availability and correct use of PPE, including through fit testing and procurement processes.

Progress in addressing recommendations from pandemic preparedness exercises has been slow

45. Progress in implementing the actions identified during these pandemic planning exercises has been slow. The Scottish Government set up the Flu Short Life Working Group (FSLWG) in early 2017. In November 2017, the group set out priority actions following the recommendations from the Silver Swan and Cygnus exercises. While the exercises conducted were not in preparation for the specific type of pandemic that arose, some of the areas that were identified for improvement became areas of significant challenge during the Covid-19 pandemic. For instance:

- Concerns about the capacity and capability of social care to cope during a pandemic. Flu pandemic guidance published in 2012, designed for health and social care in England, was issued to health and social care in Scotland.⁵⁰ One of the priorities of the FSLWG was to develop a Scottish version of this guidance for consultation by March 2018. This guidance was drafted and issued for consultation between July and September 2019. The draft guidance was not updated following consultation and has not been published. The Scottish Government is now reviewing this guidance to incorporate lessons learned from the Covid-19 pandemic.
- Access to, and training in, the use of PPE were identified as areas requiring improvement. The FSLWG identified a priority action in relation to clarifying access to the PPE stockpile. This was required to be completed by March 2018. The Scottish Government planned to include this in the flu pandemic guidance that was being developed for health and social care. The FSLWG also identified raising awareness of the type of PPE required and fit testing for staff as priorities. In March 2018, however, findings from Exercise Iris again highlighted the need for substantive progress in the area of PPE availability and use across Scotland.

46. As a priority, the Scottish Government should update and publish national pandemic guidance for health and social care. The scope of this guidance should not be limited to covering only an influenza pandemic. It should include lessons learned from the Covid-19 pandemic and the previous pandemic exercises.

NHS remobilisation



Remobilising health services is challenging, and maintaining innovation and learning from the pandemic will be essential

The pandemic led to a substantial backlog of patients waiting to be seen, with NHS boards prioritising those in most urgent need

47. As highlighted in our previous NHS in Scotland reports, NHS boards have found meeting national waiting times targets very challenging ([Exhibit 8, page 33](#)).⁵¹ The Scottish Government acknowledged that Covid-19 has severely affected NHS boards' ability to meet these targets and that a new approach was needed to manage the substantial backlog of patients ([Exhibit 5, page 23](#)). The Waiting Times Improvement Plan (WTIP), announced in October 2018, was paused at the beginning of the Covid-19 outbreak. The Scottish Government had planned to invest more than £850 million to sustainably improve waiting times by spring 2021, but the WTIP will now not restart. The Scottish Government published a new framework outlining the approach that should be taken during the Covid-19 pandemic.⁵² This new approach is based on clinical prioritisation, which means that patients most in need will be seen first and those of lower clinical priority will have to wait longer. Patients are categorised in priority levels as follows:

- Level 1a emergency - operation needed within 24 hours
- Level 1b urgent - operation needed within 72 hours
- Level 2 surgery - scheduled within four weeks
- Level 3 surgery - scheduled within 12 weeks
- Level 4 surgery - may be safely scheduled after 12 weeks.

48. These timescales are ambitious, considering that NHS boards already found it challenging to meet waiting times targets ([Exhibit 8, page 33](#)). NHS boards are under more pressure during the Covid-19 pandemic, along with having a significant backlog of patients waiting to be seen ([Exhibit 5, page 23](#)). Data on waiting times for each category should be published, to enable transparency about how NHS boards are managing their waiting lists.

49. The framework is clear that patients waiting a long time – determined by their priority level – should be offered a review consultation to ensure their clinical priority categorisation is up to date. Clinical risks associated with patients waiting longer for treatment need to be assessed and mitigated. The Scottish Government and NHS boards should monitor the longer-term impact on health outcomes.

Exhibit 5

National trends in demand and activity for acute services

Services being paused during the first wave of the pandemic led to increasing numbers waiting longer for tests and treatment.

Demand		% change
Monthly April 2019 to September 2020		
Number waiting for diagnostic tests	<p>92,239 102,716</p>	↑ 11.4%
Quarters ending June 2019 to September 2020		
Number of patients waiting for an inpatient or day case admission	<p>75,630 85,869</p>	↑ 13.5%
Quarters ending June 2019 to September 2020		
Number of patients waiting for a new outpatient appointment	<p>322,746 324,810</p>	↑ 0.6%
Activity		
Monthly April 2019 to November 2020		
Number of scheduled elective operations in theatre system	<p>27,204 17,916</p>	↓ -34.1%
Quarters ending June 2019 to September 2020		
Number of inpatient and day case admissions	<p>70,696 37,926</p>	↓ -46.4%
Quarters ending June 2019 to September 2020		
Number of new outpatient appointments	<p>361,825 192,528</p>	↓ -46.8%
Length of waits		
Monthly April 2019 to September 2020		
Number waiting longer than 6 weeks for diagnostic tests	<p>16,446 47,968</p>	↑ 191.7%
Quarters ending June 2019 to September 2020		
Number of patients waiting longer than 12 weeks for an inpatient or day case admission	<p>23,928 60,074</p>	↑ 151.1%
Quarters ending June 2019 to September 2020		
Number of patients waiting longer than 12 weeks for a new outpatient appointment	<p>85,791 173,663</p>	↑ 102.4%

Source: Audit Scotland using Public Health Scotland data

Managing cases of Covid-19 has taken priority over resuming the full range of NHS services

50. Over summer 2020, NHS boards began resuming some services that had been paused during the first wave of Covid-19. Services providing the most urgent care were prioritised. There are a number of challenges related to resuming the full range of health services and bringing capacity back to pre-Covid-19 levels. The need to physically distance means that operating theatres, clinics and waiting rooms cannot be used to their full capacity. More time is needed between appointments and procedures for replacing PPE and cleaning. Managing ongoing cases of Covid-19 is also very resource intensive. This has taken priority over resuming non-urgent health services.

51. In October 2020, the Scottish Government published its Winter Preparedness Plan for the NHS in Scotland. It plans to maximise the use of NHS Golden Jubilee, NHS Louisa Jordan and the private sector to help maintain access to some services over the winter. Since July 2020, NHS Louisa Jordan has been used to help reduce the backlog of people waiting for diagnostic services and outpatient appointments. By January 2021, approximately 18,000 outpatients from four NHS boards had attended NHS Louisa Jordan. The elective centres currently being built will help deal with some of the backlog of patients and the longer-term strategy for planned care.⁵³

52. The paused national screening programmes also started to resume in stages over the summer of 2020, and have now resumed routine screening. NHS boards are working to catch up on delayed appointments.

The Scottish Government is committed to rebuilding the NHS differently

53. The Scottish Government published its Re-mobilise, Recover, Re-design Framework in May 2020. This sets out the priorities for resuming services while maintaining capacity for Covid-19 patients. The framework is clear about rebuilding the NHS differently, which will be essential for it to be sustainable. Some of the key ambitions described in the framework include:

- developing new priorities for the NHS based on engagement with staff and the public
- achieving greater integration, recognising the interdependencies between health and social care services
- providing more care closer to home, minimising unnecessary travel
- reducing inequality and improving health and wellbeing outcomes.

54. Achieving these ambitions will require a considerable amount of work and resources, at both Scottish Government and NHS board levels. The Scottish Government is working with external consultants to look at the nature of the work and structures required to support the delivery of the ambitions in the remobilisation framework. NHS boards have developed remobilisation plans that align with these ambitions and include details of how they plan to resume healthcare services. These plans also describe how positive changes introduced during the pandemic will be maintained. Some of this innovation that would normally have taken years to develop and implement, happened within weeks. For instance, the roll out of digital improvements such as Near Me and establishing community hubs and assessment centres.

Maintaining new ways of working and learning from the pandemic will be an essential part of rebuilding the NHS

55. Maintaining new ways of working and learning from the pandemic will be essential. As part of this, it will be important to evaluate how effective and appropriate these changes have been and establish which of these should be maintained in the longer term. The Scottish Government is developing a Re-mobilise, Recover, Re-design programme of work, which focuses on recovery and renewal across health and social care. The detailed scope and objectives of this are under development. However, work on this has been paused until there is more capacity for further discussions on strategic priorities.

56. The Scottish Government should ensure that the work undertaken as part of this programme has clear priorities that align with the remobilisation framework. This should include achievable and realistic objectives and timescales for completion. Progress should be monitored and reported to ensure sufficient progress is being made. In addition, the Scottish Government:

- committed to review and develop the role of the Covid-19 community assessment hubs and virtual appointments, with the aim of providing more care closer to home ⁵⁴
- developed a recovery plan to redesign cancer services, to ensure that all patients have timely access to diagnostic services and the best possible treatments. ⁵⁵

The shape of the health and social care workforce will need to change

57. In December 2019, the Scottish Government published a national health and social care integrated workforce plan. ⁵⁶ This contains plans and assumptions about the shape of the health and social care workforce in the future, aligned with the medium-term financial framework. Ways of working and roles in the NHS and social care will need to be different after the Covid-19 pandemic. When the immediate pressures on NHS workforce planning during the Covid-19 pandemic subside, the Scottish Government should work with its partners to update the integrated workforce plan. This should consider how services will be delivered differently in the future, and how this will affect the shape of the health and social care workforce in the longer term.

There continues to be a lack of stable senior leadership, with high turnover and short-term tenure

58. We have previously reported on the lack of stable senior leadership in the NHS and that tenure should ideally be at least five years. This gives organisations the stability they need for effective strategic planning and reform, and development of effective working relationships. ⁵⁷ High turnover and short-term tenure has continued. Since April 2019, there have been 32 new senior appointments of Board Chairs, Chief Executives and Directors of Finance across 21 NHS boards in Scotland (excluding the newly established Public Health Scotland). These included ten Board Chairs, 14 Chief Executives and eight Directors of Finance. Two NHS boards, NHS Grampian and NHS Highland, had more than one change in Chief Executive in that period.

59. There are also a number of newly filled posts in place at the Scottish Government senior leadership team. These include the Chief Executive of NHS Scotland and Director-General of the Health and Social Care Directorates, the Chief Medical Officer and the Chief Nursing Officer.

60. The NHS requires stable and collaborative leadership, working in partnership across public services to balance the ongoing challenges caused by Covid-19 and to remobilise health and social care. The Scottish Government must ensure that all NHS leaders, particularly those who are newly appointed, have the support they need.

NHS finances and performance



Covid-19 has exacerbated existing financial and operational challenges

Responding to Covid-19 has resulted in significant additional expenditure across health and social care, and there is uncertainty about the longer-term financial position

61. Responding to Covid-19 has resulted in significant additional costs. NHS boards and HSCPs submitted monthly integrated financial returns to the Scottish Government, which included predicted costs for 2020/21 and actual costs where available. These submissions were scrutinised through peer review by NHS directors of finance and the Scottish Government.

62. At December 2020, NHS boards and HSCPs predicted an additional £1.67 billion in costs associated with Covid-19 for 2020/21. This consisted of £1.56 billion in revenue costs and £112.2 million in capital costs. Predicted revenue costs are made up of £1.13 billion for NHS boards and £0.43 billion for HSCPs. The highest predicted revenue costs for NHS boards relate to:

- PPE, at £324.5 million
- testing for Covid-19, at £89.7 million
- additional hospital bed capacity, at £70.1 million.

63. Covid-19-related costs to the NHS for 2020/21 will be covered by funds allocated to Scotland from the UK Government through Barnett consequentials.⁵⁸ At September 2020, the Scottish Government confirmed that £2.5 billion received in consequentials will be passed on for health and social care. There is uncertainty in the longer term about costs associated with Covid-19 and the funding that will be available from the UK government.

64. The Scottish Government needed to revise NHS boards' budgets for 2020/21 to take into account the additional costs as a result of the pandemic. It agreed the approach to doing this with the NHS directors of finance. The Scottish Government reviewed the actual costs submitted for the first three months of the 2020/21 financial year and confirmed an additional £1.1 billion in allocations in September 2020 for NHS boards and IAs. In February 2021, it announced a further £491 million in allocations. The Scottish Government recognised that the pandemic has significantly affected NHS boards' ability to deliver their financial recovery plans, and confirmed that NHS boards and IAs would be fully funded to deliver a financial balance for 2020/21. It will review this in 2021/22, to consider any ongoing impact of the pandemic.

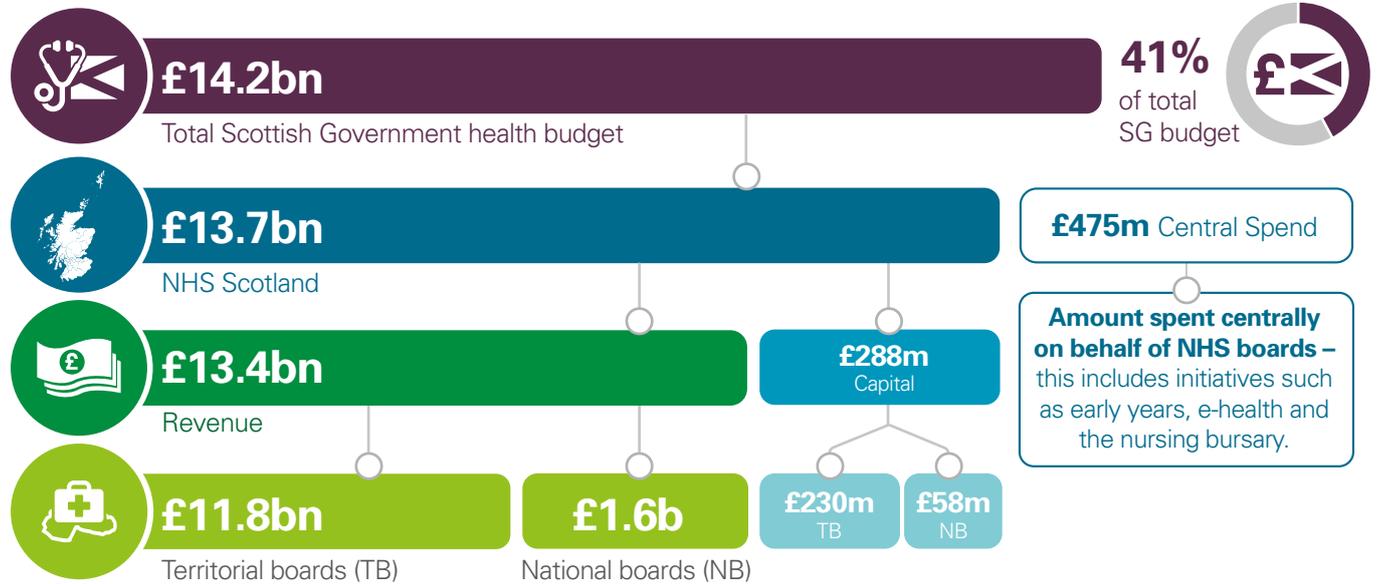
65. The usual financial planning arrangements were paused for 2020/21. This means that, for 2020/21, NHS boards do not have three-year plans approved by the Scottish Government in place. It is not yet clear:

- what long-term impact Covid-19 will have on the financial position of the NHS
- how the pandemic will develop over time and what level of spending will be required to respond
- what additional funding will be made available through Barnett consequentials beyond 2020/21.⁵⁹

66. The Scottish Government's health and social care medium-term financial framework (MTFF) identified the need to save £1.7 billion between 2016/17 and 2023/24. Covid-19 has had an impact on the ability of the health and social care sector to meet the trajectory set out in the MTFF. The Scottish Government has committed to reviewing the MTFF in 2021/22 to consider the impact of the Covid-19 pandemic.

Exhibit 6

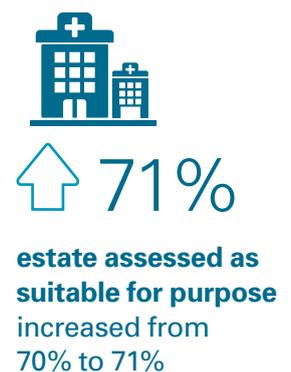
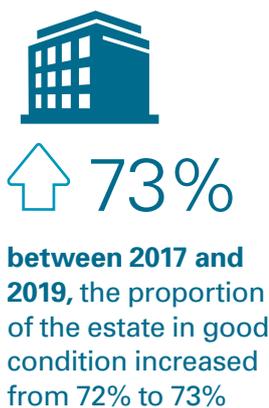
A breakdown of NHS funding for 2019/20, key areas of spend and state of the estate update
 NHS funding increased by 5.2 per cent in 2019/20. More than half of the NHS budget was spent on workforce.
 The level of backlog maintenance in 2019 was £1.03 billion.



