



# Aberdeen City Health & Social Care Partnership

*A caring partnership*

## AUDIT AND PERFORMANCE SYSTEMS COMMITTEE

### Minute of Meeting

**11 August 2016**  
**Town House, Aberdeen**

Present: Professor Mike Greaves (NHS Grampian) Chairperson and Councillors Ironside CBE and Young.

Also in attendance: Judith Proctor (Chief Officer, Aberdeen City Health and Social Care Partnership (ACH&SCP)), Kevin Toshney (Planning and Development Manager, ACH&SCP), Jimmie Dickie (Accountant, Aberdeen City Council (ACC)), Gill Mutch (Senior Accountant, ACC), David Hughes (Internal Audit), Deirdre Sim (Audit Scotland), Steven Inglis (Team Leader, Legal Services, ACC) and Iain Robertson (Clerk, ACC).

Apologies: Alex Stephen (Chief Finance Officer, ACH&SCP) and Tom Cowan (Head of Operations, ACH&SCP).

### OPENING REMARKS

1. The Chair opened the meeting and advised that a paper would be presented to the IJB at its next meeting on 30 August 2016 recommending that Ms Rhona Atkinson be appointed to the Audit and Performance Systems Committee as a voting member. Thereafter members introduced themselves and apologies were noted.

#### The Board resolved:-

To note that a report would be presented to the IJB on 30 August 2016 recommending that Ms Rhona Atkinson be appointed to the Audit and Performance Systems Committee as a voting member.

### MINUTE OF PREVIOUS MEETING – 31 MAY 2016

2. The Committee had before it the minute of the previous meeting of 31 May 2016.

#### The Committee resolved:-

(i) to approve the minute as a correct record;

- (ii) to note that the suggested changes to section 8.2 of the Terms of Reference had been actioned; and
- (iii) to note that an example of a worked SIPOC analysis had been received from the Good Governance Institute.

## **CORPORATE RISK REGISTER**

3. The Committee had before it the updated Corporate Risk Register for members' consideration.

Judith Proctor (Chief Officer, ACH&SCP) advised that the Corporate Risk Register was being reviewed and revised on a regular basis by the Executive Team and they were in the process of adding a column which would highlight if performance had improved, deteriorated or remained unchanged at a glance. Mrs Proctor added that the Executive Team had identified market failure as a key risk and they had looked at conducting a market analysis through the use of Scotland Excel to further inform the assignment of risk and the adoption of appropriate controls and mechanisms to manage and mitigate this risk.

### **The Committee resolved:-**

To note the revisions made to the Corporate Risk Register.

## **PERIOD 3 FINANCE REPORT**

4. The Committee had before it a report by Gillian Parkin (Finance Manager, NHSG) and Jimmie Dickie (Finance Business Partner, ACC) which summarised the current year revenue budget performance for the services within the remit of the Integration Joint Board (IJB) as at Period 3 (end of June 2016). The report also advised on areas of risk and management action relating to revenue budget performance of IJB services.

### **The report recommended:-**

that the Committee -

- (a) Note the report on the period 3 position in relation to the IJB budget and the information on areas of risk and management action that was contained therein; and
- (b) Note that the Executive Team would be required to agree a plan to reduce the level of anticipated overspend to a break even position for financial year end.

Jimmie Dickie spoke to the report and advised that the Partnership was in a favourable financial position but highlighted that there was a Prescribing overspend of £1.3m and informed the Committee that meetings had been scheduled with lead officers to manage this position and to identify areas where efficiencies could be made. Councillor Young asked how this overspend would be managed between the Council and NHS Grampian and Judith Proctor explained that for the Board's first financial year overspend costs would remain the responsibility of the relevant partner based on existing service and funding commitments but noted that the Partnership in conjunction with both partners would aim to produce a balanced budget at Year End. Mrs Proctor also highlighted that the prescribing budget was particularly volatile as it

was demand led but that they would continue to engage with primary care and pharmacy colleagues to manage and mitigate this issue.

Thereafter there were questions on Living Wage underspend, in which Mr Dickie advised that funds had not been accrued yet as a decision had not been taken by the Board on how funds should be utilised. And on the level of Mental Health overspend, which Mrs Proctor explained was largely due to the challenges in recruiting and retaining quality staff and added that lead officers would continue to monitor this position.

**The Committee resolved:-**

- (i) to note the report on the period 3 position in relation to the IJB budget and the information on areas of risk and management action that was contained therein;
- (ii) to note that the Executive Team would be required to agree a plan to reduce the level of anticipated overspend to a break even position for financial year end; and
- (iii) to request that the Chief Officer raise Prescribing as an issue for discussion at the next IJB Chief Officers meeting and thereafter to provide an update to the Committee's next meeting on these discussions and instances of best practice.

**IMPLEMENTATION OF THE NATIONAL LIVING WAGE TO CARE WORKERS**

5. The Committee had before it a report by Gill Mutch (Senior Accountant, ACC) and Alison MacLeod and Jean Stewart-Coxon (Commercial and Procurement Services, ACC) which sought Committee approval to increase rates paid to external providers from 1 October 2016 to help implement the Living Wage commitment made by the Scottish Government and Local Government as part of the 2016-17 grant settlement.

**The report recommended:-**

that the Committee –

- (a) Agree the proposal of a 6.4% uplift to all rates for purchased services across all client groups and for all hours worked (except those already covered by the National Care Home Contract) from 1 October 2016 to the IJB; and
- (b) Agree that the Committee's proposed course of action be recommended to the IJB for final approval, and to note that a formal direction would need to be provided to Aberdeen City Council to release the additional payments on the agreed basis.

