

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	15 th March 2017
LEAD OFFICER	Chief Executive
TITLE OF REPORT	Aberdeen City Integration Joint Board
REPORT NUMBER	OCE/17/005

1. PURPOSE OF REPORT

The report provides the Council with details of the arrangements put in place for governance of the Integration Joint Board (IJB).

2. RECOMMENDATION

That the Council notes the content of this report.

3. FINANCIAL IMPLICATIONS

There are no financial implications arising directly from this report. Finance is, however, a key element of the governance arrangements of which this report provides details.

4. OTHER IMPLICATIONS

None.

5. BACKGROUND/MAIN ISSUES

The Council has instructed the Chief Executive to provide quarterly reports to members on matters relating to the IJB that she considers to be of interest to them at Council meetings such reports including financial monitoring information in relation to the IJB.

The first report was submitted to Council in August 2016 and set out the central elements of governance which have been established from the IJB's arrangements, giving details for each of these. A second report was submitted to Council in December 2016, this report further updates Council on these matters.

A.	Purpose and Strategic Planning
i.	<p>The purpose of the IJB is set out in its Strategic Plan 2016 -19 which it agreed in March 2016.</p> <p>The Strategic Plan includes:-</p> <ul style="list-style-type: none"> - A strategic vision statement - Values - Strategic priorities for the next 3 years <p>and places these in the local and national context.</p> <p>The Board agreed at its meeting on 15 November 2016 that the first review of the Strategic Plan be carried out between June and September 2017. The Council will, of course, be consulted on this review and attention should be given to, amongst other key areas, the alignment of the Strategic Plan to Community Planning Aberdeen's Local Outcome Improvement Plan.</p> <p>The Partnership's first annual report is due to be published in June 2017. It should be noted that the nine national health and wellbeing outcomes identified by the Scottish Government are under review to ensure that they are fit for purpose.</p> <p>The Partnership is proposing to establish a tiered planning framework that seeks to align governance, strategy, business processes, workforce and outcomes. It is anticipated that this will be completed in late 2017.</p> <p>Locality Leadership Groups have now been established and will continue to implement and develop the Partnership's four locality areas and their plans. It is envisaged that the Partnership will produce its locality plans in late 2017.</p>
B.	Board Governance
i.	<p>As previously reported, the Board engaged the Good Governance Institute (GGI) to provide support identifying and delivering the key governance requirements, including:-</p> <ul style="list-style-type: none"> - a methodology for assessing board effectiveness and establishment of a baseline using a maturity matrix; - production of a Board Assurance and Escalation Framework; - improvement and definition of the Board's organisation, behaviours, dynamics and sense of strategic purpose. <p>GGI remain engaged and have made recommendations for the further development of governance arrangements. These have been agreed by the IJB and progress is being monitored and reported.</p>
ii.	As part of its normal operations, the IJB is subject to independent

	assurance through the Care Inspectorate; Healthcare Improvement Scotland; the Health and Safety Executive; as well as its external auditors. All relevant external independent assurance reports will be reported to the Council.
iii.	Two Committees have been established as undernoted and these are now meeting regularly: <ul style="list-style-type: none"> - Audit & Performance Systems - Clinical & Care Governance Committee
iv.	The Board has established an Integration and Transformation Programme Board to consider priorities as identified through localities and provide added value and influence strategic decision making in relation to improving health and wellbeing.
v.	At its meeting on 31 st January 2017 the Board agreed a developmental timetable for IJB and Committee members covering 2016/17 and 2017/18. The development programme includes knowledge of financial governance, scrutiny, risk management and the Board's duties in relation to community justice. The timetable will be updated throughout the year.
C.	Reserved and Delegated Powers
i.	<p>Aberdeen City Council and NHS Grampian have delegated a range of statutory functions in respect of health and social care to the IJB. It is important to note that these functions have been delegated and not transferred. This means that the statutory accountability for the functions still remains with the Council and NHS Grampian, under the direction of the IJB.</p> <p>Work is ongoing with officers within Legal and Democratic Services to make suitable amendments to ACC's Scheme of Delegation which shall address operational and statutory delegations to officers in order to fulfil the delivery of the Integration of health and social care agenda. The Board have been advised that the Scheme will be "aligned" to the development of Aberdeen City Council's revised Scheme of Delegation, which, as Members will be aware, is being reviewed as part of a comprehensive review of the Council's governance arrangements. This review will provide clarity on the nature and applicability of ACC's Scheme of Delegation to the role of Chief Officer and her executive team. A report will be tabled to the IJB at the conclusion of the review of the Scheme, which will clarify the remit and responsibilities of the Chief Officer, Head of Operations and the Chief Financial Officer in respect of the operational management and deliverability of the integrated services.</p>
ii.	Legislation requires the IJB to set out a mechanism for implementing the Strategic Plan and this takes the form of Directions from the IJB to Aberdeen City Council and NHS Grampian which set out the services and functions to be delivered by each organisation and the associated budget for this.