KEY AREAS OF SPEND



NHS ESTATE



Financial and operational performance for 2019/20

Some NHS boards were unable to break even without additional financial support from the Scottish Government

67. In 2019/20, four NHS boards required additional financial support from the Scottish Government to break even, totalling £41 million. This was less than the £65.7 million needed in 2018/19 by the same four NHS boards. These NHS boards will be expected to repay this funding in the future once they achieve a break-even position after the pandemic. The four NHS boards that required additional financial support in 2019/20 were (2018/19 figure in brackets):

- NHS Ayrshire and Arran - £14.7 million (£20 million).
- NHS Borders - £8.3 million (£10.1 million).
- NHS Highland - £11 million (£18 million).
- NHS Tayside - £7 million (£17.6 million).

68. Before the Scottish Government announced that NHS boards would be fully funded for 2020/21, three of the four NHS boards also predicted that they would have needed £30.2 million in additional financial support during the 2020/21 financial year. This would have been a further improvement. NHS Tayside forecasted that it would break even. The following case studies outline the challenges facing three of the NHS boards that were unable to break even in 2019/20 without this support. We published a report outlining the challenges in [NHS Tayside](#)  in December 2020.⁶⁰

Case study 1



NHS Ayrshire and Arran still requires significant transformational change, particularly in acute services

In 2019/20, NHS Ayrshire and Arran needed £14.7 million in additional financial support, known as brokerage, from the Scottish Government to break even. This was in line with what the board predicted at the start of the financial year. The board's 2019/20 budget included a savings target of £23.2 million and it achieved £16.8 million. The shortfall is largely attributable to unachieved savings of £8.4 million in acute services, which were partly offset by additional savings in other areas.

NHS Ayrshire and Arran continues to face an extremely challenging financial position in the medium to longer term. The board projected that it would have needed £13.5 million in brokerage for 2020/21. It did not expect to achieve financial balance until 2022/23, a year later than was projected in 2019/20. Achieving financial balance in 2020/21 would have required a number of challenges to be overcome, such as the delivery of £8.5 million of savings in acute services and medicine cost pressures of £8.5 million.

The board has continued with its Transformational Change Improvement Programme, but significant transformational change is still required. The board should prioritise developing detailed improvement programmes incorporating medium to longer-term initiatives, clear action plans, milestones, and the capacity and resources needed. The additional pressures and challenges associated with responding to Covid-19 should be considered and included in these plans. During 2019/20, the board started its Caring for Ayrshire programme, a ten-year vision for the whole-system redesign of health and social care services. This programme is a positive step towards financial sustainability but is still in the early stages of development.

Source: NHS Ayrshire and Arran 2019/20 Annual Audit Report

Case study 2



NHS Borders needs to restart its Financial Turnaround programme

In 2019/20, NHS Borders required £8.3 million in brokerage from the Scottish Government to break even. The board needed to make efficiency savings of £21.7 million in 2019/20. The board achieved £10 million in savings, of which £7.1 million was recurring. While the total savings achieved were less than the £15.2 million in 2018/19, the board managed to increase its recurring savings by around £0.4 million.

NHS Borders continues to face a challenging financial position, with particular cost pressures in acute services and delegated IJB services. The board reported that a £13.1 million deficit would be carried forward in to 2020/21 because of unachieved savings and continued financial pressures, and forecasted that it would have continued to need brokerage over the next two years.

In 2018/19, NHS Borders created its Financial Turnaround programme. This made some progress with increasing the level of recurring savings achieved but this progress is unlikely to be sustained. Covid-19 is expected to have a significant impact on 2020/21 and beyond. NHS Borders reported that no savings were made in the first five months of 2020/21 and had forecast achieving £1.6 million in recurring savings in 2020/21, from a target of £9 million. The board must re-start the Financial Turnaround programme and assess the financial impact of Covid-19.

Source: NHS Borders 2019/20 Annual Audit Report

Case study 3



NHS Highland would benefit greatly from stability in its leadership team

In November 2019, the Auditor General reported that NHS Highland needed a clear plan to redesign services to achieve a sustainable model of care.⁶⁹ It also needed stable senior leadership, to strengthen its governance arrangements and to respond to the recommendations of the Sturrock Report on cultural issues related to allegations of bullying and harassment.

In 2019/20, NHS Highland needed £11 million in brokerage from the Scottish Government to break even. This was £0.4 million less than predicted at the start of the year. The board achieved its target of £28 million in savings. NHS Highland still faces financial challenges, and forecasted that it would have needed £8.8 million in brokerage to break even in 2020/21. It continues to rely on agency and locum staff and increasing spending in the last three years has led to a consistent overspend on medical pay. The board needs to address this to achieve long-term financial sustainability.

NHS Highland made substantial progress in establishing the Programme Management Office (PMO) and Financial Recovery Board during 2019/20. The PMO has played an essential role in helping deliver the board's Financial Recovery Programme. The board is committed to implementing the recommendations in the Sturrock Report. It has developed a plan, Culture Fit for the Future, and included this as one of its three strategic priorities. Progress has been made, but this is a long-term programme and considerable work has still to take place.

There were several departures from the senior leadership team during 2019/20 and a number of new appointments to senior management positions. Changes to the senior management team will continue for at least the short term. NHS Highland would benefit greatly from stability in its leadership as the board develops a financially sustainable operating model and balances the ongoing demands of Covid-19.

Source: NHS Highland 2019/20 Annual Audit Report

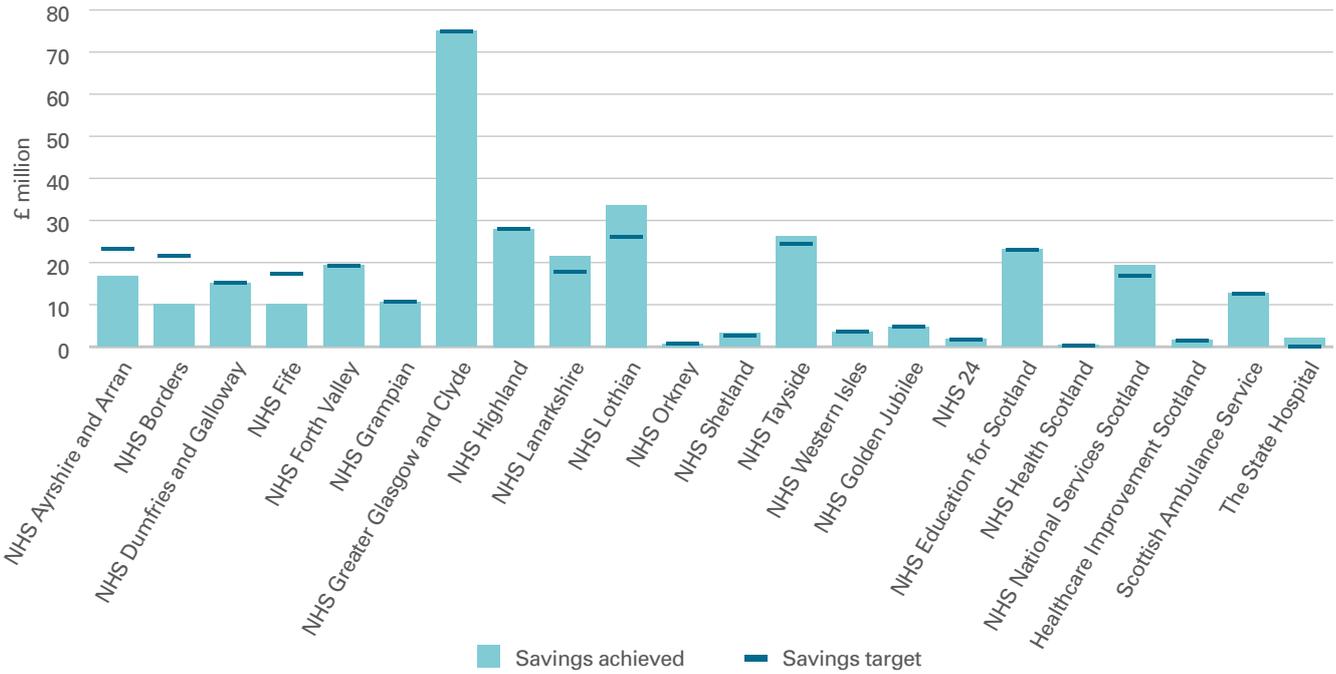
⁶⁹. Most NHS boards achieved their savings targets in 2019/20 ([Exhibit 7, page 32](#)). Three NHS boards did not achieve their savings target in 2019/20. These were NHS Ayrshire and Arran ([Case study 1, page 30](#)), NHS Borders

(Case study 2, page 31) and NHS Fife. Most of the shortfall in NHS Fife is attributable to unachieved savings in acute services.

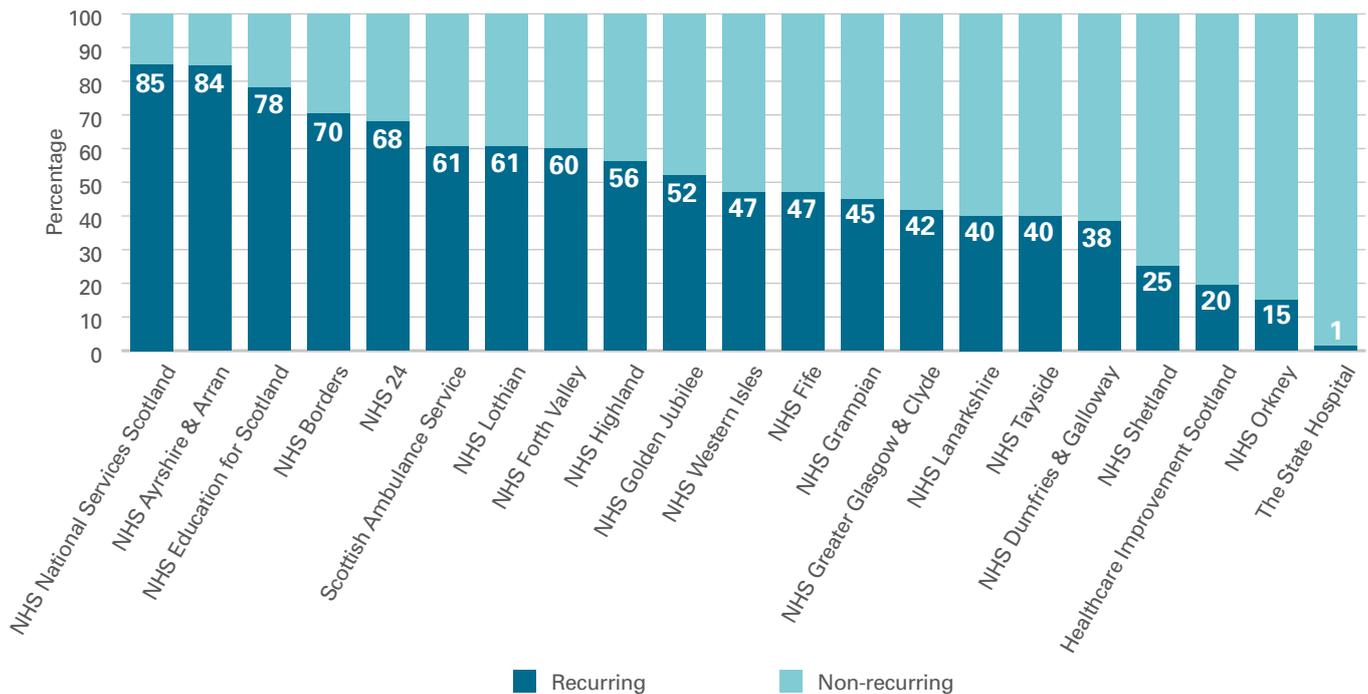
Exhibit 7

Savings achieved 2019/20

Most NHS boards achieved their savings targets in 2019/20.



NHS boards varied significantly in their reliance on non-recurring savings



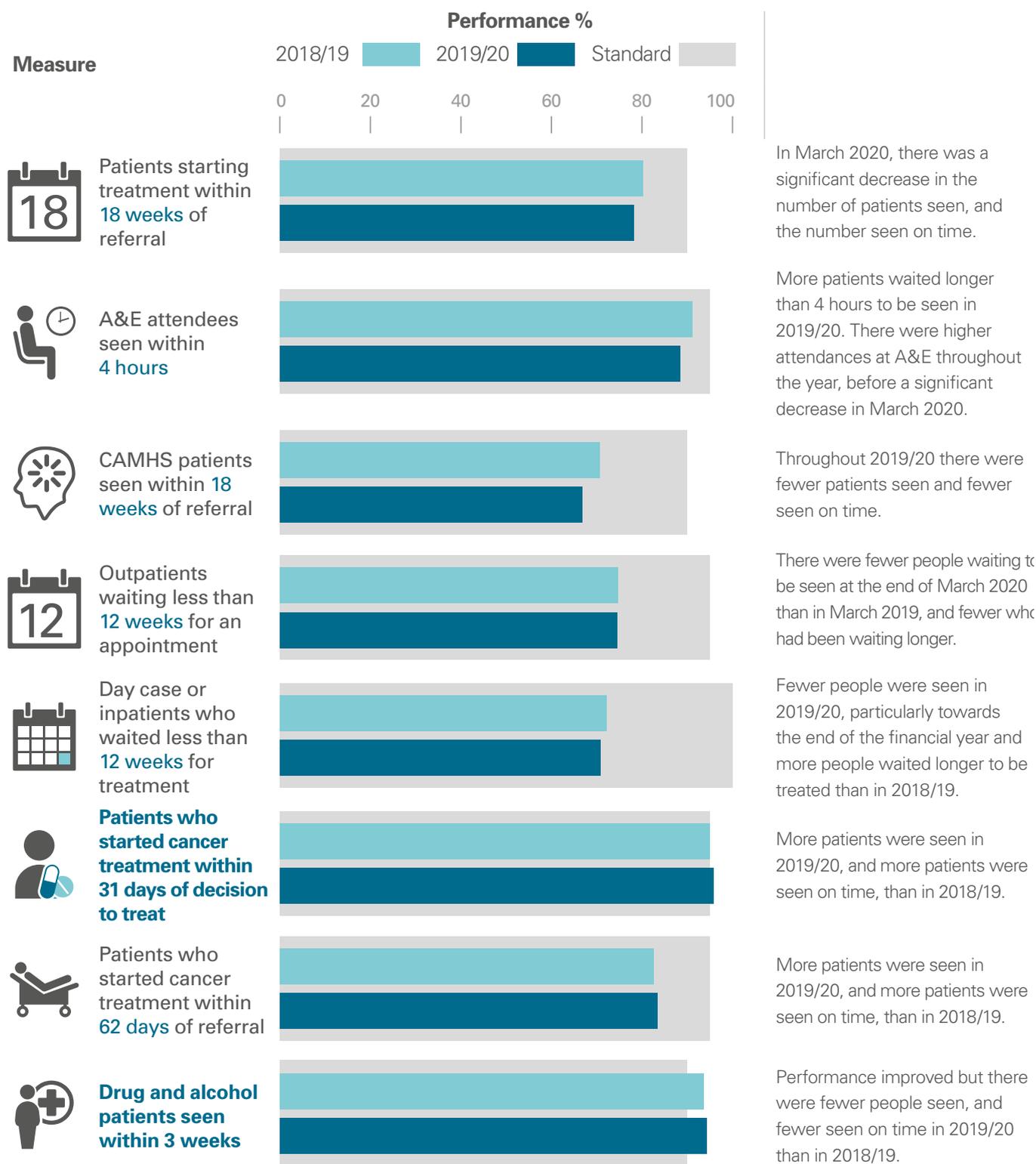
Note: NHS Health Scotland ceased to exist on 31 March 2020. It has been excluded from the graph showing proportion of recurring and non-recurring savings as there was no breakdown available for 2019/20.

Source: Annual Audit Reports 2019/20 and auditor returns to Audit Scotland

Exhibit 8

NHS performance against eight key waiting times standards, 2018/19 and 2019/20

NHS in Scotland met two waiting times standards in 2019/20. Performance improved for three waiting times standards and worsened for five.



Note: Performance towards the end of 2019/20 was affected by the Covid-19 pandemic. On 17 March 2020, NHS Scotland was placed in emergency measures and NHS boards were asked to suspend non-urgent treatment.

