



AUDIT AND PERFORMANCE SYSTEMS COMMITTEE

Minute of Meeting

11 September 2018
Health Village, Aberdeen

Present: Rhona Atkinson (NHS Grampian (NHSG)) Chairperson; and Councillor Samarai; and Jonathan Passmore MBE (NHSG).

Also in attendance: Alex Stephen (Chief Finance Officer, Aberdeen City Health and Social Care Partnership (ACHSCP)), Alison MacLeod (Lead Strategy and Performance Manager, ACHSCP), Gail Woodcock (Lead Transformation Manager, ACHSCP), Martin Allan (Business Manager, ACHSCP), Susie Downie (Transformation Programme Manager, ACHSCP), Kundai Sinclair and Iain Robertson (Governance, Aberdeen City Council (ACC)), Colin Harvey (Internal Audit) and Natalie Dyce (External Audit -via teleconference for agenda item 8 only).

Apologies: Councillor Laing.

DECLARATIONS OF INTEREST

1. Members were requested to intimate any declarations of interest.

The Committee resolved:-

To note that no declarations of interest were intimated at this time for items on today's agenda.

DETERMINATION OF EXEMPT BUSINESS

2. The Committee was asked to determine any exempt or confidential business.

The Committee resolved:-

To agree to consider agenda item 12 (Contracts Register) with the press and public excluded.

MINUTE OF PREVIOUS MEETING – 12 JUNE 2018

3. The Committee had before it the minute of the previous meeting of 12 June 2018.

In reference to item 8(i), Martin Allan (Business Manager, ACHSCP) provided an update on the Care First System in response to Internal Audit's recommendation, he advised that (1) written procedures were updated regularly and communicated to operational staff through the Council's intranet site; (2) data validation reports were regularly run and scrutinised by Service Managers to ensure the system remained up to date; (3) complex care package rate changes would be addressed through contract management processes; (4) system upgrades were taking place to comply with new legislation; (5) the Council's Strategic Commissioning Committee approved the extension of Care First's contract up to March 2020 whilst work on a replacement system was being progressed; and (6) he provided an overview of the Self Directed Support Board's terms of reference, membership and oversight provided by the Strategic Commissioning Programme Board.

The Committee resolved:-

- (i) to approve the minute as a correct record; and
- (ii) to note the information provided.

FORWARD REPORT PLANNER

4. The Committee had before it the Forward Report Planner which tracked Committee requests for further assurance, as well as items of business that were within the Committee's terms of reference which had been referred to Committee by the IJB or Clinical and Care Governance Committee.

Iain Robertson (Governance, ACC) advised that the Planner was intended to be used as a tool to track assurance requested by the Committee or items which had been referred to the Committee by the IJB or Clinical and Care Governance Committee. He explained that the Planner would link in with the standing Confirmation of Assurance item, so that if members requested additional assurance from officers, this request would be added to the Planner and progress could be monitored at subsequent meetings.

The Committee resolved:-

To note the Planner.

AUDIT AND PERFORMANCE SYSTEMS DUTIES REPORT

5. The Committee had before it a report by Alex Stephen (Chief Finance Officer, ACHSCP) which presented the Committee with an intended schedule of reporting to ensure that the Committee is fulfilling all the duties as set out in its terms of reference.

The report recommended:-

That the Committee -

- (a) Note the content of the APS Duties report as attached at Appendix A; and
- (b) Requests that the Chief Finance Officer present a report back to Committee at the end of the financial year confirming that these duties were met and

outlining the anticipated schedule for meeting these duties in the financial year 2019-20.

Alex Stephen advised that the report outlined the timescales for reports which would be presented to Committee in order to provide assurance that the Committee was meeting duties under its terms of reference.

