



RISK, AUDIT & PERFORMANCE COMMITTEE

Date of Meeting	10 September 2024
Report Title	Finance and Performance 2024 – Audit Scotland Report
Report Number	HSCP.24.072
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Consultation Checklist Completed	Yes
Directions Required	No
Exempt	No
Appendices	a. Integration Joint Boards Finance & Performance 2024
Terms of Reference	3 - Be aware of, scrutinise, receive assurance and monitor any relevant improvement activity arising from audit findings, inspections and regulatory advice from assurance providers (such as the Care Inspectorate, Audit Scotland, Healthcare Improvement Scotland and the Mental Welfare Commission), to ensure the integrity of Aberdeen City Health and Social Care Partnership (ACHSCP) control systems and processes.



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1. Purpose of the Report

- 1.1. This paper provides an overview and key messages from the recent Accounts Commission report, published by Audit Scotland on 25 July 2024 (as at Appendix A).

2. Recommendations

- 2.1. It is recommended that the Committee:

- a) Notes the report as attached at Appendix A and the assurance provided in respect of the recommendations made.

3. Strategic Plan Context

- 3.1. This report presents an assessment from the Accounts Commission (prepared by Audit Scotland) on IJBs' finance and performance across Scotland. The key messages and recommendations will help the Aberdeen City Health and Social Care Partnership (ACHSCP) to develop and deliver the Integration Joint Board's (IJB) strategic plan on a sustainable basis.

4. Summary of Key Information

- 4.1. Audit Scotland provide independent assurance that public money is spent properly, efficiently and effectively. They provide services to the Auditor General and the Accounts Commission. The Accounts Commission holds councils and other local government bodies in Scotland to account and helps them improve by reporting to the public on their performance. They operate impartially and independently of councils and of the Scottish Government.
- 4.2. The report prepared by Audit Scotland on Integration Joint Board's Finance and Performance 2024 provides a high-level independent analysis of the 30 Integration Joint Boards in Scotland, commenting on:
- the financial performance of IJBs in 2022/23 and the financial outlook for IJBs in 2023/24 and beyond;
 - performance against national health and wellbeing outcomes and targets alongside other publicly available performance information; and
 - a 'spotlight' focus on commissioning and procurement of social care.



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- 4.3. The report states that community health and social care faces unprecedented pressures and financial uncertainty, with rising unmet need.
- 4.4. This report builds on the previous [Audit Scotland report: Integration Joint Boards Financial Analysis 2021/22](#)
- 4.5. The report sets out key messages and recommendations for improving IJBs finance and performance, however importantly it notes that the ability to meet these recommendations does not lie solely with IJBs.
- 4.6. The report recognises that it focuses “on IJBs, however to respond to the significant and complex challenges in primary and community health and social care all the bodies involved need to work collaboratively on addressing the issues – IJBs alone cannot address the crisis in the sector. The next iteration of this annual report will be produced jointly with the Auditor General for Scotland and will take a whole system approach and will make recommendations to the Scottish Government, councils, NHS boards as well as IJBs, as appropriate”. It is the intention to report on that annual report, when available, to a future meeting of the Risk, Audit and Performance Committee.
- 4.7. The remainder of this report provides an assessment of these key messages and recommendations from our own IJB’s perspective.

Key Messages:

Message 1: Integration Joint Boards (IJBs) face a complex landscape of unprecedented pressures, challenges and uncertainties. These are not easy to resolve and are worsening, despite a driven and committed workforce. The health inequality gap is widening, there is an increased demand for services and a growing level of unmet and more complex needs. There is also variability in how much choice and control people who use services feel they have, deepening challenges in sustaining the workforce, alongside increasing funding pressures.

Response: This reflects the position in Aberdeen and previous reporting to the IJB. Whilst many of these challenges are experienced nationally, and therefore may require a national effort to address, ACHSCP have noted progress in the following areas:

- The Aberdeen City Local Outcome Improvement plan and Integrated Locality Plans play a significant role in supporting the IJB in addressing



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health inequity. This helps ensure that health interventions are supported by complementary actions in other areas such as housing or increasing access to employment and education opportunities.

- The LOIP and locality plans are based on data analysis and community engagement which has allowed specific areas where health inequities are more pronounced and improvement projects have been developed.
- The integrated locality teams have been established with staff from Aberdeen City Council and Aberdeen Health and Social Care Partnership to take forward and support the delivery of the locality plans.
- The IJB delivery plan recognises the growing health inequalities gap with priority projects to work towards reducing this.
 - The Health Improvement fund and investment with “Health Issues in the Community” programme have supported local leaders and organisations to take an active role in addressing health inequalities.
- Locally, ACHSCP has worked collaboratively with partners across the public, independent and third sectors to reduce unmet need from an average of 284 care searches in Q1 2022 to 73 in Q4 2024.
- The ACHSCP has a consistently high iMatters score across the organisation emphasising that ACHSCP is a good place to work.