Source: Audit Scotland using Public Health Scotland data

Work needs to continue to reduce hospital associated infections

70. Efforts continue to try and reduce healthcare associated infections (HAI). Some serious infections caused by Gram-negative bacteria are resistant to most available antibiotics and are a major threat to public health and patient safety.

71. Escherichia coli (E. coli) is the most common cause of Gram-negative bloodstream infections, and numbers are increasing.⁶¹ The healthcare associated incidence rate of E. coli blood stream infection increased by 11.7 per cent between 2017 and 2019. As part of national efforts to tackle anti-microbial resistance, the UK government has published a 2019-2024 action plan for the four nations of the UK. This sets a target of reducing healthcare associated gram-negative bloodstream infections by 25 per cent in 2021/22 and by 50 per cent in 2023/24.

72. Positive progress has been made in reducing the incidence rates of healthcare associated Clostridium difficile. Between 2015 and 2019, there was a decrease from 18.7 to 13.3 per 100,000 bed days in patients aged 15 years and older. The incidence of Staphylococcus aureus bacteraemia remained stable.⁶²

Investigations continue into infection control risks in major capital projects

73. During 2018/19, an unusual cluster of cases of a specific type of infection at the Royal Hospital for Children and the Queen Elizabeth University Hospital (QEUH) in NHS Greater Glasgow and Clyde prompted a series of investigations. The Scottish Government commissioned an independent review to determine whether the design, build, commissioning and maintenance of the QEUH had increased the risk of HAI. The report was published in June 2020.

74. The Scottish Government also commissioned a public inquiry into the construction of the QEUH and the newly built Royal Hospital for Children and Young People (RHCYP) in Edinburgh because of similar issues. This began in August 2020.

75. More broadly, the Scottish Government is planning to set up a National Centre for Reducing Risk in the Healthcare Built Environment. This intends to focus knowledge and expertise to ensure that lessons are learned and provide greater confidence in the delivery of future capital projects. In addition, an Oversight Board, led by Scotland's Chief Nursing Officer, will report on infection prevention and control practices at the QEUH.

Endnotes



- 1 Resilience partnerships in Scotland support local and regional emergency preparedness and link with national resilience structures. Members include NHS boards, police, fire, ambulance and councils.
- 2 Coronavirus: action plan, *A guide to what you can expect across the UK*, UK Government, March 2020.
- 3 UK Influenza Pandemic Preparedness Strategy, UK Department of Health, November 2011.
- 4 Integration Authorities (IAs) are partnerships between NHS boards and councils in Scotland. They are responsible for the planning, resourcing and operational oversight of a wide range of health and social care services delivered by Health and Social Care Partnerships (HSCPs).
- 5 Scottish Intensive Care Society Audit Group report on Covid-19, Public Health Scotland. July 2020.
- 6 Near Me is a video consulting service that allows people to attend healthcare appointments remotely.
- 7 NHS Louisa Jordan continues to support NHS Scotland, <https://nhslouisajordan-newsroom.prgloo.com/news/nhs-louisa-jordan-continues-to-support-nhsscotland>, January 2021.
- 8 Weekly Covid-19 statistical report, Public Health Scotland, January 2021.
- 9 Public Health Scotland Tableau Covid-19 dashboard https://public.tableau.com/profile/phs.covid.19#!/vizhome/COVID-19DailyDashboard_15960160643010/Overview.
- 10 Winter Preparedness Plan for NHS Scotland - 2020/21, Scottish Government, October 2020.
- 11 Covid-19 Strategy Update, World Health Organization, April 2020.
- 12 Thirty-second SAGE meeting on Covid-19, on UK Government website, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/888807/S0402_Thirty-second_SAGE_meeting_on_Covid-19_.pdf.
- 13 To calculate these figures we have used the sum of cases created and closed within 72 hours in the contact tracing, contact management system and compared these numbers to the total complete cases for that week as published by **Public Health Scotland** <https://beta.isdscotland.org/find-publications-and-data/population-health/covid-19/covid-19-statistical-report/>.
- 14 PPE is equipment that will protect the user against health or safety risks such as splash or droplet exposure. It can include items such as gloves, masks, gowns and eye protection.
- 15 National Distribution Centre (part of National Procurement in NHS NSS) buys and supplies goods for Scotland's hospitals and healthcare facilities. It manages over £1.4 billion in national contracts.
- 16 BMA Scotland Covid-19 Tracker Survey Results, BMA Scotland, May 2020.
- 17 RCN publishes results of member survey about PPE, RCN website, <https://www.rcn.org.uk/news-and-events/news/ppe-survey-results-18-april-2020>.
- 18 Coronavirus (Covid-19): PPE distribution statistics, Scottish Government website, <https://www.gov.scot/publications/coronavirus-covid-19-ppe-distribution-statistics/>.
- 19 Coronavirus (COVID-19): Personal Protective Equipment - Action Plan, Scottish Government, October 2020.
- 20 Personal Protective Equipment (PPE) for Covid-19 - Scotland's Action Plan, Scottish Government, October 2020.
- 21 *NHS in Scotland 2018 and NHS in Scotland 2019*, Audit Scotland, October 2018 and October 2019.
- 22 BMA Scotland Covid-19 Tracker Survey Results, BMA Scotland, May 2020.
- 23 Building a Better Future for Nursing, RCN Members have their say, Royal College of Nursing, August 2020.
- 24 Everyone Matters Pulse Survey Results, Scottish Government, November 2020.
- 25 More mental health support for health and social care staff, Scottish Government, <https://www.gov.scot/news/more-mental-health-support-for-health-and-social-care-staff/>.

- 26 Deaths involving coronavirus (Covid-19) in Scotland, Week 5, National Records of Scotland, February 2021.
- 27 Public attitudes to Coronavirus, May summary, Scottish Government, June 2020.
- 28 BMA Scotland Covid-19 Tracker Survey Results, BMA Scotland, May 2020.
- 29 Public attitudes to Coronavirus, November update, Scottish Government, November 2020.
- 30 Deaths involving coronavirus (Covid-19) in Scotland, Week 1 (4 to 10 January 2021) National Records of Scotland, January 2021.
- 31 Discharges from NHS Scotland Hospitals to Care Homes between 1 March and 31 May 2020, Public Health Scotland, October 2020.
- 32 The Care Inspectorate's role, purpose and learning during the Covid-19 pandemic, Care Inspectorate, August 2020.
- 33 Home Farm Care Home. Scottish Government News <https://www.gov.scot/news/home-farm-care-home/>
- 34 Submission to the Scottish Parliament Covid-19 Committee from the Centre for Mental Health and Capacity Law, Edinburgh Napier University September 2020.
- 35 Covid-19 social care monitoring report, Scottish Human Rights Commission, October 2020.
- 36 Deaths involving coronavirus (Covid-19) in Scotland, National Records of Scotland, December 2020.
- 37 Covid-19 Statistical Report, Public Health Scotland, 2 December 2020.
- 38 Equality and Fairer Scotland Impact Assessment: Evidence gathered for Scotland's Route Map through and out of the Crisis, Scottish Government, July 2020.
- 39 The Equality Act 2010 aims to protect against discrimination based on certain protected characteristics such as age, disability and race among others.
- 40 Improving Data and Evidence on Ethnic Inequalities in Health and Systemic Issues and Risk - Initial Advice from the Expert Reference Group on Covid-19 and Ethnicity, Scottish Government, September 2020.
- 41 A Scotland where everybody thrives: Strategic Plan, Public Health Scotland, September 2020.
- 42 [*Health inequalities in Scotland*](#), Audit Scotland, December 2012.
- 43 Covid-19 Guidance: Ethical Advice and Support Framework, Scottish Government, April 2020.
- 44 Covid-19: Equality Impact Assessment of Clinical Guidance and Ethical Advice and Support Framework, Scottish Government, July 2020.
- 45 Scottish Risk Assessment 2018, Scottish Government, 2018.
- 46 UK National Risk Register of Civil Emergencies, UK Government, 2017.
- 47 Exercise Silver Swan: Overall Exercise Report, Scottish Government, April 2016.
- 48 Exercise Cygnus report, Public Health England, 2017.
- 49 Exercise Iris, Scottish Government, March 2018.
- 50 Health and social care influenza pandemic preparedness and response, Department of Health, April 2012.
- 51 [*NHS in Scotland 2019*](#), Audit Scotland, October 2019.
- 52 Coronavirus (Covid-19): supporting elective care - clinical prioritisation framework, Scottish Government, November 2020.
- 53 The Elective Centre Programme intends to provide additional capacity for CT and MRI scans, outpatients, day surgery and short stay theatre procedures. New centres and facilities will open in a number of NHS boards such as Golden Jubilee, Lothian, Tayside, Highland, Forth Valley and Grampian.
- 54 Re-mobilise, Recover, Re-design Framework, Scottish Government, May 2020.
- 55 A Framework for Recovery of Cancer Surgery, Scottish Government, August 2020.
- 56 *Health and social care: integrated workforce plan*, Scottish Government, December 2019.
- 57 [*NHS in Scotland 2019*](#), Audit Scotland, October 2019.
- 58 The UK Government uses the Barnett formula to allocate funds to Scotland, Wales and Northern Ireland when additional money is spent in areas that are devolved to the relevant administrations, such as health.
- 59 [*Covid-19: Implications for public finances in Scotland*](#), Audit Scotland, August 2020.
- 60 [*The 2019/20 audit of NHS Tayside*](#), Auditor General for Scotland, December 2020.
- 61 Healthcare Associated Infection Annual Report 2019, ARHAI Scotland, 2019.
- 62 HAI Quarterly Commentary Q2 2020 - supplementary data, Public Health Scotland, October 2020.
- 63 [*The 2018/19 audit of NHS Highland*](#), Audit Scotland, 2019.

Appendix 1

Audit methodology



This is our annual report on the NHS in Scotland. Given the unprecedented challenges of the Covid-19 pandemic in 2020, the report focuses on:

- how well the NHS and Scottish Government responded to the Covid-19 pandemic
- the health impact of the Covid-19 pandemic on the population of Scotland
- how prepared the Scottish Government and NHS were for a pandemic
- how well the NHS and Scottish Government are working to resume the full range of NHS services
- the financial impact of the Covid-19 pandemic on the NHS in Scotland
- a brief overview of how well the NHS managed its finances and operational performance in 2019/20.

Because of the Covid-19 pandemic, this audit was carried out remotely. Our findings are based on evidence from sources that include:

- strategies, frameworks and plans for responding to Covid-19
- the audited annual accounts and auditors' reports on the 2019/20 audits of NHS boards
- activity and performance data published by Public Health Scotland
- publicly available data and information including results from staff surveys
- Audit Scotland's national performance audits
- interviews with senior officials in the Scottish Government and a sample of NHS boards.

We reviewed service performance information at a national level. Our aim was to present the national picture. We focused on a sample of key targets and standards, covering some of the main activities of the NHS. Where we have used trend information, we have selected a time period where information is most comparable.

Appendix 2

Financial performance 2019/20 by NHS board



NHS board	Escalation framework level	Core revenue outturn (£m)	Total savings achieved (£m)	Recurring savings (%)	NRAC: distance from parity (%)
NHS Ayrshire and Arran	3	841.7	16.8	85	-0.8
NHS Borders	4	247.0	10.1	70	0.7
NHS Dumfries and Galloway		353.4	15.1	38	2.8
NHS Fife		752.3	10.2	47	-0.8
NHS Forth Valley		605.2	19.3	60	-0.8
NHS Grampian		1,099.8	10.7	45	-0.8
NHS Greater Glasgow and Clyde	4	2,543.3	75.0	42	1.9
NHS Highland	4	751.4	28.0	56	-0.8
NHS Lanarkshire		1,345.6	21.5	40	-0.8
NHS Lothian	3/4	1,684.3	33.7	61	-0.8
NHS Orkney		64.2	0.8	15	-0.3
NHS Shetland		63.0	3.3	25	-0.2
NHS Tayside	4	883.0	26.3	40	-0.8
NHS Western Isles		89.0	3.5	47	13.1
NHS Golden Jubilee		84.7	4.8	52	
NHS 24		70.4	1.8	68	
NHS Education for Scotland		500.3	23.1	78	
NHS Health Scotland		21.1	0.5	-	
NHS National Services Scotland		502.4	19.3	85	
Healthcare Improvement Scotland		32.1	1.7	20	
Scottish Ambulance Service		281.3	12.7	61	
The State Hospital		34.7	2.1	1	

Notes:

1. There are five stages of the Scottish Government's performance escalation framework for NHS boards:

Stage 1 Steady state "on-plan" and normal reporting

Stage 2 Some variation from plan; possible delivery risk if no action

Stage 3 Significant variation from plan; risks materialising; tailored support required

Stage 4 Significant risks to delivery, quality, financial performance or safety; senior level external support required.

Stage 5 Organisational structure / configuration unable to deliver effective care.

2. NHS Lothian is at Stage 4 for specific issues relating to the Royal Hospital for Children and Young People, and at Stage 3 for specific issues relating to performance.
3. The Scottish Government uses the NHS Scotland Resource Allocation Committee (NRAC) formula to assess how much funding each board should be allocated. The formula considers the demographics of each board area including population size, deprivation levels, unavoidable geographical variations in the cost of providing services.

Source: Scottish Government

NHS in Scotland 2020

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RISK, AUDIT AND PERFORMANCE COMMITTEE

Date of Meeting	27 April 2021
Report Title	Additional Risk to Strategic Risk Register
Report Number	HSCP.21.043
Lead Officer	Sandra Macleod, Chief Officer
Report Author Details	Name: Martin Allan Job Title: Business Manager Email Address: martin.allan3@nhs.net
Consultation Checklist Completed	Yes
Appendices	Appendix A – addition to Strategic Risk Register - Risk 11 Category 1 Responder

1. Purpose of the Report

- 1.1. To present the Risk, Audit and Performance Committee (RAPC) with the outcome of a review of the Aberdeen City Health & Social Care Partnership's (ACHSCP) Strategic Risk Register to reflect current business responsibilities.

2. Recommendation(s),

- 2.1. **Add Risk 11:** It is recommended that Committee consider Appendix A, the proposed addition to the Strategic Risk Register relating to the Integration Joint Board's (IJB) duties under the Civil Contingencies Act 2004; make comments and observations on the draft risk and endorse their concluded view to the Integration Joint Board at its meeting of 25 May 2021.
- 2.2. **Remove Risk 10:** It is recommended that the Committee consider removing Risk 10 (EU Exit) from the Strategic Risk Register, as detailed in the report and endorse their conclusions on this to the Integration Joint Board at its meeting at its meeting of 25 May 2021.
- 2.3. **Note review of Risk 3:** Committee is recommended to note that a review of Risk 3 (Hosted Services) will be presented to the RAPC meeting in September 2021.



RISK, AUDIT AND PERFORMANCE COMMITTEE

3. Summary of Key Information

3.1. The current Strategic Risks are as follows:

Risk 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.

Risk 2 There is a risk of financial failure, that demand outstrips budget and IJB cannot deliver on priorities, statutory work, and projects an overspend.

Risk 3 There is a risk that the outcomes expected from hosted services are not delivered and that the IJB does not identify non-performance in through its systems. 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.

Risk 4 There is a risk that relationship arrangements between the IJB and its partner organisations (Aberdeen City Council & 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.

Risk 5 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.

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.

Risk 7 Failure to deliver transformation at a pace or scale required by the demographic and financial pressures in the system.

Risk 8 There is a risk that the IJB does not maximise the opportunities offered by locality working.



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Risk 9 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.

Risk 10 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.

ADD RISK 11

- 3.2. The IJB at its meeting on 23 March 2021 considered report HSCP.21.028 on the inclusion of IJB's as Category 1 Responders under the Civil Contingencies Act, 2004. The IJB agreed to delegate development of a new risk to the Chair of the Risk Audit and Performance Committee.
- 3.3. The Chair of RAPC met with the Business Manager in the Partnership and discussed whether to include a separate risk on the Strategic Risk Register on the duties under the Act or whether the duties could be woven into any of the other strategic risks (as listed above)
- 3.4. It was concluded that a new strategic risk be drafted on the duties under the Act. The draft wording for inclusion in the Strategic Risk Register is contained within Appendix A – Risk 11. The wording is broadly similar to Aberdeen City Council's Corporate Risk and consultation has been undertaken with the Corporate Risk Lead in the Council on the draft for our version of this Strategic Risk.

