



Council Offices, Almada Street  
Hamilton, ML3 0AA



Monday, 13 February 2023

Dear Member

## **South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee**

The Members listed below are requested to attend a meeting of the above Sub-Committee to be held as follows:-

**Date: Tuesday, 21 February 2023**  
**Time: 10:00**  
**Venue: By Microsoft Teams,**

The business to be considered at the meeting is listed overleaf.

Yours sincerely

**Cleland Sneddon**  
**Chief Executive**  
**South Lanarkshire Council**

**Jann Gardner**  
**Chief Executive**  
**NHS Lanarkshire**

**Members**  
**South Lanarkshire Council**  
Eileen Logan, Margaret B Walker

**NHS Lanarkshire**  
Lesley McDonald, Lesley Thomson

## BUSINESS

- 1 **Declaration of Interests**
  - 2 **Minutes of Previous Meeting** 5 - 12  
Minutes of the meeting of the South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee held on 22 November 2022 submitted for approval as a correct record. (Copy attached)
- 
- Item(s) for Consideration**
- 
- 3 **Risk Management Update** 13 - 20  
Report dated 31 January 2023 by the Director, Health and Social Care. (Copy attached)
  - 4 **Financial Monitoring 2022/2023** 21 - 44  
Report dated 27 January 2023 by the Director, Health and Social Care. (Copy attached)
  - 5 **Performance Monitoring Report** 45 - 58  
Report dated 30 January 2023 by the Director, Health and Social Care. (Copy attached)
  - 6 **Joint Inspection of Adult Support and Protection** 59 - 62  
Report dated 30 December 2022 by the Director, Health and Social Care. (Copy attached)
  - 7 **Internal Audit Plan 2022/2023 Progress Report** 63 - 68  
Report dated 27 January 2023 by the Chief Financial Officer. (Copy attached)
  - 8 **Progress Report on Agreed Actions** 69 - 78  
Report dated 27 January 2023 by the Director, Health and Social Care. (Copy attached)
  - 9 **Internal Audit Plan 2023/2024** 79 - 84  
Report dated 27 January 2023 by the Director, Health and Social Care. (Copy attached)
  - 10 **External Audit Strategy and Audit Fee 2022/2023** 85 - 90  
Report dated 27 January 2023 by the Director, Health and Social Care. (Copy attached)

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### **Any Other Competent Business**

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- 11 **Any Other Competent Business**  
Any other items of business which the Chair decides are competent.

***For further information, please contact:-***

Clerk Name:	Tracy Slater
Clerk Telephone:	07385370089
Clerk Email:	tracy.slater@southlanarkshire.gov.uk





## **SOUTH LANARKSHIRE INTEGRATION JOINT BOARD (PERFORMANCE AND AUDIT) SUB-COMMITTEE**

Minutes of the meeting held by Microsoft Teams on 22 November 2022

**Chair:**

Councillor Margaret B Walker, South Lanarkshire Council

**Present:**

**NHS Lanarkshire Board**

Lesley McDonald (Depute) and Lesley Thomson, Non Executive Directors

**Attending:**

**Health and Social Care Partnership**

S Sengupta, Chief Officer; M Moy, Section 95 Officer

**NHS Lanarkshire**

J Cringles, Business Support Manager; C Cunningham, Head of Performance and Commissioning; C Rae, Head of Health and Social Care (Rutherglen/Cambuslang and East Kilbride); L Thomson, Nurse Director

**South Lanarkshire Council**

I Beattie, Head of Health and Social Care (Hamilton and Clydesdale); Y Douglas, Audit and Compliance Manager; A Norris, Administration Assistant; L Purdie, Chief Social Work Officer; T Slater, Administration Adviser

**Apologies:**

**South Lanarkshire Council**

Councillor Eileen Logan

**NHS Lanarkshire**

L Findlay, Medical Director

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### **1 Declaration of Interests**

No interests were declared.

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### **2 Minutes of Previous Meeting**

The minutes of the meeting of the South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee held on 23 August 2022 were submitted for approval as a correct record.

**The Sub-Committee decided:** that the minutes be approved as a correct record.

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### **3 Minutes of Special Meeting**

The minutes of the special meeting of the South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee held on 12 October 2022 were submitted for approval as a correct record.

**The Sub-Committee decided:** that the minutes be approved as a correct record.

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#### **4 Financial Monitoring 2022/2023**

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A report dated 10 November 2022 by the Director, Health and Social Care was submitted providing a summary of the financial position of the Health and Social Care Partnership (HSCP) for the period 1 April to 30 September 2022 in relation to Health Care Services and for the period 1 April to 7 October 2022 in relation to Social Work and Housing Services.

Additional Covid-19 funding had been made available for the financial year 2021/2022. Where additional Covid-19 funding remained unspent at 31 March 2022, it was transferred to a ring-fenced reserve and used in 2022/2023 to support the continuation of costs as a direct result of Covid-19. The ring-fenced reserves had to be used before further funding allocations would be made by the Scottish Government through the Local Mobilisation Planning process.