	<p>The Directions are to be reviewed by the Audit and Performance Systems Committee as and when updates are required, and, at a minimum, on an annual basis.</p> <p>It is the responsibility of the Chief Officer to ensure that the IJB Directions are made in accordance with the legislative framework and regulations which apply to NHS Grampian and Aberdeen City Council and that they are, consequently, legally competent.</p> <p>I have requested that an agreed process be adopted for the issuing of IJB Directions. Specifically, it is proposed:-</p> <ul style="list-style-type: none"> - that an appropriate template is developed and consistently used for all Directions; - that consultation is undertaken with the Council's Head of Legal Services to provide assurance that proposed Directions are legally competent; - that IJB Directions which propose "major changes" to the delivery of services, be issued only following engagement with the Council's elected members; and - that where IJB Directions are required for the delivery of services, but no "major change" is proposed, these be submitted to the Council annually for information. <p>A formal Direction has been agreed by the Board which requires the Council to initiate procurement and / or contract extensions in relation to the provision of mental health services. A copy of this Direction is attached as an Appendix to this report.</p>
D.	Financial Governance
i.	<p>The Board considered a report at its meeting on 31st January 2017 which summarised the budgetary position anticipated position for 2017/18 following the provisional grant settlement information made available by the Scottish Government in December.</p> <p>The report identified budget pressures for the IJB in 2017/18 of c£8.019m prior to the Council's budget being set. This provisional budget pressure included the removal of £3.090 million from the Council's contribution to the IJB as indicated in the grant settlement. On the 22nd February the Council agreed that the £3.090 million be removed.</p> <p>The report identified budget savings for 2017/18 of £4,837,000 which, the Board were advised, would not have a material impact on the delivery of the IJB's strategic plan. The gap between these savings and the growth items stands at £3,182m.</p> <p>The IJB has significant Integration and Change funding available to help transform the services provided. In 2017/18 these are likely to amount to £28m of which £17m has been provisionally allocated.</p>