REMOVE RISK 10

- 3.5. Members of the Committee will be aware that the end of the Transition Period for the United Kingdom leaving the EU expired on 31 December 2020, with the United Kingdom (UK) and the European Union (EU) reaching a "deal" to allow the UK to leave. The National Coordination Centre (set up across the UK in December 2020 to monitor issues arising from the exit from the EU across structures throughout the country) has been stood down as of 27 March 2021.
- 3.6. Any issues remaining or arising from the EU exit are managed as part of business as usual in services. For this reason, it is proposed that the Committee consider the removal of this risk from the Strategic Risk Register. If the Committee agree the removal of Risk 10, a report will be taken to Integration Joint Board on 25 May 2021.



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REVIEW RISK 3 - HOSTED SERVICES

- 3.7. At an IJB workshop in October 20, Board Members felt that was a risk in relation to the financial oversight of Hosted Services and that performance across the services was mixed. It was suggested that the impact for this risk should be moved from moderate to major and that this should be discussed further at the Risk, Audit and Performance Committee (RAPC).
- 3.8. RAPC on 21 January 21 RAPC agreed that the “deep dive” on this specific risk be brought back to the Committee once work had concluded on an audit being undertaken by NHS Grampian on hosted services. Further consideration between the Chair of RAPC and officers determined that further work be undertaken to look at both the services hosted by the City IJB, as well as those services being hosted by Aberdeenshire and Moray IJBs. Included in this review will be an examination of control measures and mitigating actions in place in relation to hosted services to help provide assurance to the IJB.
- 3.9. It is proposed that the outcome of this review will be reported to the RAPC on 23 September 2021. The report to committee should include a sense check against the outcomes of the NHS Grampian audit.
- 3.10. It is also proposed to hold an IJB workshop in October 2021 to allow Members to review both the Strategic Risk Register as well as the Board’s Risk Appetite Statement.

4. Implications for IJB

- 4.1. **Equalities** – while there are no direct implications arising directly because of this report, equalities implications will be taken into account when implementing certain mitigations.
- 4.2. **Fairer Scotland Duty** – while there are no direct implications arising directly because of this report, the Fairer Scotland duty will be taken into account, where appropriate, where implementing certain mitigations
- 4.3. **Financial** – while there are no direct implications arising directly because of this report financial implications will be taken into account when implementing certain mitigations.
- 4.4. **Workforce** - there are no direct implications arising directly because of this report.



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- 4.5. Legal** - there are no direct implications arising directly because of this report.
- 4.6. Other** - there are no direct implications arising directly because of this report.

5. Links to ACHSCP Strategic Plan

- 5.1.** Ensuring a robust and effective risk management process will help the ACHSCP achieve the strategic priorities as outlined in its strategic plan, as it will monitor, control and mitigate the potential risks to achieving these. The Strategic Risks have been aligned to the Strategic Plan 2019-2022.



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6. Management of Risk

- 6.1. **Identified risks(s):** all known risks
- 6.2. **Link to risks on strategic or operational risk register:** all risks as captured on the strategic risk register.
- 6.3. **How might the content of this report impact or mitigate these risks:**
Ensuring a robust and effective risk management process will help to mitigate all risks.

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

Description of Risk: Risk of non-compliance with Aberdeen City Integration Joint Board's (IJB) responsibilities as a Category 1 Responder under the Civil Contingencies Act, 2004.

Strategic Priority: Resilience and Connections.

Leadership Team Owner: Chief Officer

Risk Rating: low/medium/high/very high

HIGH

Rationale for Risk Rating:

- Considered high risk due to the potential major impact to citizens if the IJB does not manage its responsibilities under the Act.

IMPACT

Rationale for Risk Appetite:

- There is a zero tolerance in relation to not meeting legal and statutory requirements.

Almost Certain					
Likely					
Possible				✓	
Unlikely					
Rare					
LIKELIHOOD	Negligible	Minor	Moderate	Major	Extreme

Risk Movement: (increase/decrease/no change):

NEW RISK 14.04.2021

Controls:

- Grampian Local Resilience Partnership Membership
- Aberdeen City Care For People Plan
- Aberdeen City Council's Organisational Resilience Group Membership
- NHS Grampian's Civil Contingencies Group Membership
- Aberdeen City Health and Social Care Partnership's Civil Contingencies Group (integrated Group to monitor Action Plan of Duties under the Act).
- Aberdeen City Care For People Group
- Integration scheme agreement on cross-reporting

Mitigating Actions:

- The Grampian Local Resilience Partnership (GLRP) identifies risks which are likely to manifest. The Partnership require to have controls in place to manage these risks, particularly the ability to respond to these in an emergency situation.
- Aberdeen City Council are currently reviewing the risks in the City within its risk registers to ensure that the control actions listed are sufficient to mitigate risks. During this process, the additional risks may well be identified, based on risk assessment within operational areas, which may impact on the ability to respond. The result will be a risk register incorporating all risks relating to organisational resilience for the City. The Organisational Resilience Group will be responsible for managing these risks through its membership and liaison with other services not represented on the Group.
- Senior Manager On Call governance documents and arrangements within the Aberdeen City Health and Social Care Partnership (stored on Teams and hard copy), and links into the equivalent structures in ACC and NHSG.
- The Partnership's Civil Contingencies Group has a requirement to monitor Business Continuity Plans across the Partnership, including an overarching Partnership Business Continuity Plan (BCP).
- The Partnership's Communications Manager is available to issue media releases and to answer any media enquiries relating to ACHSCP services which would be or could be

	<p>impacted in an emergency, in close consultation with ACHSCP Leadership Team members. Proactive dissemination of important information would be via releases emailed directly to the local and national media. The ACHSCP websites, both internal and external, would also carry that information as soon as it becomes available, along with the Partnership’s social media channels, in order to inform the public and our staff in a timely manner of important developments and updates. ACHSCP would also contribute to public information being released by our partner organisations, where appropriate. ACHSCP Communications would liaise throughout the emergency with our public sector partners, including the police, fire and rescue, neighbouring local authorities, the Scottish Government and other partner organisations as appropriate. IJB members, senior elected members of Aberdeen City Council, and appropriate senior management members at the city council and NHS Grampian would be kept informed in advance of information which was due to be released by ACHSCP into the public domain. A log would be kept of all information released internally and externally in order that an audit trail is maintained of all communications activity.</p> <ul style="list-style-type: none"> • Data taken off Care First system to identify vulnerable people to help emergency care for support
<p>Assurances:</p> <ul style="list-style-type: none"> • Internal Audit undertaken in 2020 on Civil Contingency arrangements in Aberdeen City Council, including Care For People Plan. The Audit recommended that the Plan, although fit for purpose, be reviewed to make it shorter and easier to refer to when activation is required. • Ongoing discussions around development of Aberdeen City Vulnerable Persons Database using Geographical Information Mapping System (this will include data from Care First). 	<p>Gaps in assurance:</p> <ul style="list-style-type: none"> • The review of the Care For People Plan is ongoing. The Care For People Group will sign off on the revised Plan in May 2021. Consult with Council and NHS Grampian and wider Local Resilience Partnership on the reviewed Plan. • Development of National Persons at Risk Database (PARD) • the Partnership is a member of various groups, including the GLRP, groups established in ACC and NHSG, and Aberdeen City Care For People. Through these Groups the Partnership and IJB can share information with other responders and enhance co-ordination. The Partnership’s Civil Contingencies Group require to agree on how this information can be shared effectively and in a co-ordinated way. • Training for Senior Managers On Call – Partnership’s Civil Contingencies Group to address. Liaise with Council and NHS Grampian on training planned (include tabletop exercising)
<p>Current performance:</p> <ul style="list-style-type: none"> • The Care For People Group met on the 20th of April 2021 to discuss the draft revised Care For People Plan. It is proposed that the Group meet in May to finalise the review of the Plan. • The Partnership’s Civil Contingencies Group met on the 21st of April 2021 to assist in the operationalisation of the Category 1 duties and to agree the amendments to the Group’s Terms of Reference. 	<p>Comments:</p> <ul style="list-style-type: none"> •



RISK, AUDIT AND PERFORMANCE COMMITTEE

Date of Meeting	27 April 2021
Report Title	Operation Home First – Evaluation Progress Report
Report Number	HSCP.21.033
Lead Officer	Sandra Macleod, Chief Officer
Report Author Details	Name: Dr Calum Leask Job Title: Lead for Research & Evaluation Email Address: cleask@aberdeencity.gov.uk
Consultation Checklist Completed	Yes
Appendices	a. Operation Home First Evaluation Progress Report

1. Purpose of the Report

- 1.1. The purpose of this report is to provide progress on the evaluation of the Aberdeen City Priorities relating to Operation Home First. In particular, it is predominantly to provide assurance that a robust process has been implemented to evidence the impact of this portfolio.

2. Recommendations

2.1. It is recommended that the Risk, Audit and Performance Committee:

- a) Note the information provided in this report;
- b) Note that this is a standing item on the Risk, Audit and Performance Committee business planner and further updates will be provided as agreed at Committee.

3. Summary of Key Information

- 3.1. Operation Home First is the collective priorities of the three North-East Health & Social Care Partnerships in collaboration with the Acute sector of NHS Grampian. It is a portfolio that has emerged through positive, cross-system working during the COVID19 pandemic and emphasises the importance of



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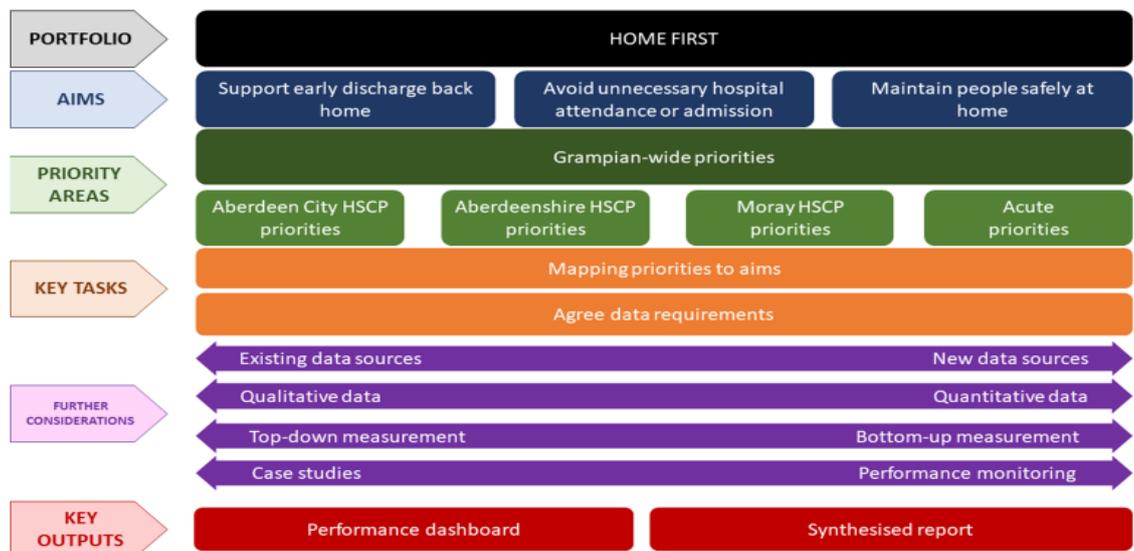
shifting the balance of care, when safe and appropriate to do so, from acute settings to community settings. There are three aims to Operation Home First:

- To maintain people safely at home
- To avoid unnecessary hospital attendance or admission
- To support early discharge back home after essential specialist care.

3.2. The principles of Operation Home First are:

- 'Home First' for all care
- Working within the agreed strategic direction set out by the Integrated Joint Boards and NHS Grampian
- Focus on outcomes for people
- Whole system working and improving primary/secondary care joint working
- Maintain agile thinking and decision making
- Work within constraints of segregation/shielding/physical distancing measures/reduced hospital bed base
- Maximise digital solutions.

3.3. Recognising the importance of being able to accurately measure the benefits of the Operation Home First portfolio, an Evaluation Working Group was commissioned in October 2020. The cross-system Group is comprised of membership from NHS Grampian, the Health and Social Care Partnerships and Public Health Scotland who have expertise in complex evaluation, public health research and data analysis. The purpose of this Group is to determine to what extent each of the initiatives within the Operation Home First portfolio help achieve its three aims. A high-level visual containing some of the evaluation considerations is below:





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- 3.4.** This Group has collaborated with project and programme teams across the portfolio, ensuring that robust yet pragmatic measurement plans are incorporated into their implementation. In particular, this allows for numerous facets to be explored for individual initiatives including:
1. Are initiatives feasible / acceptable to implement?
 2. Do they improve outcomes for service users / unpaid carers; staff; or services?
 3. What is the capability of initiatives and how large a contribution do they make (both individually and collectively) to the aims of Operation Home First?
- 3.5.** Appendix A provides an overview of the progress to date. Highlights include:
- Flow Navigation Centre went operational on 1st December 2020 which will optimise the flow of patients seeking urgent care – initial data suggests that there has been a reduction in the footfall.
 - Increased application of ‘Near Me’ to safely support delivery of pathways of care within the community and also shared care between teams which has reduced the need for an attendance at a healthcare facility.
 - Redesign of the Frailty Pathway in Rosewell House as ‘step up’ from the community and alternative to Aberdeen Royal Infirmary admission supported by Hospital at Home. Also includes an interim transfer of 40 beds in Rosewell Care Home to the NHS for use as step down facility for Aberdeen Royal Infirmary to facilitate discharges - operational January 2021. This was enabled through the transfer of resources to the community.
- 3.6.** A further report will be published towards the end of Spring 2021, with greater detail on the collective impact of the Operation Home First portfolio. This additional time allows for additional data to be collected and further analysis to be conducted. This, in turn, will ensure more meaningful conclusions and future recommendations can be derived.

4. Implications for Integrated Joint Board

- 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. The assessment, on the whole, was positive in relation to the Strategic Plan’s impact on equality and diversity within Aberdeen.

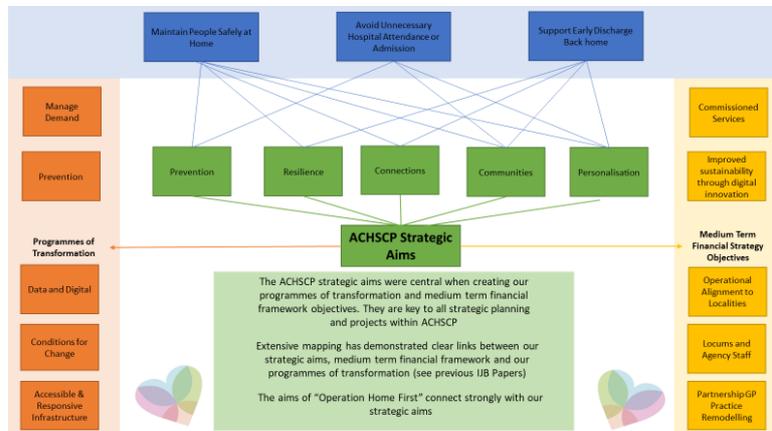


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- 4.2. **Fairer Scotland Duty** - There are no implications as a direct result of this report.
- 4.3. **Financial** - Transformation is key to ensuring financial sustainability of the partnership. The resource to evaluate the impact of the Home First Transformation priorities has been secured through fixed term secondments from across the organisation. Funding for this has been identified from existing budgets.
- 4.4. **Workforce** - Resource to evaluate the impact of the Operation Home First programme has been identified and mobilised. Capacity was identified and mobilised to backfill the affected areas.
- 4.5. **Legal** - There are no direct legal implications arising from the recommendations in this report.

5. Links to Aberdeen City Health & Social Care Partnership Strategic Plan

- 5.1. The activities within the Operation Home First portfolio seek to directly contribute to the delivery of the strategic plan as illustrated below:



6. Management of Risk

6.1. Identified risks(s) -

Risks relating to the Transformation Programme are managed throughout the transformation development and implementation processes. The Executive Programme Board and portfolio Programme Boards have a key role to ensure that these risks are identified and appropriately managed. High level risks to programme delivery and mitigating actions are identified within



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progress reports reported on a regular basis to the Risk, Audit and Performance Committee.

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

The main risk relates to not achieving the transformation that we aspire to, and the resultant risk around the delivery of our strategic plan, and therefore our ability to sustain the delivery of our statutory services within the funding available.

2. There is a risk of financial failure, that demand outstrips budget and Integrated Joint Board cannot deliver on priorities, statutory work, and project an overspend.

7. Failure to deliver transformation at a pace or scale required by the demographic and financial pressures in the system.