Thereafter there were questions and comments on items 9 (Hosted Services) and 12 (Performance Reviews) which did not have target reporting dates listed within the report. With regards to Hosted Services, Mr Stephen explained that developing solutions to address this risk was within the remit of the North East Partnership but confirmed that progress was at an early stage. And with regards to Performance Reviews, he advised that a Learning Disabilities Service performance review was ongoing and findings would be circulated to IJB members in due course.

The Committee resolved

- (i) to note the content of the APS Duties report as attached at Appendix A; and
- (ii) to request that the Chief Finance Officer present a report back to Committee at the end of the financial year confirming that these duties were met and outlining the anticipated schedule for meeting these duties in the financial year 2019-20.

STRATEGIC RISK REGISTER AND RISK APPETITE REVIEW

6. The Committee had before it a report by Martin Allan (Business Manager, ACHSCP) which presented the Committee with a revised version of the Aberdeen City Health & Social Care Partnership's strategic risk register and risk appetite statement.

The report recommended:-

That the Committee -

- (a) Approve the revised risk appetite statement, as attached at appendix A; and
- (b) Approve the revised strategic risk register, as attached at appendix B.

Martin Allan advised that the risk appetite statement and strategic risk register had been reviewed following the IJB's risk management workshop on 24 April 2018. He highlighted the key changes which had been made and noted that the Executive Team would continue to monitor the register on an ongoing basis. He also recommended that it would be good practice for the Committee to focus on three risks per meeting and provide strategic oversight of the register up until its next formal review by the IJB.

Thereafter there was discussion on the need to further embed risk management within strategic and operational reporting to ensure that performance management, risk management and the Strategic Plan provided the IJB with a framework to take difficult decisions when required.

The Committee resolved:-

- (i) to approve the revised risk appetite statement, as attached at appendix A;
- (ii) to approve the revised strategic risk register, as attached at appendix B; and

- (iii) to agree to monitor three risks within the strategic risk register at each Committee meeting up until the next review period, and to treat the register as a living document.

INTERNAL AUDIT REPORT

7. The Committee had before it a report by Alex Stephen which presented the Committee with a summary of a recent NHSG Internal Audit report prepared by PwC.

The report recommended:-

That the Committee –

- (a) Note the content of the NHSG Internal Audit Report, as attached at Appendix A; and
- (b) Note the timescales as outlined in the action plan of the NHSG Internal Audit report, as attached at Appendix A.

Colin Harvey (IJB Internal Audit) advised that the recommendations by NHSG's internal auditor and the Partnership's proposed response both seemed reasonable.

Thereafter there was discussion on whether divergence amongst Grampian Partnerships in terms of performance reporting was due to locality planning and whether this was a positive development. Alison MacLeod advised that divergence would be limited as all Partnerships were required to demonstrate achievement against the nine national health and wellbeing outcomes.

The Committee resolved:-

- (i) to note the content of the NHSG Internal Audit Report, as attached at Appendix A; and
- (ii) to note the timescales as outlined in the action plan of the NHSG Internal Audit report, as attached at Appendix A.

EXTERNAL AUDIT ANNUAL REPORT

8. The Committee had before it a report by Alex Stephen which presented the Committee with the external audit annual report for discussion and noting.

The report recommended:-

That the Committee note the content of the Annual Audit Report for the year ended 31 March 2018, as at appendix A.

Natalie Dyce (IJB External Audit) advised that today's report would complete the 2017-18 annual audit process and she provided an overview of the Partnership's mainstream budget deficits, and its balance and reserves position. Ms Dyce then drew Members attention to External Audit's conclusions and highlighted its findings in terms of four audit dimensions:-

With regards to (1) Financial Sustainability, the auditors took the view that strong transformation and governance arrangements were in place to close the budget gap and they endorsed the development of a Medium-Term Financial Strategy as good practice;

With regards to (2) Governance and Transparency, the auditors found that effective decision making processes were in place following work with the Good Governance Institute and they were satisfied with the level of challenge at Board meetings. The auditors also welcomed that IJB and APS Committee meetings were open to the public and press and papers were accessible to the public online.