	<p>The Board requested that a special IJB meeting be held to discuss the budget once the budgets to be delegated by Aberdeen City Council and NHS Grampian had been agreed. At the time of writing this report, the special IJB budget meeting was due to be held on the 7 March 2017 and the funding gap was reduced to £2.241m following a review of the budget pressures and it was recommended the funding gap for 2017/18, be met by using unallocated funds for Integration and Change.</p> <p>The Board will consider financial reports on 28th March 2017 seeking approval to distribute funds for sleepovers and the living wage to providers.</p>																																								
ii.	<p>The Board received a financial update at their January 2016 meeting covering budget performance for the year to December 2016.</p> <p>A £0.721m overspend variance was reported and attributed, mainly, to an overspend on primary care prescribing budgets. The forecasted year-end position, based on month 9 results, is a projected overspend of £1,480,000 on mainstream budgets. Figures prepared to the end of January indicate this position has improved due to reduction in the prescribing forecast spend.</p> <p>Should it not be possible for the Partnership to manage the overspend position, the Board have been advised that funding to cover the overspend will require to be met from Integration and Change Fund.</p> <p>The Integration and Change Funds are:-</p> <table><tr><th></th><th>2016/17</th><th>2015/16 c/fwd</th><th>Total</th></tr><tr><td></td><td>£m</td><td>£m</td><td>£m</td></tr><tr><td>Integrated Care Fund</td><td>3.750</td><td>2.436</td><td>6.186</td></tr><tr><td>Delayed Discharge Fund</td><td>1.125</td><td>0.921</td><td>2.046</td></tr><tr><td>Winter resilience</td><td></td><td>0.190</td><td>0.190</td></tr><tr><td>Social Care Integration and Change Funding</td><td>4.750</td><td></td><td>4.750</td></tr><tr><td>Primary Care Transformation</td><td>0.270</td><td></td><td>0.270</td></tr><tr><td>Mental Health Fund</td><td>0.147</td><td></td><td>0.147</td></tr><tr><td>Transforming Urgent Care</td><td>0.286</td><td></td><td>0.286</td></tr><tr><td></td><td>10.328</td><td>3.547</td><td>13.875</td></tr></table> <p>The Integration Scheme makes provision, in the first year of operation, for any overspend which cannot be recovered or funded from uncommitted reserves to be met by the partner organisation to which the spending Direction for the service is given i.e. the partner organisation with</p>		2016/17	2015/16 c/fwd	Total		£m	£m	£m	Integrated Care Fund	3.750	2.436	6.186	Delayed Discharge Fund	1.125	0.921	2.046	Winter resilience		0.190	0.190	Social Care Integration and Change Funding	4.750		4.750	Primary Care Transformation	0.270		0.270	Mental Health Fund	0.147		0.147	Transforming Urgent Care	0.286		0.286		10.328	3.547	13.875
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	operational responsibility for the services. In future years, both partners, or one partner, can make a one off payment to be recovered from their baseline payment to the IJB in the next financial year.
iii.	The Chief Finance Officer (CFO) of the IJB will be responsible for developing the financial strategy of the IJB including the production of its Medium Term Financial Plan to link to the IJB's Strategic Plan. The CFO will also be responsible for the completion of the IJB's Annual Financial Statement, which outlines the financial resources included in the Strategic Plan and the use of those resources in each financial year of the Plan. The priority over the first year was given to producing a balanced budget. Provisional figures were presented to the IJB showing the budget requirement for the next five years, assuming the funds delegated by the Council\NHS and services delivered remained the same.
iv.	<p>In agreeing its reserve strategy earlier in 2016/17 it was agreed that the IJB's position on reserves would be considered during the budget and year-end processes.</p> <p>The Board considered a report proposing to earmark £2.5 million of the integration and change fund underspend as a risk fund. The intention of this fund is to cover the IJB should some of the budget risks identified in the setting of the budget change over the financial year. This equates to 1% of the mainstream budget and if necessary will be available to support the health and social care services indicated in the strategic plan.</p> <p>The reserves policy is supported by the Director of Finance of NHS Grampian and the Section 95 Officer of the Council. The reserves will be reviewed annually as part of the IJB's Budget and Strategic Plan.</p>
E.	System of Risk Management
i.	<p>In line with the approved Risk Management Framework, the Audit and Performance Systems Committee is regularly reviewing the Corporate Risk Register. Most recently this was done on 10th January, 2017. The Committee were advised that work was ongoing to strengthen the cohesiveness between Operational and Strategic Risk Registers. I will continue to monitor the development of the registers to ensure they adequately reflect the risks being carried by the IJB on behalf of the Council.</p> <p>Both the Risk Management Policy and the "Statement of Risk Appetite" are scheduled to be reviewed during 2016/17. The 3 North East HSCPs are seeking to recruit on a fixed term basis a Health & Safety advisor to undertake a review of appropriate H&S matters.</p>
ii.	The Board had instructed a review of the appointment of the Chief Internal Auditor and Internal Auditors before 31 March 2017. A report was presented and agreed by the Audit & Performance Systems Committee on the 28 February 2017 and a recommendation will be made to the IJB to continue using the Aberdeen City and Aberdeenshire Councils' Internal

	<p>Auditors.</p> <p>An annual audit plan has been agreed which has 2 reviews:-</p> <ul style="list-style-type: none"> • Purchasing and Creditors • Carefirst <p>It remains a responsibility of the Council, through its Audit, Risk & Scrutiny Committee, to assess risks and commission internal audit reviews on the control environment for the delivery of adult social care. A similar arrangement is place for the NHS delegated services, whereby the NHS commission internal audit reviews on delegated IJB services and the internal audit reports are presented to the NHS Grampian Audit Committee.</p> <p>Three reports which had been considered by the Council's Audit, Risk and Scrutiny Committee in November 2016 were submitted to the IJB's Audit and Performance Systems Committee in January 2017.</p> <p>At their meeting in August 2016, the Council agreed that the conveners of audit committees from Aberdeen City Council; Aberdeenshire Council; and the IJB should come together to avoid duplication of effort, whilst ensuring that both parent bodies receive necessary assurances. An initial meeting was held which discussed what internal audit reports the IJBs wished produced by NHS Grampian's internal auditors. A further meeting is being arranged to continue these discussions.</p>
F.	Information Governance
i.	A Joint Information Sharing Group has endorsed a proposed Data Sharing Agreement with National Services Scotland (NSS) and consideration is now being given as to how Council and NHSG approve this agreement.
G.	Clinical Care Governance
i.	<p>The Clinical and Care Governance Committee provides assurance to the IJB in relation to the quality and safety of services planned and/or delivered by the IJB. Its key role is to ensure that there are effective structures, processes and systems of control for the achievement of the IJB's priorities, where these relate to regulatory compliance, service user experience, safety and the quality of service outcomes. To support this role, the CCGC is informed by the clinical and care governance arrangements in place across NHS Grampian and Aberdeen City Council.</p> <p>It also assures the IJB that services respond to requirements arising from regulation, accreditation and other inspections' recommendations. The Committee will consider and approve high value clinical and care risks, consider the adequacy of mitigation, the assurance provided for that mitigation and refer residual high risks to the Board. It has a key role in assuring the Board that learning from governance systems across services, including learning arising from incidents, complaints and identified risks, is shared and embedded as widely as possible.</p>