8. There is a risk that the Integrated Joint Board does not maximise the opportunities offered by locality working.

9. 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 Integrated Joint Board Strategic Plan

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

This paper brings to the attention of the Risk, Audit and Performance Committee information about the progress of evaluation to our priority areas that will help provide assurance of whether proposed changes in activity are / are not successful and for what reasons.

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

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OPERATION HOME FIRST

Evaluation Progress Report

March 2021

Dr Calum Leask

(Lead for Research & Evaluation, Aberdeen City Health & Social Care Partnership)

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Executive Summary

This report provides an update on the evaluation of Operation Home First. Operation Home First is the collective priorities of the three North-East Health & Social Care Partnerships in collaboration with the Acute sector of NHS Grampian. The information contained within relates to those Operation Home First projects and programmes that have relevance to Aberdeen City. The information contained within is predominantly for the purposes of providing assurances that a robust process has been implemented to evidence the impact of these priorities.

In general, positive progress is reported on most of the priorities. This includes: 1) an approximate 40-fold increase in the average number of NearMe consultations per week in the last 12 months; 2) the opening of 30 NHS beds in Rosewell as an interim care facility; 3) the implementation of a new Care @ Home contract, moving away from a time and task model to an outcomes-based approach. Of priorities that have been operational for an adequate period, evidence of acceptability to both service users and service providers is a critical first step towards ensuring that these initiatives are feasible to implement and subsequently, may deliver positive outcomes.

The full impact of the Operation Home First portfolio cannot yet be fully quantified. This is for several reasons, for example: 1) several initiatives have only been operational for a limited period (such as the interim service model in Rosewell going live on 18.01.21), meaning more time must be given in these circumstances to generate enough data to robustly determine their function and 2) other priorities have moved at a slower pace given the recent Civil Contingency status that Grampian has been placed under since January 2021 (such as the sign-off and implementation of recommendations made in the Grampian-wide Strategic Framework for Palliative and End of Life Care). However, with reference to Operation Home First priorities with a more acute focus, strong causation can be drawn of their direct impact against the aims of Operation Home First. For example, every admission to Hospital @ Home that is identified as an 'alternative to admission' means that the person is not admitted unnecessarily to Aberdeen Royal Infirmary wards, but instead is supported safely at home. Furthermore, this helps to lessen pressures that can otherwise lead to patients being "boarded" in Aberdeen Royal Infirmary beds out with the specialty whose care they are under.

A further report will be published towards the end of Spring 2021, with greater detail on the collective impact of the Operation Home First portfolio. This time allows for additional data to be collected and further analysis to be conducted. This, in turn, will ensure more meaningful conclusions and future recommendations can be derived.

Introduction

Operation Home First is the collective priorities of the three North-East Health & Social Care Partnerships in collaboration with the Acute sector of NHS Grampian. It is a portfolio that has emerged through positive, cross-system working during the COVID19 pandemic and emphasises the importance of shifting the balance of care, when safe and appropriate to do so, from acute settings to community settings. There are three aims to Operation Home First:

- 1) To maintain people safely at home
- 2) To avoid unnecessary hospital attendance or admission
- 3) To support early discharge back home after essential specialist care

More background information about Operation Home First, including its underlying principles, can be viewed [here](#).

In October 2020, The Operation Home First Steering Group commissioned an evaluation working group to evidence the impact of the Operation Home First portfolio. The remit of the working group was two-fold:

- 1) Understand the impact of each Operation Home First priority, and how they contribute towards achieving the aims of Operation Home First
- 2) Develop a high-level, performance dashboard of meaningful metrics to monitor overtime to understand the performance of the portfolio.

This report outlines the progress made against the above as of February 2021. In particular, it is designed to provide assurances that a robust process has been designed and implemented to evidence the impact of this portfolio. Of interest to Aberdeen City, the following Operation Home First priorities are considered in scope:

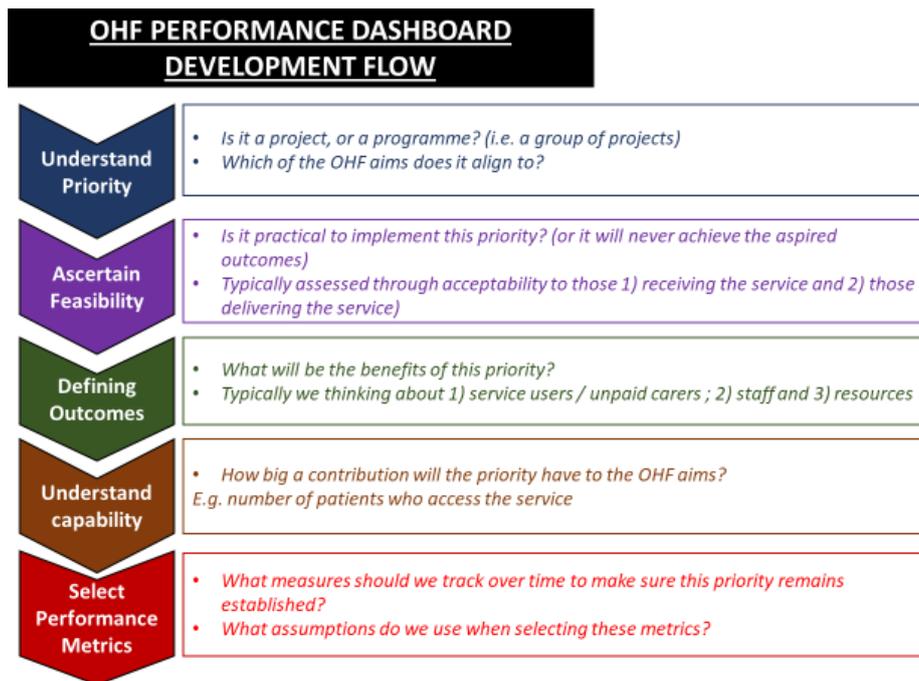
- Care @ Home Contract Implementation
- Stepped Care Approach
- Frailty Pathway
- Redesign of Urgent Care
- Respiratory Pathway
- Palliative Care
- Implementation of Near Me

A further report will be published towards the end of Spring 2021, with greater detail on the collective impact of the Operation Home First portfolio. This additional time allows for additional data to be collected and further analysis to be conducted. This, in turn, will ensure more meaningful conclusions and future recommendations can be derived.

Methods

Evaluation process

To develop a meaningful, performance dashboard of high-level metrics that may be positively influenced should a complex portfolio of this nature be implemented as theoretically planned, an understanding must first be sought of each individual priority. The figure below describes, at a strategic level, the approach that the evaluation working group took across priority areas. These are elaborated upon below:



Understanding the Priorities individually – Some of the Operation Home First priorities are individual projects (such as Implementation of Near Me). Others are programmes (i.e., a group of projects, such as the Stepped Care Approach). In the latter scenario, the full impact of the programme cannot be understood until individual projects are understood. During this stage, priorities were mapped against the Operation Home First aims, which helps inform the data collection process.

Ascertaining feasibility – Service changes / developments cannot realise benefits if they are not practical to implement. As such, a critical component to new initiatives is determining whether they are acceptable to those delivering the service (i.e., staff) and to those receiving the service (i.e., service users and unpaid carers).

Defining outcomes - If initiatives pass the feasibility test, consideration can be given as to what benefits these will have. These benefits can usually be categorised by 1) benefits to service users / unpaid carers; 2) benefits to staff; 3) benefits to resources / services.

Understanding capability – This helps answer the question as to the impact individual priorities have against the aims of Operation Home First. For example, a small-scale test of change will not have a substantial impact on reducing hospital attendances but is helpful to prove a new concept or to determine how it may make a positive contribution should it be scaled up.

Selecting performance metrics - The goal here is to distil each priority down to a minimal number of measures that can provide an indicative overview as to how that priority is functioning. Key to this is developing assumptions that provide a rationale as to why that metric was selected.

Pragmatic considerations

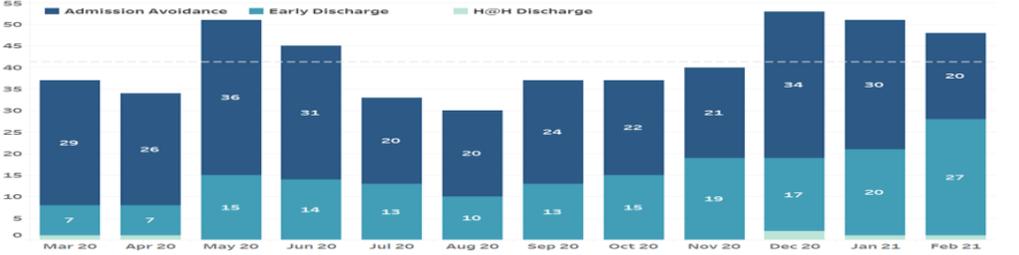
Evaluation of a portfolio of this scale is a complex undertaking. There are multiple reasons for this, including but not limited to:

- *Degree of implementation:* The priorities within the Operation Home First portfolio did not all begin at the same time, with the same capacity and resources to deliver them. As such, by October 2020 (and at the time of writing) priorities were ranging from being delivered at scale to still being in a planning phase. In some cases, therefore, data collection is required to be retrospective, in others it can be planned before initiatives commence.
- *Pace of implementation:* Some initiatives have stricter deadlines than others, for example due to time-limited funding. Given this and other extraneous factors, such as Grampian being placed within Civil Contingencies level 4 in January 2021, this means some priorities were accelerated with their implementation, whilst others have moved at a slower speed.
- *Downstream vs Upstream Activity* – Given the pressures that COVID19 has had on secondary care provision, evaluation activity has been prioritised on those initiatives that are closer to this part of the system.

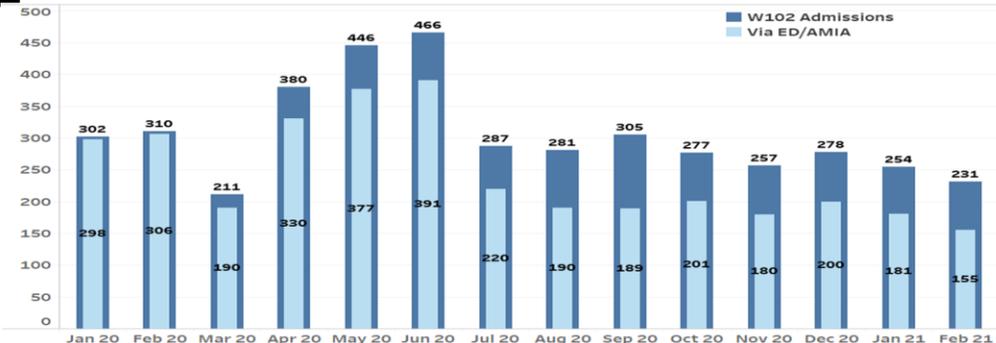
Priority Updates

The following section provides an update of each of the priorities linked to service provision in Aberdeen City. These are in the form of one-page flash reports that are designed to provide an overview of progress to date. Where possible, links are also provided to relevant metrics that will be integrated into the Operation Home First performance dashboard that will be used to monitor priorities over time.

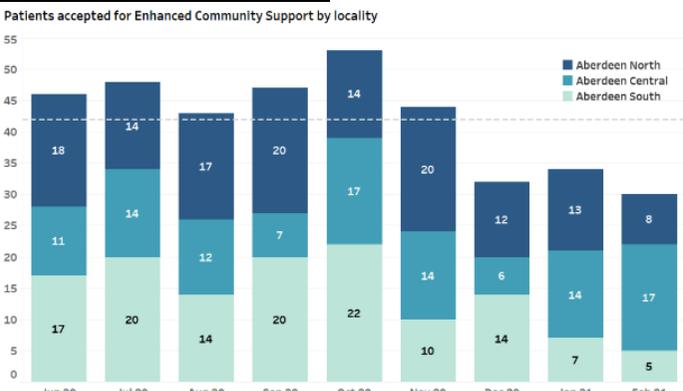
Operation Home First Priority Stepped Care Approach	Priority Workstream (if applicable) Stay Well Stay Connected	RAG Status	
Operation Home First Aims this aligns to <i>Keep people safe at home</i>			
<u>Brief description of priority</u> The Stay Well Stay Connected workstream is the bottom level of the Stepped Care Approach. The core aim is improving self-management and reablement within the community.			
<u>Update as of February 2021</u> A review of the workstream is being undertaken to understand progress to date and highlight areas of focus moving forward. Three working groups have been developed, each with a different focus: 1) <i>Respite</i> [overnight and/or residential]; 2) <i>Buildings Based Day Activities</i> [to be established]; 3) <i>Prevention</i> [restructuring to align to strategic aims]			
<u>Impact to date</u> <i>Community / Staff Engagement:</i> 93 people responded to the 'Fit Like' Survey, that aimed to understand and identify key issues to address to improve health and wellbeing in communities. For this, eight problem statements were identified, for example: 1) 40% of respondents did not have a device or internet and 2) over 50% of responders report they don't or would like to get out and about and described having low mood. The result of this has been the implementation of a variety of initiatives across communities. For example: 1) " <i>Wellbeing Matters Webpage</i> ": that provides a number of helpful resources on keeping and staying well (and received more than 1100 visits in the last 12 months); 2) <i>Physical Activity packs for people at home</i> : collaboration with physiotherapy students including exercise instructions, walking routes and information on government guidelines; 3) <i>Boogie in the Bar</i> : currently holding virtual boogies for older adults during COVID via Facebook, YouTube and twice weekly on Station House Media Unit radio.	<u>Case Study / Testimonials</u> <i>The Student Befriending Pilot was a collaboration working between Robert Gordon University and Aberdeen City Health & Social Care Partnership. In this pilot, 12 students (six Occupational Therapists and six Physiotherapists) were paired with six older adults over a period of 6-8 weeks with the aim to provide befriending and identify links to enhance wellbeing.</i> <i>John and Vera (pseudonyms) were one elderly couple who engaged in the pilot. Versa newly lost sight in both her eyes, whilst John had a recent stroke, leaving weakness down one side and with no speech.</i> <i>The outcomes they wanted to achieve through the pilot were to shop online, keep in touch with family and take advantage of health care appointments.</i> <i>At the end of the pilot, John and Vera had created their first email account and received their first online shopping delivery much to their excitement They have been referred into Occupational Therapy for further input.</i> <div data-bbox="1131 917 2168 1053" style="background-color: #4a86e8; color: white; padding: 10px; text-align: center;"> <p><i>"The pilot was a very positive experience for me, I enjoyed it very much. Building the relationship both with the befriender and my physio partner was a highlight of my placement"</i></p> </div> <i>(Occupational Therapy Student).</i>	<u>Aligned performance indicator</u> To be developed aligned to the Prevention workstream review currently being undertaken.	
		<u>Additional comments</u> Analysis of current and predicted demand across our client groups is underway to inform future commissioning requirements regarding planned respite. To ensure a comprehensive approach is taken, an overview of all commissioning beds for interim, surge and respite is being summarised to ensure a balance across the system which responds to the needs of our population.	