Message 2: We have not seen significant evidence of the shift in the balance of care from hospitals to the community intended by the creation of IJBs. They operate within complex governance systems that can make planning and decision making difficult. They cannot address the issues across the sector alone. Whole-system collaborative working is needed as part of a clear national strategy for health and social care that will promote improved outcomes across Scotland but reflects the need to respond to local priorities.

Response: Aberdeen has a track record of partnership working with acute sector colleagues, for example around the NHSG Frailty Programme Board. The Frailty Pathway Redesign and work with Hospital at Home are good examples of the shift in balance of care home hospitals to community, as evidenced in previous evaluations submitted to the IJB. The Frailty Pathway redesign moved £5.3million from hospital-based service into intermediate and community based services, with an accompanying movement of staff and care into the community. As a specific example, Hospital at Home has expanded its service to care for up to 36 acutely unwell patients within their own homes (who would have previously been cared for in hospital)



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The IJB delivery plan makes the commitment to do this in other areas of work, including specialist rehabilitation. The wider issues of operating within the complex governance systems are noted and recognised and consideration is being given to further promotion of a whole system approach, particularly in the context of budget setting. This will be more relevant as stretched budgets come under more pressure from increasing and more complex demand.

Message 3: The workforce is under immense pressure reflecting the wider pressures in the health and social care system. Across the community health and social care sector there are difficulties in recruiting and retaining a skilled workforce. The Covid- 19 pandemic, the cost-of-living crisis and the impact of the withdrawal from the European Union have deepened existing pressures. Unpaid carers are increasingly relied on as part of the system but are also disproportionately affected by the increased cost-of-living. Without significant changes in how services are provided and organised, these issues will get worse as demand continues to increase and the workforce pool continues to contract.

Response: These issues are reflected across the wider sector in previous reporting to the IJB which outlines the difficulty in recruiting, but also the effort to address these challenges. Reduction in the working week as part of the 23/24 Agenda for Change settlement together with the implementation of the Health and Care (Staffing) (Scotland) Act 2019 also add to the factors that have to be managed. ACHSCP is committed to our workforce and has made key progress in developing and implementing our workforce plan which has resulted in better terms and conditions for care staff, reduced turnover and an increased headcount. (more detail on our workforce plan is included in the response to recommendation 3 further in the report).

Whilst unpaid carers are being increasingly relied upon, ACHSCP is making strong progress with the implementation of our [Carers' strategy 2023 - 2026](#), as highlighted in the IJB's [annual performance report](#). The ACHSCP is in the process of recommissioning both young and adult carers support services with new contracts to be in place by March 2025. Two successful LOIP project charters are increasing the number of Adult and Young Carers identified. Other priorities for the Carers Strategy includes, Identifying as a Carer and the first steps to support, Accessing Advice and Support, supporting future planning, decision making and wider Carer involvement and Community Support and Services.

Message 4: Uncertainty around the direction of the plans for a National Care Service and continued instability of leadership in IJBs have also contributed to the difficult context for planning and delivering effective services. We are seeing



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examples of IJBs trying to work in new and different ways, but there is a lack of collaboration and systematic shared learning on improvement activities.

Thoughts: ACHSCP is developing a response to the National Care Service Call for Views and will submit the response ahead of the submission date in September. The multi-agency, Aberdeen National Care Service Programme Board, has been operational since 2022 to identify risks and opportunities associated with the potential introduction of a national care service to ensure the city's readiness.

However, ACHSCP is not standing still and is actively contributing to and influencing national developments which contribute towards the outcomes that the NCS aims to bring. ACHSCP is one of 9 Getting it right for everyone (GIRFE) pathfinder HSCPs in Scotland. GIRFE is a national project aiming to develop a multi-agency approach to support from young adulthood to end of life care. There is a directed link between this and any future NCS. Being a pathfinder at this stage enables us to be at the forefront of development and prepare for changes in practice which will be required when the government move to full implementation of GIRFE in 2025.

Scotland's Digital Health and Care Strategy calls for the adoption of digital technologies to improve health outcomes, accessibility, and patient experience. Investing in the workforce to be more digitally informed with the right digital tools will enable greater capacity and flexibility as well as a more engaged, motivated and supported workforce. The partnership has been in active dialogue with Microsoft since 2023, building on Microsoft's partnership with ACC and their successful contribution to ACC's transformation programme including the creation of Dynamics 365, the social work digital platform.