Judith Proctor spoke to the report and explained that the implementation of the living wage for care providers had been a provision of the grant settlement between Scottish Government and Local Government but noted that no central direction had been produced on how this uplift would be passed onto providers and staff. Mrs Proctor highlighted that the Partnership was heavily dependent on external care providers but advised that the Partnership couldn't compel providers to deliver the living wage on a voluntary basis. She noted that the report recommended a 6.4% uplift for all external providers as this would align with the 2016-17 National Care Home Contract increase and would promote fair working practices particularly for providers that were existing living wage employers.

Thereafter there were questions on the IJB's adoption of Unison's Ethical Care Charter; and how the IJB could receive assurance that the proposed uplift would be used by providers to pay staff the living wage or to fund relevant training and development opportunities for care staff. Judith Proctor also advised the Committee that Bon Accord Care would not receive the proposed uplift as they were subject to the Council's terms and conditions and they had been notified of this position.

**The Committee resolved:-**

- (i) to agree the proposal of a 6.4% uplift to all rates for purchased services across all client groups and for all hours worked (except those already covered by the National Care Home Contract) from 1 October 2016 to the IJB;
- (ii) to agree that the Committee's proposed course of action be recommended to the IJB for final approval, and to note that a formal direction would need to be provided to Aberdeen City Council to release the additional payments on the agreed basis; and
- (iii) to Instruct the Chief Officer to ensure the implementation of the Living Wage and Fair Working Practices through appropriate contract monitoring processes and to provide assurance to the IJB that this had been implemented by the end of the financial year.

**DECLARATIONS OF INTEREST**

**Judith Proctor declared a pecuniary interest in the following item and chose to withdraw from the meeting during consideration of this item.**

**2015-16 ANNUAL ACCOUNTS (UNAUDITED)**

6. The Committee had before it a report by Paul Dixon (Accounting Manager, ACC) which provided the Committee an overview of the Board's 2015-16 unaudited annual accounts and to enable scrutiny of and approval by Committee of the content of the Annual Governance Statement.

**The report recommended:-**

that the Committee –

- (a) Approve the Annual Governance Statement as included in the Board's unaudited annual accounts for the financial year 2015-16;
- (b) Approve the accounting policies contained within the unaudited annual accounts 2015-16;
- (c) Consider the Board's unaudited annual accounts 2015-16; and
- (d) Note that the Board's unaudited annual accounts had been submitted to Audit Scotland on 30 June 2016.

Jimmie Dickie summarised the annual accounts and noted that this was an initial iteration of the IJB's position and there was limited movement to update the committee on. He added that Finance colleagues would continue to monitor the Board's financial position and provide regular updates to the Committee.

**The Committee resolved:-**

- (i) to approve the Annual Governance Statement as included in the Board's unaudited annual accounts for the financial year 2015-16;
- (ii) to approve the accounting policies contained within the unaudited annual accounts 2015-16; and
- (iii) to note that the Board's unaudited annual accounts had been submitted to Audit Scotland on 30 June 2016.

## **2016-17 AUDIT PLAN**

7. The Committee had before it a report by David Hughes (Chief Internal Auditor) which sought Committee approval of the Internal Audit Plan for the Aberdeen City IJB for 2016-17, subject to ACC's Internal Auditors being appointed as Internal Auditors to the IJB on 30 August 2016, and the protocol for sharing the results of Internal Audit outputs.

### **The report recommended:-**

that the Committee –

- (a) Approve the Internal Audit Plan for 2016-17, subject to Aberdeen City Council's Internal Auditors being appointed as Internal Auditors to the Aberdeen City IJB on 30 August 2016; and
- (b) Agree to the sharing of Aberdeen City IJB Internal Audit reports with Aberdeen City Council's Audit, Risk and Scrutiny Committee and NHS Grampian's Audit Committee.

David Hughes spoke to the report and explained that the Audit Plan was part of the process which would formalise auditing arrangements for the IJB and its two partners. He advised that it was a limited plan as the primary focus of Internal Audit was on the arrangements put in place by the City Council and NHS Grampian to monitor and support the IJB and ACH&SCP.

### **The Committee resolved:-**

- (i) to approve the Internal Audit Plan for 2016-17, subject to Aberdeen City Council's Internal Auditors being appointed as Internal Auditors to the Aberdeen City IJB on 30 August 2016; and
- (ii) to agree to the sharing of Aberdeen City IJB Internal Audit reports with Aberdeen City Council's Audit, Risk and Scrutiny Committee and NHS Grampian's Audit Committee.

## **DECLARATIONS OF INTEREST**

**The Chair declared an interest in the following item by virtue of his position as a Board member of Quarriers but chose to remain in the meeting during consideration of this item.**

## **ALEO GOVERNANCE HUB UPDATE: BON ACCORD CARE**

7. The Committee had before it a report by the Clerk which reported to Committee the outcome of the most recent ALEO Governance Hub meeting in

relation to Bon Accord Care. The minutes from the 9 May 2016 meeting were appended to the report.

**The report recommended:-**

That the Committee note the report and the contents of the minute of the ALEO Governance Hub meeting of 9 May 2016 in relation to Bon Accord Care.

Judith Proctor advised that the ALEO Governance Hub would now be meeting on a quarterly basis and the minutes of the Bon Accord Care meetings would be presented to this Committee. She added that appropriate scrutiny of Bon Accord Care was important as 10% of the IJB's budget was assigned to services provided by the ALEO.

**The Committee resolved:-**

To note the report and the contents of the minute of the ALEO Governance Hub meeting of 9 May 2016 in relation to Bon Accord Care.

**PROFESSOR MIKE GREAVES, Chairperson.**