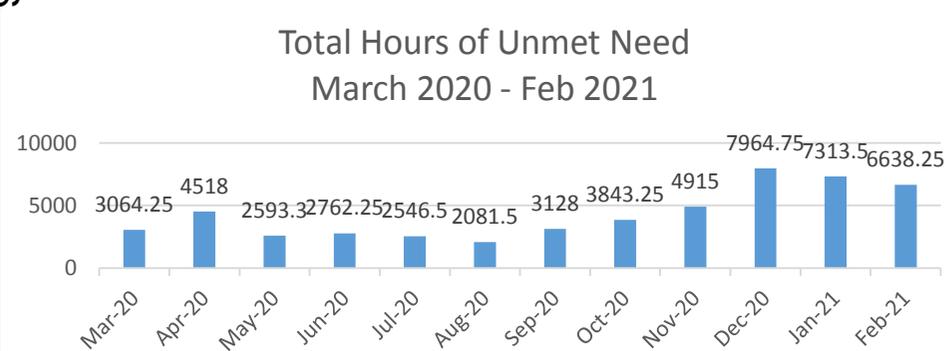
Operation Home First Priority Stepped Care Approach / Frailty Pathway	Priority Workstream (if applicable) Hospital @ Home (H@H)	RAG Status																																																																		
Operation Home First Aims this aligns to <i>Keep people safe at home; Reduce unscheduled attendances / admissions; Supporting early discharge.</i>																																																																				
<u>Brief description of priority</u>																																																																				
Hospital @ Home provides acute care for geriatric patients in their own home via a multi-disciplinary team. There are two admissions routes: 1) alternative to admission (whereby otherwise the individual would be admitted to hospital) and 2) supporting discharge (referrals from hospital to return home sooner and receive the final part of their care at home). The service has been operational since June 2018 and has had 957 admissions during this period (up to February 2021).																																																																				
<u>Update as of February 2021</u> Detailed information about the development of the respiratory component of H@H is visible in the associated flash report.																																																																				
<u>Impact to date</u>	<u>Case Study / Testimonials</u>																																																																			
<p><i>Service metrics:</i> 476 referrals in the last 12 months (Admission Avoidance=308; Early Discharge=168). Both Hospital @ Home (71%) and Geriatric Assessment Unit (72%) show similar proportion of patients at home / in a community setting 90 days post discharge.</p>	<p><i>"Mrs B fell when she was walking to her local shop. She was taken to Geriatric Assessment Unit where she was x-rayed and no fractures were found. Mrs B had sustained a superficial injury to her foot. She was referred to Hospital @ Home from Emergency Department, avoiding a hospital admission.</i></p>																																																																			
<p><i>Service User / Unpaid Carer Acceptability:</i> Previous feedback from 16 patients demonstrated high satisfaction in the service (mean score = 4.1/5) and confidence in the team (mean score = 4/5). One said: <i>"I was amazed at the amount of help I received. Each person knew exactly what they were going to do and did it all so cheerfully and willingly. Thank you all"</i> (Responder x).</p>	<p><i>During Mrs B's initial visit from the Hospital @ Home team, the Physio Therapist & Advanced Nurse Practitioner suspected she had delirium. The Health Care Support Worker took routine observations such as blood pressure, temperature, respirations, oxygen saturations and pulse. On next visit, Mrs B was hallucinating and a urine sample test con-confirmed a urinary tract infection. Mrs B's mood was low on several occasions, stating she felt a burden as well as a nuisance towards her family and Home @ Home staff.</i></p>																																																																			
<p>A sample of unpaid carers (n=16) rated the Hospital @ Home team strongly on providing them encouragement and support (mean score = 4.8/5) and providing them with extra knowledge or skills to look after their cared for person (mean score = 4.6/5). One stated: <i>"This home team is a great service, more info was passed on and explained than during the hospital stay. The nurses were able to spend time with my relative, listen to him, watch him and make a true assessment of his needs. The help put in place will allow him to stay at home and have as good a quality of life as possible. This service has also given us as a family peace of mind"</i> (Responder x).</p>	<p><i>The Hospital @ Home team recommended Mrs B should have carers 3 x daily care to support with personal hygiene, diet and medication prompt. Mrs B required regular reminders not to go out walking alone, due to high fall risk. Family members were sign posted to relevant services which may benefit Mrs B's ability to remain at home safely (e.g., community alarm, key safe, city home helpers). The family decided to install a key safe following this advice. The Team Lead completed a care management care plan. Due to care package not being in place and husband still in hospital, Hospital @ Home decided not to discharge Mrs B.</i></p>																																																																			
<p><i>Staff outcomes:</i> A previous staff satisfaction survey found a mean satisfaction score of 73%, which is 5% higher than the average NHS employee. A sample of services who regularly work with Hospital @ Home, including General Practice and District Nursing, had high agreement of how easy the referral process was into Hospital @ Home (mean agreement = 84%).</p>	<p><i>Emergency Department informed Hospital @ Home that Mrs B had fallen overnight and was in the department with a head injury receiving treatment. Hospital @ Home was informed Mrs B was to be admitted to Geriatric Assessment Unit, however after discussion it was decided that Hospital @ Home would take over care, preventing hospital admission.</i></p>																																																																			
<u>Aligned performance indicator</u>	<p><i>Hospital @ Home staff continued to provide 3 x daily care while awaiting Mrs B care package. The Pharmacy Technician liaised with care providers regarding medication. Mrs B was then discharged from Hospital @ Home and her care was handed over to the District Nurse regarding Mrs B's ongoing care of foot dressing as well as the staple removal from head injury". (Advanced Practitioner, Hospital @ Home).</i></p>																																																																			
 <table border="1"> <caption>Hospital@Home Admissions by Month</caption> <thead> <tr> <th>Month</th> <th>Admission Avoidance</th> <th>Early Discharge</th> <th>H@H Discharge</th> <th>Total</th> </tr> </thead> <tbody> <tr><td>Mar 20</td><td>29</td><td>7</td><td>0</td><td>36</td></tr> <tr><td>Apr 20</td><td>26</td><td>7</td><td>0</td><td>33</td></tr> <tr><td>May 20</td><td>36</td><td>15</td><td>0</td><td>51</td></tr> <tr><td>Jun 20</td><td>31</td><td>14</td><td>0</td><td>45</td></tr> <tr><td>Jul 20</td><td>20</td><td>13</td><td>0</td><td>33</td></tr> <tr><td>Aug 20</td><td>20</td><td>10</td><td>0</td><td>30</td></tr> <tr><td>Sep 20</td><td>24</td><td>13</td><td>0</td><td>37</td></tr> <tr><td>Oct 20</td><td>22</td><td>15</td><td>0</td><td>37</td></tr> <tr><td>Nov 20</td><td>21</td><td>19</td><td>0</td><td>40</td></tr> <tr><td>Dec 20</td><td>34</td><td>17</td><td>0</td><td>51</td></tr> <tr><td>Jan 21</td><td>30</td><td>20</td><td>0</td><td>50</td></tr> <tr><td>Feb 21</td><td>20</td><td>27</td><td>0</td><td>47</td></tr> </tbody> </table>	Month	Admission Avoidance	Early Discharge	H@H Discharge	Total	Mar 20	29	7	0	36	Apr 20	26	7	0	33	May 20	36	15	0	51	Jun 20	31	14	0	45	Jul 20	20	13	0	33	Aug 20	20	10	0	30	Sep 20	24	13	0	37	Oct 20	22	15	0	37	Nov 20	21	19	0	40	Dec 20	34	17	0	51	Jan 21	30	20	0	50	Feb 21	20	27	0	47	<u>Additional comments</u> This performance indicator assumes 1) all admission avoidance referrals directly result in one less admission to Ward 102 in Aberdeen Royal Infirmary 2) each 'early discharge' referral directly reduces pressure on secondary care and 3) increasing referrals to Hospital @ Home mean more people are being cared for in a more appropriate setting.		
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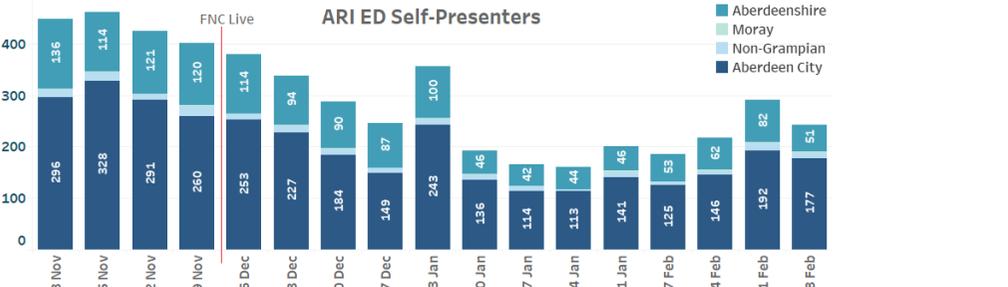
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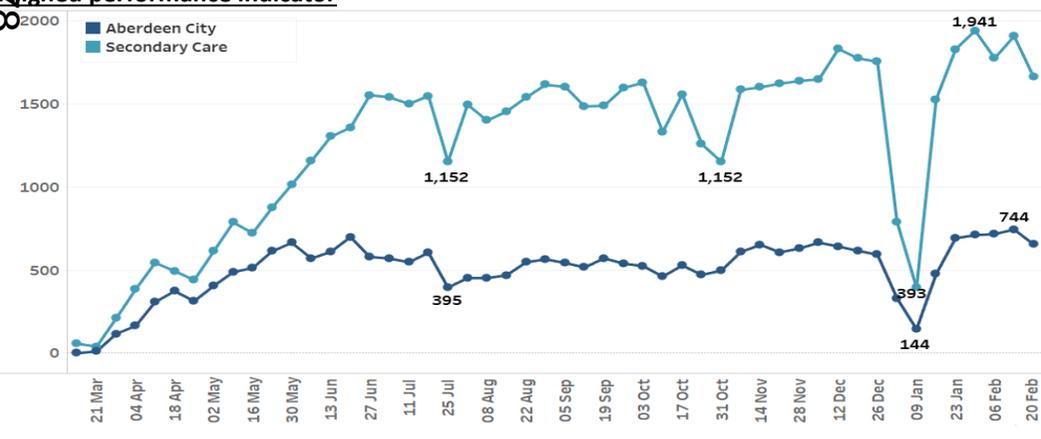
Operation Home First Priority Frailty Pathway	Priority Workstream (if applicable) Ward 102	RAG Status <div style="background-color: green; width: 20px; height: 20px; display: inline-block;"></div>
Operation Home First Aims this aligns to <i>Support early discharge; Reduce unnecessary hospital attendances and admissions</i>		
Brief description of priority Safe, effective patient flow in and out the Geriatric Assessment Unit within Aberdeen Royal Infirmary, ensuring the right patients (i.e., those with decompensated frailty) are managed appropriately within the right area of the health and social care system in a timely manner.		
Update as of February 2021 Five workstreams have recently been developed to support the progression of this priority: 1) Admission and Flow Group; 2) Discharge; 3) HAME and Front Door Frailty Identification; 4) Establish 102 Workforce; 5) Operational principles and escalation practices.		
Impact to date <p><i>Direct access</i> – General Practitioners can contact a clinician within Ward 102, for example when the first signs of delirium are present in their patients. This allows them to have timely access to specialist advice, resulting in care being provided in the most appropriate setting (whether that is at home, in hospital or other).</p> <p><i>Implementation of Rockwood scoring within Emergency Department</i> – patients are now scored using Rockwood Frailty Scale at point of admission. This allows for early identification of frailty and subsequent implementation of a frailty bundle that outlines the appropriate early interventions required. This has been used with 65 patients to date. The next phase will be exploring its implementation with Scottish Ambulance Service.</p> <p><i>Escalation plan developed</i> – required in response to managing flow (i.e., managing beds). Outlines each members of staff roles within the plan to ensure efficiency of service delivery.</p> <p><i>Development of criteria-led discharge</i> – leading to a more timely and efficient discharge, with the goals being person-centred as opposed to medically-led.</p>	Case Study / Testimonials <p><i>“General Practitioner access to a senior clinical decision maker available in Ward 102 has been facilitative of timely intervention and admission to hospital only when agreed as essential and unavoidable.</i></p> <p><i>Admissions have been avoided when General Practitioners contact the ward direct to discuss patients’ presentations and to explore with the Geriatrician / Registrar management options. The exclusion of delirium alongside other management considerations when frailty significantly impacts patient’s recovery, wellbeing and activities of living.</i></p> <p><i>Discussions between General Practitioner and Geriatrician ensure medication review, minimise unnecessary polypharmacy and optimise medications.”</i> (Staff member, Ward 102)</p>	
<p style="text-align: center;"><u>Aligned performance indicator</u></p>  <p style="text-align: center;">Ward 102 referrals from Emergency Department / AMIA by month for the last 12 months</p>		
Additional comments		