With regards to (3) Financial Management, the auditors were content with the quality and frequency of financial reporting to the IJB and were satisfied that the Partnership had appropriate financial capacity in place. They also noted that no audit adjustments had been reported which demonstrated that the Partnership's financial arrangements were robust; and

With regards to (4) Value for Money, the auditors had been provided with evidence which demonstrated the Partnership's efforts to deliver services differently through its Transformation Programme and they noted that an audit recommendation on Workforce Planning had been agreed by the Partnership with a target date for completion of 31 March 2019.

Thereafter there were questions and comments on (1) External Audit's assessment of the Partnership's financial sustainability; and (2) how the Partnership could effectively demonstrate the achievement of value for money.

The Committee resolved:-

To note the content of the Annual Audit Report for the year ended 31 March 2018, as at appendix A.

At this juncture, the Chair informed the Committee that she would take the following two items (Aberdeen Health and Social Care Partnership Annual Report and Performance Monitoring) together as their content and recommendations overlapped.

ABERDEEN HEALTH AND SOCIAL CARE PARTNERSHIP ANNUAL REPORT

9. The Committee had before it a report by Kevin Toshney (Planning and Development Manager, ACHSCP) which presented the ACHSCP Annual Report 2017-18 to Committee to enable it to assess the partnership's progress in achieving the national health and wellbeing outcomes and to consider the desired style and substance of next year's annual performance report.

The report recommended:-

That the Committee –

- (a) Consider the approved ACHSCP Annual Report 2017-18 and agree that further analysis of those outcomes and indicators where the partnership's performance was not as good as expected is required;
- (b) Request that a progress report on the analysis of the partnership's poorer than expected performance in certain areas is presented to a future Audit & Performance Systems Committee meeting; and
- (c) Outline its presentational preferences for next year's annual performance report.

Alison MacLeod explained that the Partnership was statutorily required to publish an annual report and noted that the report had been approved by the IJB at its meeting on 28 August 2018. She advised that the Annual Report was before the Committee today to outline reporting arrangements for the new strategic performance indicators and to seek Committee endorsement to adopt a more creative approach during the development of next year's Annual Report.

Thereafter there were questions and comments on (1) the importance of developing easy-read versions of its key strategic documents to increase accessibility; and (2) whether the Partnership could expand its engagement approach to capture views from service users and hard to reach groups which typically did not respond to consultations.

The Committee resolved:-

- (i) to approve the Annual Report 2017-18 and agree that further analysis of those outcomes and indicators where the Partnership's performance was not as good as expected, along with solutions to improve performance is reported as part of the regular quarterly performance reporting to Committee and the IJB; and
- (ii) to agree to adopt a more creative approach during the development of next year's Annual Report, and to instruct the Lead Strategy and Performance Manager to present options for consideration at the Committee's next meeting on 13 November 2018.

PERFORMANCE MONITORING

10. The Committee had before it a report by Alison MacLeod (Lead Strategy and Performance Manager, ACHSCP) which advised the Committee of a recent review of performance indicators undertaken by the Lead Strategy and Performance Manager and sought approval of the proposed new set of strategic performance indicators contained in Appendix D.

The report recommended:-

That the Committee –

- (a) Approve the proposed new set of strategic performance indicators contained in Appendix D;
- (b) Approve the frequency and route of reporting these; and
- (c) Approve that these are used as the basis of our Annual Report format for 2018/19.

Alison MacLeod proposed that a streamlined set of both local and national strategic performance indicators be reported to Committee and the IJB on a quarterly basis. She recommended that performance be reported by exception, with a focus on indicators which demonstrated both good and under-performance; as well as areas where significant improvement or deterioration in performance had been recorded. Ms MacLeod explained that a new set of strategic performance indicators may be developed following the ongoing review of the Strategic Plan.

Thereafter there were questions and comments on (1) the format of reports when reporting by exception; and (2) Members agreed that it would be a worthwhile exercise to test the new strategic performance indicators.