The Scottish Government had advised:-

- ◆ of its intention to reclaim uncommitted Covid-19 reserves which would then be redistributed across the sector to meet current Covid-19 priorities. The basis on which the Scottish Government could recover uncommitted Covid-19 reserve funding was still to be clarified
- ◆ that a final review would be undertaken at the end of financial year 2022/2023 and funding would be agreed to ensure that each Integration Joint Board (IJB) had sufficient Covid-19 reserve funding to meet all legitimate Covid-19 costs incurred in 2022/2023
- ◆ local authority Directors of Finance, on 7 October 2022, that an additional £140 million of recurring revenue funding for 2022/2023 was being provided to support the local government pay offer. South Lanarkshire Council's (SLC's) share of the additional recurring revenue funding was £8.216 million. The additional recurring revenue funding provided included funding for all staff (including teachers) directly employed by local authorities. Further clarification from the Scottish Government confirmed that this also included all IJB staff directly employed by the local authority. The SLC partner had been asked to confirm that the relevant share of the additional recurring revenue funding would be passed on to the IJB to fund the 2022/2023 pay award

The current financial planning assumption was that the additional costs incurred in 2022/2023 in respect of the Covid-19 pandemic and also the recovery and remobilisation of health and social care services could be contained within the IJB ring-fenced Covid-19 reserves retained by the IJB.

Confirmation was being sought from the Scottish Government on whether additional recurring funding would be provided to the NHS Lanarkshire (NHSL) partner to meet the cost of the 2022/2023 pay award.

In previous years, the overspend across the set-aside services had been met by the Health Board. In respect of the current financial year 2022/2023, there was a probability that a request would be made to the IJB by the NHSL Director of Finance to make a funding contribution to address the overspend across the Acute Services delegated to the IJB. The projected overspend was being monitored.

The reasons for major budget variances across Health and Social Care Services were outlined in Appendix 1 to the report, with further supporting information outlined in Appendices 2 to 5.

The IJB Financial Plan 2022/2023 detailed a funding gap of £8.499 million (NHSL - £3.554 million and SLC - £4.945 million). A mid-year review of the IJB financial assumptions, in consultation with both partners, was being undertaken to test the original assumptions, projections and information for ongoing validity with a view to reprioritising where appropriate.

In order to address the NHSL funding gap of £3.554 million, reliance had been placed on the recurring Prescribing Quality and Efficiency Programme (PQ&EP) target totalling £0.985 million. As at 30 September 2022, however, an overspend on prescribing of £1.100 million was being reported. This related to July 2022 prescribing activity.

The IJB Chief Officer had asked for a comprehensive review of the PQ&EP, which would include confirmation of the actual targets set and an assessment of the achievement of those targets. A viable action plan to secure a balanced prescribing budget was required.

In order to address the balance of the NHSL funding gap of £2.569 million, reliance was being placed on the following non-recurring funding solutions totalling £2.569 million:-

- ◆ employee turnover savings - Health Care Services - £1.677 million
- ◆ existing prescribing reserve - £0.500 million
- ◆ allocation from IJB contingency reserve to prescribing reserve - £0.392 million

In order to address the SLC funding gap of £4.945 million, reliance was being placed on the slippage in the Scottish Government Funding received in 2021/2022 which had been carried forward as an earmarked reserve to manage the 2022/2023 SLC funding gap on a non-recurring basis.

Recurring revenue funding of £1.500 million had been released from the closure of the Canderavon House residential care home. Additional recurring funding of £4.153 million had also been made available by the Scottish Government. This funding was not ringfenced. On 29 March 2022, the IJB was asked to note that this recurring funding was not being allocated to recurring cost pressures and was being held by the SLC partner pending further consideration and clarification of the cost pressures for both partners in 2022/2023. This recurring funding, totalling £5.653 million, had not yet been allocated to recurring costs. The proposals to allocate this recurring funding to recurring cost pressures was outlined at paragraphs 5.1.5, 5.1.6 and 5.1.7 of the report.

The IJB Financial Plan 2022/2023 and the IJB Medium Term Financial Plan would be updated to reflect the operational and financial challenges across the HSCP. The implementation of the transformational changes, highlighted in the Strategic Commissioning Plan 2022 to 2025, was critical if financial balance in 2022/2023 and beyond was to be secured.

The Sub-Committee was asked to:-

- ◆ note the proposal to allocate £0.030 million of the recurring funding released to fund, on a permanent basis, the Grade 2, Level 1 post established during winter 2021 to provide support to maintain the internal bank staffing arrangement that had been established
- ◆ endorse the proposal to allocate the recurring funding of £1.470 million to address part of the funding gap of £4.945 million
- ◆ endorse the proposal to allocate part of the recurring funding of £4.153 million to address the balance of the SLC funding gap of £3.475 million

Subject to approval of the above proposals by the IJB on 13 December 2022, the remaining legacy funding gap would reduce by £4.945 million from £8.499 million to £3.554 million (NHSL - £3.554 million; SLC – nil).