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Operation Home First Priority Stepped Care Approach	Priority Workstream (if applicable) Enhanced Community Support Huddles	RAG Status																																							
Operation Home First Aims this aligns to <i>Keep people safe at home; Support early discharge; Reduce unnecessary hospital attendances and admissions</i>																																									
<u>Brief description of priority</u> Huddles have been established to support unscheduled care in the community for discussion for those individuals who are at risk of admission or re-admission, for those that are potentially stepping down from acute services, and to provide rapid wraparound support using a virtual multi-disciplinary team approach. Huddles function within each of the 3 localities and there are two levels (1 daily triage huddle, rapid conversation with unscheduled individual, take action that day) and 2 (weekly multi-disciplinary team meeting [wrap around support for individuals who are stable but with room for improvements regarding functioning etc]).																																									
<u>Update as of February 2021</u> The Enhanced Community Support huddles have been functioning since April 2020 and have used an iterative improvement methodology approach that has been staff led that pragmatically works well. Exploring how we can increase attendances at huddles to ensure equitable access for all services across the city, for example services within Primary Care.																																									
<u>Impact to date</u> <p><i>Performance metrics:</i> Nearly 380 requests (relating to over 330 patients) have been brought to Enhanced Community Support since June, an average of 42 cases per month. Overall spread of patients with Enhanced Community Support input across each locality has been similar, although has fluctuated month on month, with 36% of cases brought by Aberdeen North and 30% and 34% by Aberdeen Central and Aberdeen South respectively.</p> <p><i>Staff acceptability:</i> 48 attendees of the Huddle provided feedback on its function. Overall responses were positive – Huddles received a mean score of 7.6/10. Components strongest rated included improved patient care (91.3% agreement) and improved multi-disciplinary working (89.4% agreement). It was also suggested that this approach saved staff time (63.8% agreement).</p> <p>Service outcomes:</p> <p><u>Aligned performance indicator</u></p> <p>Patients accepted for Enhanced Community Support by locality</p>  <table border="1"> <caption>Patients accepted for Enhanced Community Support by locality</caption> <thead> <tr> <th>Month</th> <th>Aberdeen North</th> <th>Aberdeen Central</th> <th>Aberdeen South</th> </tr> </thead> <tbody> <tr><td>Jun 20</td><td>18</td><td>11</td><td>17</td></tr> <tr><td>Jul 20</td><td>14</td><td>14</td><td>20</td></tr> <tr><td>Aug 20</td><td>17</td><td>12</td><td>14</td></tr> <tr><td>Sep 20</td><td>20</td><td>7</td><td>20</td></tr> <tr><td>Oct 20</td><td>14</td><td>17</td><td>22</td></tr> <tr><td>Nov 20</td><td>20</td><td>14</td><td>10</td></tr> <tr><td>Dec 20</td><td>12</td><td>6</td><td>14</td></tr> <tr><td>Jan 21</td><td>13</td><td>14</td><td>7</td></tr> <tr><td>Feb 21</td><td>8</td><td>17</td><td>5</td></tr> </tbody> </table>	Month	Aberdeen North	Aberdeen Central	Aberdeen South	Jun 20	18	11	17	Jul 20	14	14	20	Aug 20	17	12	14	Sep 20	20	7	20	Oct 20	14	17	22	Nov 20	20	14	10	Dec 20	12	6	14	Jan 21	13	14	7	Feb 21	8	17	5	<u>Case Study / Testimonials</u> <p><i>“The Enhanced Community Support Huddles provide a platform for front line health and social care staff to discuss individuals who would benefit from an increase in care or therapy due to a change in their circumstances. It is designed to ‘pick up’ individuals who have an unscheduled event and need a more urgent care and or therapy intervention to enable them to remain at home. The huddle also enables staff working within the Acute Sector to provide information to the community teams on any individuals being discharged that may be ‘fragile’ and need additional support at the point of discharge.</i></p> <p><i>Benefits include</i></p> <ul style="list-style-type: none"> • <i>Right service at the right time delivered by the right person in the right place</i> • <i>Daily forum for any member of the Multidisciplinary team (in its widest sense) to discuss any individual that is giving them concern – making it a timely response</i> • <i>Weekly follow-on huddle per locality for more in-depth discussion/learning opportunities</i> • <i>Locality and multidisciplinary team approach to assessment, and interventions</i> • <i>Shared learning/understanding of the roles of the multidisciplinary team</i> • <i>Building relationships within the localities</i> • <i>Joint ownership – self managing multidisciplinary team</i> • <i>Supported by senior members of the locality leadership huddle</i> • <i>Quality improvement approach to development” (Occupational Therapist feedback)</i> <p><u>Additional comments</u> The more cases that are brought to the huddles, the less likely that those at risk of admission / re-admission manifest. This, in turn, helps to keep people safe at home. Note – data does not include patients presented but not accepted / not appropriate for Enhanced Community Support</p>
Month	Aberdeen North	Aberdeen Central	Aberdeen South																																						
Jun 20	18	11	17																																						
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<p>Operation Home First Priority Care @ Home Contract Implementation</p>	<p>Priority Workstream (if applicable) Not applicable</p>	<p>RAG Status</p>																									
<p>Operation Home First Aims this aligns to <i>Keep people safe at home; Support early discharge; Reduce unnecessary hospital attendances and admissions</i></p>																											
<p>Brief description of priority Under the new model, the provision of care will move away from the current schedule of tasks which are timed. Instead, teams will work together with people receiving care, their families, and other practitioners within each locality to provide care tailored to individual needs. Local assets will also be used to connect people back into their community. The incoming Granite Care Consortium is made up of 10 care providers who have worked closely with colleagues to problem solve and coproduce solutions in an agile and innovative delivery model.</p>																											
<p>Update as of February 2021 A multidisciplinary group is now meeting weekly to review care packages within the Granite Care Consortium unmet needs list. The aim being that this approach will be widened in the future to provide a consistent holistic approach to the whole of the unmet need population. A working group has also been set up to progress risk assessed care, this will help to plan and find sustainable solutions for increased demand on our systems in the future, we will look at where correctly assessed equipment can be used to enhance and support the care delivered while first and foremost keeping people safe.</p>																											
<p>Impact to date <i>Staff perceptions</i> – A baseline survey was distributed to Grampian Care Consortium staff in December 20 that 62 people responded to. Overall, staff felt very supported by their colleagues (mean score 8.5/10) and those who deliver care to service users felt satisfied in their caring role (mean score 7.4/10). Perceived advantages included being more reactive to people's needs: <i>“The flexibility will be good for our clients who have varying presentation and needs, as their illness worsens or improves”</i> (Care Provider). <i>Market stability</i> – Baseline metrics were collected to understand the workforce of the Grampian Care Consortium (total of 637 as of December 20) and the total number of eligible clients within Aberdeen City (N=1484). This will be reviewed in Summer 21 to understand how these metrics are impacted.</p>	<p>Case Study / Testimonials <i>“Granite Care Consortium was established in March 2020, as a concept to achieve market stability and improved outcomes for service users in the provision of care at home across the City of Aberdeen. Granite Care Consortium is at the centre of improvements to adult social care support in the City of Aberdeen and Scotland. It is a pathfinder model and to our knowledge, the first of its kind from an operational and commissioning context, primarily in terms of the outcomes it looks to achieve for and with people who use our services. The journey for Granite Care Consortium over the next 3 years is summarised as:</i> <ol style="list-style-type: none"> 1. Shift the cultural paradigm on how we step up, step down and enable those receiving care at home. 2. Strengthen the foundations of care at home in Aberdeen, through market stability, the development of our workforce and their employment stability. 3. Redesign the system, bringing together those cared for, social care managers and social care staff in assessment and delivery, shifting the cultural and operational paradigm. <i>Granite Care Consortium will challenge some of the historic narratives about social care and care at home support. Granite Care Consortium will deliver effective social care support based on positive outcomes for everyone who receives care at home from Granite Care Consortium in the City of Aberdeen. A foundation to Granite Care Consortium is our social care and care at home workforce. For us to achieve the improvements and developments we seek to achieve in partnership with the Aberdeen City Health & Social Care Partnership, our goal is to establish and build a workforce that feels engaged, valued, and rewarded for the very important work that they do. Granite Care Consortium will develop an approach that builds trusting relationships between its social care providers, rather than competition. We will foster partnerships, not marketplaces and we will encourage the voice of lived experience at every level in our service delivery. We will co-produce our new model of delivery with the people who it is designed to support, both individually and collectively.”</i> (Executive, Granite Care Consortium)</p>																										
<p>Signed performance indicator</p>  <table border="1"> <caption>Total Hours of Unmet Need March 2020 - Feb 2021</caption> <thead> <tr> <th>Month</th> <th>Total Hours</th> </tr> </thead> <tbody> <tr><td>Mar-20</td><td>3064.25</td></tr> <tr><td>Apr-20</td><td>4518</td></tr> <tr><td>May-20</td><td>2593.32</td></tr> <tr><td>Jun-20</td><td>2762.25</td></tr> <tr><td>Jul-20</td><td>2546.5</td></tr> <tr><td>Aug-20</td><td>2081.5</td></tr> <tr><td>Sep-20</td><td>3128</td></tr> <tr><td>Oct-20</td><td>3843.25</td></tr> <tr><td>Nov-20</td><td>4915</td></tr> <tr><td>Dec-20</td><td>7964.75</td></tr> <tr><td>Jan-21</td><td>7313.5</td></tr> <tr><td>Feb-21</td><td>6638.25</td></tr> </tbody> </table>	Month	Total Hours	Mar-20	3064.25	Apr-20	4518	May-20	2593.32	Jun-20	2762.25	Jul-20	2546.5	Aug-20	2081.5	Sep-20	3128	Oct-20	3843.25	Nov-20	4915	Dec-20	7964.75	Jan-21	7313.5	Feb-21	6638.25	
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Operation Home First Priority Redesign of Urgent Care (Flow Navigation Centre) (Pan-Grampian)	Priority Workstream (if applicable): Not applicable	RAG status																																																																																											
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<u>Brief description of priority</u>																																																																																													
<p>This work is part of a Scotland-wide programme to build on opportunities to support people to access the Right Care in the Right Place at the Right Time, and as part of this, to reduce attendances at Emergency Department/Minor Injuries Units if there are more appropriate sources of help and support. The public are asked to call NHS 24 – 111 - day or night when they think they need Emergency Department but it is not life-threatening. NHS 24 will offer telephone advice on what care is required and where is the best place to access this. If necessary, they will refer on to NHS Grampian urgent care staff. Each local health board has established a Flow Navigation Centre (hub) that will directly receive clinical referrals from NHS 24. The Flow Navigation Centre offers rapid access to a senior clinical decision maker within the multidisciplinary team, optimising digital health through a telephone or video consultation where possible. Through this consultation they may again signpost or refer to other services available to best meet health care concerns raised. If the senior clinical decision maker determines the patient needs to go to Emergency Department or a Minor Injuries Unit, they will be offered an appointment to attend in person.</p>																																																																																													
<u>Update as of February 2021</u>																																																																																													
<p>This new service went live in Grampian and across Scotland on 01 December. Phase 2 underway will build on the work already achieved by the Redesign of Urgent Care Programme, to establish a single access route which delivers efficient, safe and effective person-centred care.</p>																																																																																													
<u>Impact to date</u>																																																																																													
<p>Over 2,600 patients have been referred from NHS 24, to the Flow Navigation Centre and Minors Decision Queue, an average of 200 clinical referrals per week (Flow Navigation Centre: 38 per week; Minors: 162 per week). Only 59% of patients have required a face-to-face appointment minimising the need for patients to attend Emergency Department or a minor injury unit, with 36% given self-care advice and 5% re-directed to primary care following a virtual consultation. Since the soft launch of the Flow Navigation Centre, the self-presenting patient footfall at Aberdeen Royal Infirmary Emergency Department has significantly reduced and is currently over 40% down, with a reduction of 32% seen in the number of Aberdeen City patients self-presenting at Aberdeen Royal Infirmary Emergency Department. However, with many variables including lockdown it is too early to estimate the true impact of the redesign.</p>																																																																																													
<u>Case Study / Testimonials</u>		<u>Aligned performance indicator</u>																																																																																											
<ul style="list-style-type: none"> A survey has been developed to gather patient feedback on experience and views and is expected to launch in March. Questions in Grampian’s Redesign of Urgent Care survey overlap with those to support local and national evaluation of Near Me video consultations and as such are expected to provide information of mutual benefit to multiple workstreams. 		<p>Numbers of self-presenters at Emergency Departments and Minor Injuries Units</p>  <table border="1"> <caption>ARI ED Self-Presenters Data</caption> <thead> <tr> <th>Date</th> <th>Aberdeen City</th> <th>Non-Grampian</th> <th>Moray</th> <th>Aberdeenshire</th> </tr> </thead> <tbody> <tr><td>08 Nov</td><td>296</td><td>136</td><td></td><td></td></tr> <tr><td>15 Nov</td><td>328</td><td>114</td><td></td><td></td></tr> <tr><td>22 Nov</td><td>291</td><td>121</td><td></td><td></td></tr> <tr><td>29 Nov</td><td>260</td><td>120</td><td></td><td></td></tr> <tr><td>06 Dec</td><td>253</td><td>114</td><td></td><td></td></tr> <tr><td>13 Dec</td><td>227</td><td>94</td><td></td><td></td></tr> <tr><td>20 Dec</td><td>184</td><td>90</td><td></td><td></td></tr> <tr><td>27 Dec</td><td>149</td><td>87</td><td></td><td></td></tr> <tr><td>03 Jan</td><td>243</td><td>100</td><td></td><td></td></tr> <tr><td>10 Jan</td><td>136</td><td>46</td><td></td><td></td></tr> <tr><td>17 Jan</td><td>114</td><td>42</td><td></td><td></td></tr> <tr><td>24 Jan</td><td>113</td><td>44</td><td></td><td></td></tr> <tr><td>31 Jan</td><td>141</td><td>46</td><td></td><td></td></tr> <tr><td>07 Feb</td><td>125</td><td>55</td><td></td><td></td></tr> <tr><td>14 Feb</td><td>146</td><td>62</td><td></td><td></td></tr> <tr><td>21 Feb</td><td>192</td><td>82</td><td></td><td></td></tr> <tr><td>28 Feb</td><td>177</td><td>51</td><td></td><td></td></tr> </tbody> </table>		Date	Aberdeen City	Non-Grampian	Moray	Aberdeenshire	08 Nov	296	136			15 Nov	328	114			22 Nov	291	121			29 Nov	260	120			06 Dec	253	114			13 Dec	227	94			20 Dec	184	90			27 Dec	149	87			03 Jan	243	100			10 Jan	136	46			17 Jan	114	42			24 Jan	113	44			31 Jan	141	46			07 Feb	125	55			14 Feb	146	62			21 Feb	192	82			28 Feb	177	51		
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Operation Home First Priority NearMe	Priority Workstream (if applicable) Not applicable	RAG Status	
Operation Home First Aims this aligns to <i>Keep people safe at home</i>			
Brief description of priority NearMe is a video consulting service, allowing people to attend health and social care appointments from wherever is convenient for them. The service has been operational across Grampian since 2019, being used in both Primary Care and Secondary Care settings.			
Update as of February 2021 Near Me is now embedded within service models for many services. Focus is now shifting to sustaining the change and supporting new models of care, e.g.; how NearMe can help to deliver multi-disciplinary clinics or shared decision making across primary and secondary care.			
Impact to date <p><i>Patient satisfaction:</i> 93% (N=2012) of patients self-reported their NearMe experience as ‘very good’ or ‘good’. 97% rated the quality of care provided as either ‘very good’ or ‘good’</p> <p><i>Staff outcomes:</i> 38% (N = 755) of clinicians self-reported saving travel as a result of using the NearMe platform. One-fifth felt it took less time than regular consultations.</p> <p><i>Service performance:</i> In Feb 20, we were conducting ~80 video appointments per week; in Feb that number is >3500 per week. In the same time period, the number of active NearMe service waiting areas has increased from 16 to ~200, and the number of laptops issued to facilitate the service provision has risen from 2800 to ~5500.</p>	Case Study / Testimonials <div style="border: 1px solid #0070C0; border-radius: 20px; padding: 10px; background-color: #ADD8E6;"> <p><i>“I elected to have my initial pain management clinic appointment via video. I received all the information, did the test call and today accessed the appointment with a lovely Female Registrar ... I had a good, focused, no noise, no waiting or travelling (being in pain or knowing you can have a bad day without warning knowing I wouldn’t have to travel made things easier), appointment, I was able to listen to the questions, answer them, have time to explain, definitely a more focused appointment, I know not for everyone but I certainly felt more comfortable especially as my husband didn’t have to take time off work to take me etc.</i></p> <p><i>The Registrar was brilliant, put me at ease, explained and reflected back. Yes I will need a face to face but the medical history, my concerns and expectations etc have all been done”</i></p> </div> <p>(Near Me Service User).</p>		
Aligned performance indicator  <p><i>NearMe Consultations by month</i></p>		Additional comments This performance indicator assumes that 1) digital is the preferable mode of delivering consultations when it is safe and appropriate to do so, and 2) may be a more efficient mode of delivery for both staff and patients.	

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Operation Home First Priority Respiratory Pathway + Stepped Care Approach	Priority Workstream Hospital @ Home expansion: Respiratory Physiotherapy	RAG status	
Operation Home First Aims this aligns to			
<i>Keep people safe at home ✓</i>	<i>Reduced unscheduled attendances / admissions ✓</i>	<i>Support early discharge ✓</i>	
Brief description of workstream			
<p>This expansion to the Hospital @ Home service is helping to avoid unnecessary respiratory admissions and readmissions. It includes a focus on supported discharge so that people – often with substantial anxiety around their condition – are not readmitted. Funding was approved to second/recruit respiratory physiotherapy staff (2.0 Whole Time Equivalent) to join the existing Hospital @ Home team.</p>			
Update as of February 2021			
<p>1.0 Whole Time Equivalent Band 7 (comprised of 2 x 0.5 Whole Time Equivalent) have been seconded into Hospital @ Home as of mid-December 2020. 1.0 Whole Time Equivalent Band 6 has been recruited and is only just in post – since 1st February. Band 7s have been taking referrals and starting to provide support from 7th January, on part capacity until the Band 6 in post. We will be providing 7-day cover over the month of March.</p>			
Impact to date	Case Study / Testimonial		
<p>Whilst clinicians have reported seeing less in the way of exacerbations of Chronic Obstructive Pulmonary Disease than would normally be the case in winter, because many people are shielding due to the COVID pandemic, we have still seen demand for our services:-</p> <p>13 patients have been referred to us since 7/1/21, of which 9 have been admitted to Hospital @ Home (4 alternative to hospital admission and 5 active recovery/supported discharge). We have since discharged 8 of them.</p> <p>In this short space of time we have provided 49 Hospital @ Home bed days, of which 36 were for patients we have discharged, and 13 is the running total (at 28/02/21) for the 1 patient we are currently supporting.</p> <p>For context, across the patients we have supported so far, in the 12 months prior to us starting to give them respiratory physio support, there were 28 admissions for respiratory conditions, totalling 193 bed days (163 acute bed days and 30 Hospital @ Home bed days).</p>	<p><i>"The patient was able to remain at home and improved after his exacerbation. He has also been referred to Pulmonary Rehab for appropriate follow up."</i></p>		
To illustrate the comparative costs:-	<p><i>"During the short time the service has been available, the expansion of the H@H team to support respiratory patients has already had a huge impact on patient care and service delivery. The service has been shown to be a cost-effective intervention, supporting all three of the OHF aims."</i></p>		
<ul style="list-style-type: none"> • Average cost per case of our Hospital @ Home respiratory physio intervention to date is £254.73. So, across our 4 alternative to hospital admission patients this comes to £254.73 x 4 = c.£1,019. • Average direct cost per inpatient case in Aberdeen Royal Respiratory Medicine = £3,615. So, if these 4 patients had been admitted to Aberdeen Royal Infirmary this could have cost £3,615 x 4 = £14,460. • Average cost per Respiratory inpatient bed day in Aberdeen Royal Infirmary = £583, so had our 49 bed days been delivered in Aberdeen Royal Infirmary, this would have equated to £583 x 49 = £28,567. • As the Hospital @ Home service continues to expand and develop in scope, we expect that further work will be required to assess the impacts that this has on average bed day costs in Hospital @ Home <p>Source for ARI costings: NHS Costs Book 2019/20 R040 tables. Direct Costs per inpatient case (staff, theatre, laboratory). This was then divided by specialty average length of stay to estimate average cost per inpatient bed day.</p>	<p>Additional Comments</p> <ul style="list-style-type: none"> • We have promoted the Hospital @ Home Respiratory service to referring clinicians by email: respiratory consultants and all General Practitioners via their primary care bulletin. <p>Aligned performance indicators</p> <ul style="list-style-type: none"> • Numbers of people supported by Hospital @ Home • Numbers of respiratory admissions (note: Operation Home First are working on a broader measurement from several respiratory projects combined). 		