ii.	Health and Safety reports are provided to the Clinical and Care Governance Committee. The most recent report included information on accidents, near misses, absence, risk assessments, workplace inspections, training, emergency procedures, fire risk assessments and health and safety audit.
iii.	The Board considered a report in January 2017 on the issue of Delayed Discharge Performance and Improvement. The report reflects continued improvement. The overall volume of delayed discharged individuals has decreased 30% between 2015 and 2016, with the number of bed days lost down by 28% over the same period.
iv.	The Chief Social Work Officer's Annual Report 2015/16 was reported, for their interest, to the Board in January 2017.

H.	System of Performance Management
i.	<p>The Audit and Performance Systems Committee performs the role of reviewing and reporting on the effectiveness of the governance structures and systems in place and on the quality of the assurances the Board receives. It has a moderation role in relation to the consistency of risk assessment. It also has oversight of information governance issues.</p> <p>Progress on implementing the Framework for Performance, Governance and Improvement was reported to the Board in January 2017.</p> <p>National guidance requires Partnerships to produce an annual report on performance using the 'core suite of indicators'. The Annual Report will be submitted to Council around June 2017. Beyond that, it is for the IJB to decide the breadth and depth of performance monitoring and the frequency of reporting. The report in January indicated that, beyond the required national indicators, the Partnership has begun to identify other relevant metrics which suit particular local requirements. This includes consideration of new measures that are more sensitive to change and improvement. In reporting positive progress, the report noted that this workstream "still have a long way to go".</p> <p>It is planned that the Audit and Performance Committee will be the main recipient of all performance data and intelligence and that decisions on exception reporting to Board level will be taken by this committee.</p>
ii.	<p>The Board considered a report at its January meeting which provided an update on transformational activity and sought approval to incur expenditure. The Transformation programme is overseen by the Integration and Transformation Programme Board.</p> <p>The Transformation Programme includes the following priority areas for strategic investment:</p> <ul style="list-style-type: none"> • Acute Care at Home • Supporting Management of Long Term Conditions – Building Community Capacity • Modernising Primary and Community Care • Culture Change/ Organisational Change • Strategic Commissioning and Development of Social Care • Information and Communication Technology and Technology Enabled Care (included within a wider work programme also including infrastructure and data sharing) • Delayed Discharge <p>These programmes, consisting of a range of individual and linked projects, seek to support the delivery of the objectives and aspirations as set out in our Strategic Plan.</p> <p>The report noted that whilst "many of the work streams are currently</p>