A business case (on the agenda for the IJB in September) with 2 Proposals as part of a first phase development will look at a Social Work Practitioner Application; and Home Care Commissioning Portal.

Message 5: The financial outlook for IJBs continues to weaken with indications of more challenging times ahead.

- In common with other public sector bodies, financial pressures arising from rising inflation, pay uplifts and Covid- 19 legacy costs are making it difficult to sustain services at their current level and, collaborative, preventative and person-centred working is shrinking at a time when it is most needed.



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- The financial outlook makes it more important than ever that the budget process involves clear and open conversations with IJB partners, workforce, people who use services and other stakeholders around the difficult choices required to achieve financial sustainability.
- Overall funding to IJBs in 2022/23 decreased by nine per cent in real terms or by one per cent in real terms once Covid-19 funding is excluded. The total reserves held by IJBs almost halved in 2022/23, largely due to the use and return of Covid-related reserves. The majority of IJBs reported notable savings, but these were largely arising on a non-recurring basis from unfilled vacancies.
- IJBs have had to achieve savings as part of their partner funding allocations for several years. The projected funding gap for 2023/24 has almost tripled, in comparison to the previous year, with over a third anticipated to be bridged by non-recurring savings, with a quarter of the gap bridged using reserves. This is not a sustainable approach to balancing budgets.

Response: The challenges outlined above are well documented within financial reporting to the IJB and the Risk, Audit and Performance Committee. The draft IJB Medium Term Financial Framework, which will set out the anticipated gap in the IJB's budget for 2025/26, is due to be reported to the IJB at its meeting on 24 September 2024.

Message 6: Data quality and availability is insufficient to fully assess the performance of IJBs and inform how to improve outcomes for people who use services with a lack also of joined up data sharing. However, available national indicators show a general decline in performance and outcomes.

Response: ACHSCP reports against the required national indicators and as at 2023/24, local performance has been positive, despite financial challenges. ACHSCP has also developed its own performance indicators to demonstrate local priorities and engagement feedback from stakeholders has been consistently positive. ACHSCP is undertaking work to explore how it can use systems to view performance in a more integrated way from both local authorities and health boards (the development of an ACHSCP governance dashboard is an example of this). The Partnership's Senior Leadership Team also review an integrated dashboard on a quarterly basis aligned to delivery plan priorities, produced in Tableau, that considers data from a variety of areas across the integrated care system, including but not limited to acute hospital data; social care data; primary care data; housing data; and primary care data.

Message 7: Current commissioning and procurement practices are driven largely by budgets, competition, and cost rather than outcomes for people. They



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are not always delivering improved outcomes and are a risk for the sustainability of services. Improvement to commissioning and procurement arrangements has been slow to progress but is developing. There are some positive examples of where more ethical and collaborative commissioning models are being adopted.

Response: Aberdeen City is included as a strong example of how IJBs are working to commission in a more collaborative and flexible way, with a detailed case study on the Granite Care Consortium being included as an example of best practice at page 56 of the report at Appendix A.

Recommendations

Recommendation 1: Integration Joint Boards should ensure that their Medium-Term Financial Plans are up to date and reflect all current known and foreseeable costs to reflect short and longer-term financial sustainability challenges

Response: This recommendation is within the power of the IJB to implement. An IJB budget protocol together with the draft Medium Term Financial Framework for the IJB is also on the agenda for the meeting of the IJB on 24 September 2024. This will set out the anticipated financial challenge for 25/26.

Recommendation 2: Integration Joint Boards should ensure that the annual budgets and proposed savings are achievable and sustainable. The budget process should involve collaboration and clear conversations with IJB partners, workforce, people who use services and other stakeholders around the difficult choices required to achieve financial sustainability

Response: This recommendation is within the power of the IJB to implement. The budget protocol scheduled for the meeting of the IJB on 24 September 2024 will set out the proposed approach to public consultation. The Budget Protocol will be supported by a more detailed Budget Setting Pathway.

Recommendation 3: Integration Joint Boards should work collaboratively with other IJBs and partners to systematically share learning to identify and develop:

- service redesign focused on early intervention and prevention
- approaches focused on improving the recruitment and retention of the workforce

Response: This recommendation is partly within the IJB power's to implement. Overall, it is agreed that there is scope for greater systematic sharing of information relating to prevention/recruitment building on local strong relationships with partners. The ACHSCP collaborates with partners through



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forums such as, Aberdeen City Transformation Management Group, the North East Population Health Alliance, and the North East Partnership Steering Group.