Operation Home First Priority Respiratory Pathway		Priority Workstream (if applicable) Home Oxygen Service	RAG status						
Operation Home First Aims this aligns to									
<i>Keep people safe at home ✓</i>		<i>Reduced unscheduled attendances / admissions</i>	<i>Support early discharge ✓</i>						
<u>Brief description of priority</u> Changes to way that consultants in non-respiratory specialties engage with Home Oxygen Team and efficiencies brought about by move to Office 365 suite of applications have enabled Home Oxygen team to directly assess inpatients at Aberdeen Royal Infirmary and those needing support in the community far quicker than previously was the case.									
<u>Update as of 01 March 2021 – Current status:</u> Over three-week period since implementation Home Oxygen Teams have conducted 21 inpatient assessments – 17 the same day as referral received and 4 the following day. Unable to recruit the 1xBand 4 Whole Time Equivalent that funding from Operation Home First Respiratory Cell was secured for, so having to utilise additional hours from existing Band 7 and Band 3 staff. Inpatient service due to finish at end of March 2021.									
Page 280	<u>Impact to date</u>		<u>Case Study / Testimonials</u>						
	<table border="1"> <tr> <td>Discharged same day as assessment</td> <td>6</td> </tr> <tr> <td>Discharged day after assessment</td> <td>6</td> </tr> <tr> <td>Discharge 2 days after assessment</td> <td>5</td> </tr> </table> <ul style="list-style-type: none"> Feedback received from 13 individuals regarding 11 patients all of whom felt that the patient was discharged earlier as a result of the intervention and that it saved their time. It was estimated that an average of 4.8 bed days were saved per patient 7 patients from in or around Aberdeen were referred for urgent/immediate oxygen to prevent admission. All patients were seen the same day and 4 were supplied with oxygen after assessment – the oxygen installation was completed on average 128 minutes after time of referral 		Discharged same day as assessment	6	Discharged day after assessment	6	Discharge 2 days after assessment	5	<p><i>Staff: 'It enabled Discharge far quicker than I had thought possible'</i></p> <p><i>'Gives the patient confidence and reassurance on Discharge'</i></p> <p><i>'Oxygen teams input in organising the oxygen for this patient was very helpful, as he would likely have stayed in hospital far longer'</i></p> <p><i>'Patient absolutely delighted to be getting home, felt he would be able to do more at home and recover quicker'</i></p> <p><i>Patient: 'Overall, the Oxygen team allowed me to overcome this difficult time with much more confidence, providing the means to allow me returning home, comfortable with the fact that I would not be breathless during my recovery.'</i></p>
Discharged same day as assessment	6								
Discharged day after assessment	6								
Discharge 2 days after assessment	5								
<u>Aligned performance indicator</u> Bed days saved; Number of admissions avoided			<u>Additional comments</u> Lack of ongoing funding may mean both projects cease at the end of March 2021, or shortly thereafter.						

Operation Home First Priority Respiratory Pathway	Priority Workstream (if applicable) Prevention & Self-management (Physical Activity)	RAG status	
Operation Home First Aims this aligns to			
<i>Keep people safe at home</i> ✓	<i>Reduced unscheduled attendances / admissions</i>	<i>Support early discharge</i>	
Brief description of priority Multiple projects within the Respiratory Pathway priority focus on health improvement for patients with Chronic Obstructive Pulmonary Disease and other respiratory conditions providing: 1) Physical Activity classes; 2) Pulmonary Rehabilitation and 3) Respiratory Physiotherapy support within Hospital @ Home. These projects are linked in that patients referred to one may subsequently be redirected to another depending on their current level of health. The Physical Activity classes are a natural progression for patients who have been on the Pulmonary Rehabilitation programme. Whilst there may be local differences in implementation, leads for the projects in each of Grampian's three Health and Social Care Partnership areas are working together to ensure consistency, where appropriate, in their approach to reporting and evaluation. In Aberdeen the physical activity project is being delivered by Sport Aberdeen, whose instructors have developed the online delivery of classes using the Zoom video-conferencing app. <i>[Note: In Aberdeen pulmonary rehabilitation is being delivered on a business-as-usual basis and is not one of the Operation Home First-funded projects].</i>			
Update as of 01 March 2021 – Current status: Programme is operating on a rolling 6-session basis with participants joining as Sport Aberdeen triage them into the programme. The first couple of participants reached their 6 th session at the end of February and a few more will do so during the first week of March. There is plenty capacity within the virtual classes, so participants who have completed their initial 6-week block can stay so they're able to continue exercising, however a more challenging class is being introduced from week beginning 8 th March for those who are ready to move into something new.			
Impact to date There have been 63 referrals received to the programme (6 from Health Professionals and 57 Self-Referrals). Of these Sport Aberdeen have: 17 attending virtual exercise classes; 4 receiving 1-to-1 phone call support as they don't have access to online classes; 18 were signposted to the Pulmonary Rehabilitation Physio Team because they didn't meet inclusion criteria for Sport Aberdeen programme. Of the others there are a mix of people who haven't been able to participate due to other health conditions/injuries and some who were referred into Live Life Aberdeenshire or Moray programmes due to their addresses.	Case Study / Testimonials 		A YouTube video has a further testimonial in the form of an interview with participant Peter Hall, see: Winter Pulmonary Rehabilitation Programme Case Study
Aligned performance indicator Number of participants completing the block	Additional comments Patient and instructor feedback surveys are planned to be implemented from week commencing 1 st March. These will contribute a more quantitative element to the evaluation of the Physical Activity workstream.		

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Operation Home First Priority Palliative & End of Life Care		Priority Workstream (if applicable) Virtual Programme	RAG status	
Operation Home First Aims this aligns to				
<i>Keep people safe at home ✓</i>	<i>Reduced unscheduled attendances / admissions</i>	<i>Support early discharge</i>		
<u>Brief description of priority</u> The focus within this Priority has been on the draft Grampian-Wide Strategic Framework for Palliative and End of Life Care, which sets out the vision for the next three years. Workstreams within this Priority have not been developed to the same stage as other Priority areas.				
<u>Update as of February 2021</u> Staff at both The Oaks in Elgin and Roxburghe House in Aberdeen are modifying their palliative care offering to patients so that these can be delivered remotely. Evaluation and measurement frameworks are under development and these will look to capture feedback from patients and their carers/family and from staff delivering these services. Working with the project leads, the Operation Home First Evaluation team will help to foster a rounded understanding of the costs and benefits of delivering Palliative End of Life Care support to patients via online platforms and the consequences (intended or otherwise) to all palliative services and the wider connected system.				
<u>Impact to date</u> Not available at this time		<u>Case Study / Testimonials</u> Not available at this time		
<u>Aligned performance indicator</u> For the virtual palliative classes this may be Number of participants completing the block. This would align with other Workstreams in aiming to Keep people safe at home.		<u>Additional comments</u>		

Operation Home First Priority Frailty Pathway	Priority Workstream (if applicable) Rosewell	RAG Status
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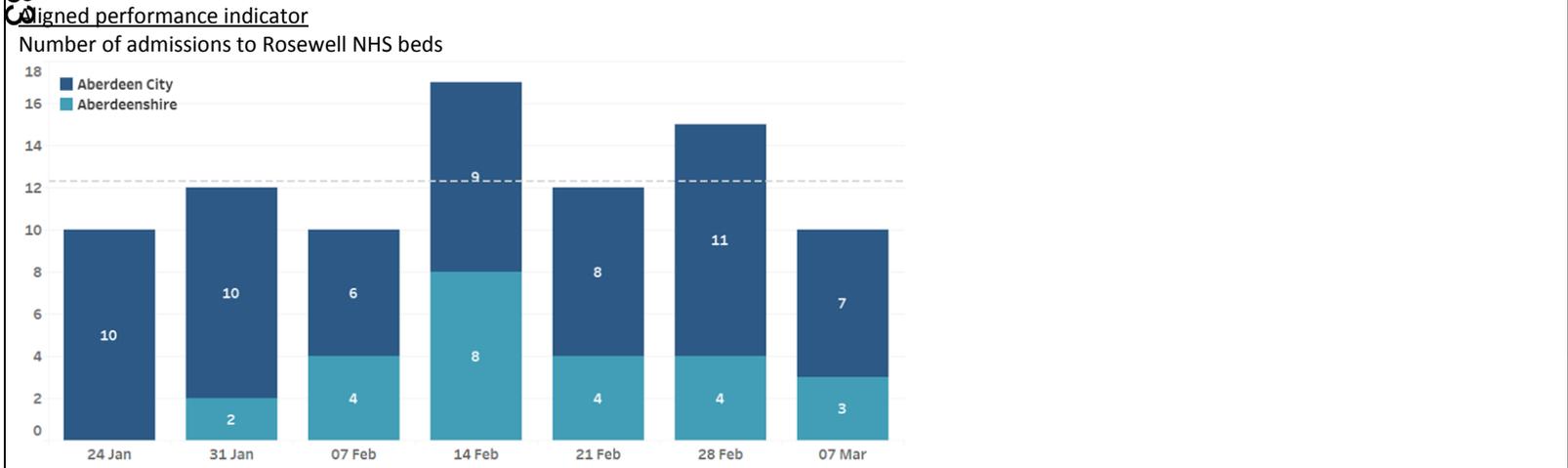
Operation Home First Aims this aligns to
Keep people safe at home; Reduce unscheduled attendances / admissions; Supporting early discharge.

Brief description of priority
Rosewell House is being developed as an enhanced pathway and service model. This would see an integrated service providing intermediate care for both step down from hospital and step up from community. The model will increase capacity in the system as well as meeting our aim of delivering the right services, in the right place at the right time whilst also reducing the need for unscheduled admissions and enabling the safe discharge of patients from hospital who require further care prior to returning home.

Update as of February 2021
To facilitate an urgent response to surge and flow during the latest Covid19 wave, Rosewell House was opened as an interim NHS Grampian facility on 18.01.21. This involved 20 beds remaining under Bon Accord Care's registration, with the remaining 40 beds transferring to NHS Grampian on a temporary 16-week basis. As of 22.02.21, 30 out of 40 of these NHS beds are open and accepting admissions. Work continues to develop the longer-term model ahead of the end of the period for interim arrangements (10.05.21).

Impact to date
Transfer of staff: The current nursing workforce for the NHS beds is 20 Whole Time Equivalent (21 headcount), supported by 26.8 Whole Time Equivalent Health Care Support Workers (30 headcount) and a headcount of 25 Bon Accord Care support workers. This staffing has been supported by the movement of workforce from two wards in Woodend Hospital that have now been closed, meaning that more people can be cared for closer to home when safe and appropriate to do so.

Service metrics: Since January 18th there have been 86 admissions to NHS Rosewell beds (61 patients from Aberdeen; 25 from Aberdeenshire). All except one from Hospital @ Home have been step-down admissions from hospital. 51 patients have subsequently been discharged/transferred from Rosewell (34 patients discharged home, nine transferred to a Shire community hospital, three to Woodend Hospital, one re-admitted to Aberdeen Royal Infirmary, one stepped-down to Hospital @ Home and three who died). The average length of stay for patients who have been discharged/transferred has been 12.4 days with a maximum length of stay of 36 days.



Case Study / Testimonials
"In January 2021, as a result of significant pressures on hospital services in Aberdeen, under civil contingencies, it was agreed to allow NHS Grampian to operate 40 beds within the 60 bedded Rosewell Care home (with the remaining beds remaining as care home rehabilitation beds.) Since that time, 30 beds have been used by NHSG teams supported by Bon Accord Care staff.

This arrangement, although put in place as an emergency measure, have provided a unique opportunity for us to learn from a different model at Rosewell. Including: how staff from different organisations can work effectively together as integrated teams; a better understanding of the nature of the care demands that may present at a peak period, and latterly a more usual level; and how flow between hospital, intermediate care, rehabilitation care and community care can be made more efficient.

It is intended that the learning from this model, which was established due to necessity, will enable the longer-term model that is developed to be fit for purpose in a system of varying demand over time."

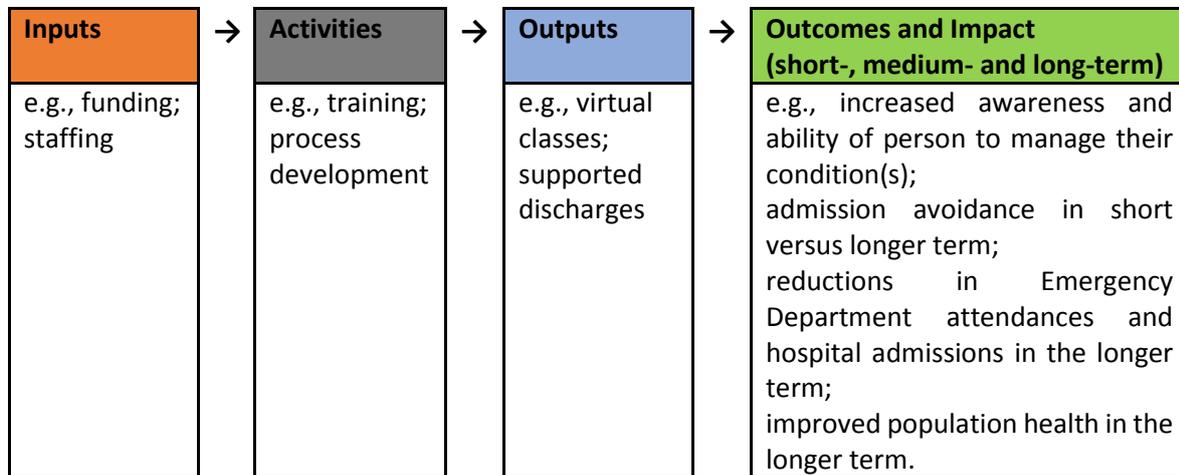
Additional comments
An evaluation of the interim model was commenced 22.02.21 and will be completed 26.03.21 to inform its future direction.

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Comments / Observations

To date, all priorities that have been operational for an adequate period have demonstrated sufficient feasibility (i.e., they are broadly acceptable to both service users and service providers). For some priorities within this context, it is too early to determine fully the benefits they will deliver at current scale, and potentially if scaled up. The simplified model for service change and evaluation, below, illustrates that in order to achieve the desired outcomes and impacts, the right inputs must be in place, relevant activities performed, and the required outputs delivered. However, our evaluation to date provides an important basis in ensuring that any changes in service provision can be sustained longer-term. Previously in-depth evaluations conducted by Aberdeen City Health & Social Care Partnership have typically taken place after six months of implementation (see the ‘West Visiting Service’ evaluation [here](#) and the ‘Hospital @ Home’ evaluation [here](#)) which provides a useful barometer of the balance that is required to be struck between evolving initiatives at pace whilst ensuring enough data is generated to inform future service provision.

Simplified Logic Model for theory of change / service evaluation



One key enabler that is important to emphasise within the context of reporting progress is the access to and development of an intelligent data infrastructure. For example, the ‘patient location at 90 days’ outcome articulated within the Stepped Care Approach / Frailty Pathway Hospital @ Home flash report above exists due to the creation of a virtual ward within the TrakCare system and then a further automated code that runs daily to determine whether patients who have received care in that service are back in hospital (or another setting). In other initiatives, such as the Enhanced Community Support huddles, the performance data was manually pulled off electronic systems by one member of staff who is no longer working for Aberdeen City Health & Social Care Partnership.

One aspect that might temper the potential success of the Operation Home First programme was the use of Winter Planning funds to develop several projects under the Respiratory Priority. These monies allowed purchase of kit and staff training for the Physical Activity Classes for participants with Chronic Obstructive Pulmonary Disease, however without establishing a revenue model for this preventative approach to health care Sport Aberdeen may not be able to support the programme beyond the 2020/21 financial year. The same is true of the Home Oxygen Team, for which funding enabled additional temporary staffing resource allowing them to explore projects aimed at supporting early discharge and avoiding unnecessary hospital admissions. In these examples, whilst initial data looks very positive, the funding came late in the day and as such none of the above projects have been established long enough to fully evaluate their impact on the Operation Home First top line.

Such a wide-ranging portfolio as Operation Home First is unlikely to ever have a neat end point. This is because it is cross-system by design and naturally evolves over time based on evidence and key learning. For example, the Stay Well Stay Connected workstream within the Stepped Care Approach have identified social isolation as a key area of required focus moving forward in response to physical distancing that has emerged from the COVID19 pandemic. This means that, rather than evaluation being viewed as an activity that is undertaken at the 'end' of a project, it could be perceived as a tool that does not just determine the benefits of a particular initiative but is also used as a basis to guide future activities based on evidence. We would recommend that thought is given to maintaining a rolling programme of evaluation, underpinning the cyclical process of strategic planning and commissioning.

Next Steps

A more formal evaluation report on the progress of Operation Home First will be produced towards the end of Spring 2021, including the collective impact of this portfolio and recommendations on the future direction.

Acknowledgements

We would like to thank all the project / programme teams involved in the development of this work. Additionally, we would like to thank the Operation Home First Steering Group for their support and advocacy of this evaluation.

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