	<p>progressing slower than we would wish” it is anticipated that this position will improve once the additional resource (i.e. new posts) is in place. Work is ongoing to develop an evaluation framework to evaluate all of the Partnership’s transformational activities to evidence the extent to which these are attaining their specific objectives and contributing to the implementation of the strategic plan. Colleagues from Health Intelligence within NHS Grampian are developing this evaluation framework of transformational activities and are liaising with Integrated Localities Programme Manager. The Board has instructed the Chief Officer to report on how transformation plans can be accelerated. It is intended to bring a performance report to the Board meeting in May, 2017.</p>
v.	<p>Regular one to one meetings between Joint Accountable Officer and ACC and NHS Grampian CEOs continue and are attended by the Council’s S95 Officer where the financial and non-financial performance of the IJB is reviewed.</p> <p>At the most recent meeting, further refinement was agreed to the regular performance dashboard. In addition, it was agreed that 4 key improvement plans would be reviewed in future, along with the Board’s Transformation Programme. The group also agreed to formalise the collaborative approach to budget setting across the executive teams. A “Budget Protocol between ACC; NHS Grampian and the Aberdeen IJB” was agreed at the Council’s meeting on 22nd February, 2017. This sets out a collaborative approach to budget setting, including both executive and non-executive engagement, ensuring that there is transparency throughout the process and that the decision making role of the IJB is respected.</p>
H.	Procurement Governance
i.	<p>A commissioning plan will be developed showing, in more detail, the IJB’s commitment to transform the configuration and delivery of the integrated health and social care services across all sectors to meet the needs of the local population. The Plan will be a statement of intent and as such an invitation to the third, independent and housing sectors to participate in the collaborative development and implementation of these.</p> <p>The substance and detail of this commissioning plan will influence future directions that the IJB gives to Council and Health Board in respect of delegated services that they deliver on behalf of the IJB. This plan will be produced in the second quarter of 2017.</p> <p>A Market Facilitation steering group has been established to oversee the development of a Market Facilitation plan. It is envisaged that this plan will be presented to the IJB for approval and publication, along with the Commissioning Plan referred to above, in the second quarter of 2017. Market facilitation is an integral element of the commissioning cycle and the Partnership intends to build on ongoing dialogue with partners in the third, independent and housing sectors to develop a market facilitation plan which will outline the key principles to underpin commissioner provider relationships as well as activities which will support the reshaping of</p>

	<p>existing care models across all of the sectors.</p> <p>National level negotiations are ongoing with regard to the National Care Home Contract. An update will be provided in my next quarterly report on the outcomes of these negotiations.</p>
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6. IMPACT

Improving Customer Experience –

None direct.

Improving Staff Experience –

None direct.

Improving our use of Resources –

None direct.

Corporate –

The report supports the awareness of Council of the developing arrangements for the IJB.

Public –

The report may be of public interest as the new arrangements are developed and embedded.

7. MANAGEMENT OF RISK

Any significant risks will be identified and managed as appropriate. The report includes details of the system of risk management as well as identified financial risks.

8. BACKGROUND PAPERS

“Aberdeen: the Smarter City”

“Aberdeen City Health and Social Care Partnership Strategic Plan”

“Aberdeen City Health & Social Care Partnership – Integration

Scheme”

9. REPORT AUTHOR DETAILS

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INTEGRATION JOINT BOARD**DIRECTION**

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

The **ABERDEEN CITY COUNCIL** is hereby directed to deliver for the Board, the agreed specific direction noted below within the associated budget.

- Services: Adult Social Care Services as listed below :

	Type of Service	1 year estimated expenditure	5 year estimated expenditure	Present Contract expires
Services to be retendered				
SAMH George Street	Supported Accomodation	£ 378,930	£ 1,894,649	31/12/17
SAMH Constitution Street	Supported Accomodation	£ 308,924	£ 1,544,912	31/12/17
Penumbra Papermill Gardens	Supported Accomodation	£ 391,208	£ 1,956,042	31/12/17
Penumbra Outreach Service	Care at Home and Housing Support	£ 311,060	£ 1,555,300	31/08/17
Employability Services framework	Employability, training and skills development	£ 539,750	£ 2,698,750	31/10/17
Contracts to be extended				
Penumbra Rosemount	Residential care home	£ 206,685	£ 1,033,425	31/12/17
Penumbra Ellon Road	Residential care home Short break	£ 240,796	£ 1,203,980	31/12/17
Seabank Aberlea	Residential care home	£ 250,429	£ 1,252,147	25/02/17
Penumbra Nova Service and First Response Service	Support service	£ 343,845	£ 1,719,227	30/09/17
Alzheimer's Scotland	Specilaist advice,	£88,625.88	443,129	31/03/17

Advice And information	information and support service			
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Functions:- Support services for people with Mental Illness

IJB Approval:- 31 January 2017

Specific Direction

1. To direct Aberdeen City Council to initiate the procurement of mental health services as listed above.
2. To direct Aberdeen City Council to extend contracts for a 3 year period with an option to extend for a further 2 years based on performance and current demand and strategy.
3. To direct Aberdeen City Council to award the contracts to the preferred bidder on completion of the procurement process.

Associated Budget:- Please see table above identified from budgets now in the Aberdeen City Health & Social Care Partnership.

This direction is effective from 31 January 2017 until the procurement process is completed.