The Committee resolved:-

- (i) to approve the proposed new set of strategic performance indicators contained in Appendix D;
- (ii) to agree to report these strategic performance indicators to Committee and the IJB on a quarterly basis and to request that exception reports be prepared to focus on (1) indicators where good performance had been recorded; (2) indicators where an improvement in performance was required; and (3) indicators where significant improvement or deterioration in performance had been recorded, regardless of performance against target;
- (iii) to note that these strategic performance indicators would continue to be reviewed during the wider review of the three year Strategic Plan; and
- (iv) to note that following the review of the Strategic Plan, it was the Partnership's intention to use the strategic performance indicators as the basis of next year's Annual Report.

TRANSFORMATION PROGRAMME MONITORING

11. The Committee had before it a report by Gail Woodcock (Lead Transformation Manager, ACHSCP) which provided an update on the progress of the Transformation Programme.

The report recommended:-

That the Committee note the information provided in this report.

Gail Woodcock provided an overview of the actions and progress of the Transformation Programme and then delivered a deep dive presentation with Alison MacLeod and Susie Downie (Transformation Programme Manager, ACHSCP) on (1) Organisational Development; and Cultural Change (2) Strategic Commissioning; and (3) Efficient Resources.

Thereafter there were questions and comments on (1) capturing the level of satisfaction for commissioned services staff through contract management processes; (2) the importance of conducting consultations that could capture views from operational staff, with particular focus on in-house carers; (3) the need to develop metrics which would demonstrate if the feedback received from staff and service users reflected a delivery of strategic outcomes; (4) the importance of managing expectations during the implementation of the Transformation Programme, with particular reference to the agreed person centred approach; (5) the level of joint working between the Partnership and the Council to support young carers; (6) the difficulty for young people and care professionals to manage the transition process between children's and adult social care; and (7) the growing need to identify services areas which were not delivering strategic outcomes or securing value for money and explore the option of service re-provision to strengthen the Partnership's financial sustainability.

The Committee resolved:-

- (i) to note the information provided in this report;
- (ii) to request the Chief Finance Officer to identify service areas which were not delivering strategic outcomes or securing value for money, and present options on possible re-provision of services to the IJB's workshop session on 18 September 2018; and

- (iii) to thank Gail Woodcock, Alison MacLeod and Susie Downie for the informative presentation.

In accordance with the decision recorded under article 2 of this minute, the following item was considered with the press and public excluded.

CONTRACTS REGISTER

12. The Committee had before it a report by Alison MacLeod which provided the Committee with a copy of the Contract Register for Adult Social Care Commissioned Services.

The report recommended:-

That the Committee note the Contract Register for Adult Social Care Commissioned Services contained in appendix a. and the proposals for using this register going forward as detailed in paragraph 3.7.

The Committee resolved:-

To note the Contract Register for Adult Social Care Commissioned Services contained in appendix a. and the proposals for using this register going forward as detailed in paragraph 3.7.

CONFIRMATION OF ASSURANCE

13. The Chair provided Members with an opportunity to request additional sources of assurance for items on today's agenda, and thereafter asked the Committee to confirm it had received reasonable assurance to fulfil its duties as outlined within its Terms of Reference.

The Chair requested additional assurance on (1) Locality Planning and progress to date, in terms of meeting strategic outcomes and (2) Future Financial Planning, which would focus on the financial sustainability of core budgets, how the Partnership planned to reduce overspends and possible areas for disinvestment ahead of the IJB budget setting process.

The Committee resolved:-

- (i) to request the Chief Finance Officer to prepare progress reports on (1) Locality Planning and (2) IJB Future Financial Planning and present these reports to the Committee's next meeting on 13 November 2018; and
- (ii) otherwise confirm the receipt of reasonable assurance for items on today's agenda.

RHONA ATKINSON, Chairperson.