Early Intervention /Prevention: The IJB's strategic plan makes a strong commitment on early intervention and prevention and Aberdeen City was identified within the audit report for having put in place schemes and plans to maintain early intervention and prevention services, with the Listening Service being included as an example. The priority intervention hub related to the Aberdeen City Vaccination and Wellbeing Hub has been highlighted at both the Faculty of Public Health and NHS Scotland conferences as good practice too, another good example about preventive work. As part of setting its budget, the IJB's also considers how its budget is allocated against three tiers: prevention, early intervention, and response. This helps the IJB to monitor the extent to which its budget is being allocated to upstream activities.

Recruitment & Retention: Aberdeen City Health and Social Care Partnership's [Workforce Plan](#) was approved in November 2022 by the IJB (progress is reported annually to the IJB) and has resulted in a decrease in staff turnover and a slight increase in staff headcount, however there is still work to do. One of the three main aims is Recruitment and Retention and there are commitments to work on 3 main areas under this aim:

- Develop a recruitment schedule;
- Support the development of the 'grow our own' approach and ensure future career pathways are available within ACHSCP; and
- Develop and introduce an induction for all new ACHSCP staff.

Recommendation 4: work collaboratively with other IJBs and partners to understand what data is available and how it can be developed and used to fully understand and improve outcomes for those using IJB commissioned services. This should include a consideration of gaps in data. It should also include consideration of measures to understand the impact of preventative approaches

Response

There are examples of great collaborative working within ACHSCP to use data to improve outcomes, particularly the Dynamics 365 project, working collaboratively with Aberdeen City Council and Microsoft to work with stakeholders and system users to modernise and transform the social work data system using Microsoft Technologies. More about this project can be read here [Dynamics 365 People and Change.pdf \(aberdeencity.gov.uk\)](#)



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There are also examples locally of posts working across Grampian for mutual benefit in relation to data and systems, for example the pan-Grampian MORSE Programme Manager post.

Within ACHSCP, there is close liaison with NHS Grampian's Health Intelligence to produce performance reports against the delivery plan, which combines data from across the sector. As the IJB transitions to a new strategic plan, officers are reviewing existing performance reporting to ensure it remains fit for purpose. Part of this process has been working with LA and PHS to review Aberdeen's Population Needs Assessment that a gap analysis was conducted on to understand what supplementary data is needed to inform strategic planning conversation. All of ACHSCP's key preventative activities, in addition to all delivery plan activities, include evaluation plans to evidence their impact. Particularly when doing small tests of change, this is more meaningful to measure compared with high level performance monitoring that can be influenced by a variety of external factors and allows the ACHSCP to fully understand whether our activities are being implemented as planned.

Recommendation 5: evaluate whether the local commissioning of care and support services, and the contracting of these services, adheres to the ethical commissioning and procurement principles, improving outcomes for people.

Response: Ethical commissioning principles are part of the tender (procurement) process, and more importantly, our monitoring and reporting mechanisms. A local example of the commissioning of the Care at Home contract demonstrated how ACHSCP engaged with service users and staff in care management, using GIRFE and the Ethical Commissioning principles to frame the surveys. The results from these surveys then informed a series of collaborative engagement events identifying priority areas for the new contract such as Technology Enabled Care, Overnight Care and Climate Change. ACHSCP has also implemented its 'Commissioning Academy' which provides an opportunity for collaborative learning and explorations of emerging themes, topics, policies and frameworks through a relaxed learning environment.

5. Implications for IJB: Whilst there are no direct implication from this report, the issues, challenges, pressures and risks are clearly set out. These are all relevant locally as well as nationally.

5.1. Equalities, Fairer Scotland and Health Inequality: There are no direct impacts arising from the recommendations of this report.



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- 5.2. Financial:** There are no direct impacts arising from the recommendations of this report.
- 5.3. Workforce:** There are no direct impacts arising from the recommendations of this report.
- 5.4. Legal:** There are no direct impacts arising from the recommendations of this report.
- 5.5. Unpaid Carers:** There are no direct impacts arising from the recommendations of this report.
- 5.6. Information Governance:** There are no direct impacts arising from the recommendations of this report.
- 5.7. Environmental Impacts:** There are no direct impacts arising from the recommendations of this report.
- 5.8. Sustainability:** There are no direct impacts arising from the recommendations of this report.
- 5.9. Other:** There are no direct impacts arising from the recommendations of this report.

6. Management of Risk

- 6.1. Identified risks(s):** The report at Appendix A highlights many risks which relate to most of the risks within ACHSCP's strategic risk register, in particular:
- **Risk 2** – There is a risk demand outstrips available budget resulting in financial failure and projection of overspend
 - **Risk 4** - There is a risk that the IJB, and the services that it directs and has operational oversight of, fails to meet the national, regulatory and local standards.
- 6.2. Link to risks on strategic or operational risk register:** as above