The current position as at September/October 2022 in respect of the IJB Reserves Plan was attached at Appendix 5 to the report. The review of the IJB Reserves Plan was ongoing.

At its meeting on 20 September 2022, the IJB approved the ongoing delegation of authority to the IJB Chief Officer, as detailed in the report. The IJB Chief Officer's Scheme of Delegation would be reviewed prior to the meeting of the IJB on 28 March 2023 and the Sub-Committee was asked to endorse the continuation of the delegation of authority until that meeting.

Information was also provided on the Emergency Budget Review issued by the Scottish Government on 2 November 2022. As part of this Review, health and social care spend totalling £0.4 billion, nationally, was being reduced, retained and reprioritised. The proposed reductions in spend were highlighted at Appendix 6 to the report.

Officers responded to members' questions in relation to:-

- ◆ the funding of projected Covid-19 costs
- ◆ how prescribing cost pressures would be met in future once the current underspend in relation to staffing costs could no longer be used

**The Sub-Committee decided:**

- (1) that the contents of the report be noted;
- (2) that the Scottish Government's intention to recover uncommitted Covid-19 reserve funding, which was ring-fenced, for redistribution across the sector to meet current Covid-19 priorities, be noted;
- (3) that it be noted that the basis upon which the Scottish Government could recover uncommitted Covid-19 reserve funding was still to be clarified;
- (4) that the financial planning assumption that additional Covid-19 costs and health and social care recovery and remobilisation costs during 2022/2023 would be contained within the balance of IJB ring-fenced reserves retained be noted;
- (5) that the proposal to allocate recurring funding of £0.030 million to consolidate, on a permanent basis, the internal bank staffing arrangement for residential care services, as detailed in the report, be noted;
- (6) that the proposal to allocate recurring funding of £4.945 million to address the SLC funding gap of £4.945 million, as detailed in the report, be endorsed;
- (7) that the ongoing review and update of the IJB Financial Plan 2022/2023 and the IJB Medium Term Financial Plan be noted;
- (8) that the outcome of the review of the IJB Reserves Plan, as summarised in the report, be noted;
- (9) that it be noted that the delegation of authority by the IJB to the IJB Chief Officer would continue until the next meeting of the IJB on 13 December 2022, as outlined in the report;
- (10) that the proposal to continue the delegation of authority to the IJB Chief Officer between 13 December 2022 and the next meeting of the IJB on 28 March 2022, as outlined in the report, be endorsed in advance of formal approval by the IJB on 13 December 2022; and
- (11) that the planned internal review process to establish the future arrangements in relation to the delegation of authority by the IJB to the IJB Chief Officer, which was supported by the SLC Section 95 Officer, NHSL Director of Finance and both Partner Chief Executives, be noted.

*[Reference: Minutes of the Integration Joint Board of 20 September 2022 (Paragraph 5)]*

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## **5 Performance Monitoring Report**

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A report dated 2 November 2022 by the Director, Health and Social Care was submitted:-

- ◆ providing a summary of performance against the key performance measures assigned to the integration of Health and Social Care in South Lanarkshire
- ◆ highlighting the service pressures and impact on remobilisation and performance recovery

- ◆ providing an update on work ongoing to accelerate enactment of the 'Discharge Without Delay' programme and associated work intended to maximise flow through the health and social care system
- ◆ highlighting examples of innovation and best practice

An update against each of the Ministerial Steering Group (MSG) indicators was detailed in Appendix 1 to the report. This showed that:-

- ◆ Accident and Emergency attendances and admissions were lower than pre-pandemic levels
- ◆ delayed discharge performance for the period April to July 2022 was slightly above target, although still not higher than pre-pandemic levels
- ◆ there was an increased length of stay overall which meant that the numbers of unscheduled bed days were very similar to pre-pandemic levels, much of which could be related to patients presenting at a more acute phase of their illness

Information was provided on the work undertaken to keep the number of delayed discharges down including:-

- ◆ the work associated with Discharge Without Delay (DWD)
- ◆ the use of Planned Date of Discharge (PDD)
- ◆ the recovery of the Allied Health Professional (AHP) service waiting times, as detailed in Appendix 2 to the report

There were a number of areas in which the Health and Social Care Partnership (HSCP) continued to progress innovative and best practice developments, with the following having recently received national recognition:-

- ◆ at the Scottish Health Awards 2022, the South Lanarkshire HSCP Home First programme won the Integrated Care Award
- ◆ at the Chartered Institute of Housing Excellence Awards 2022, the technology-enabled housing within the Blantyre care development won the award for Excellence in Health and Wellbeing

Officers responded to members' questions in relation to:-

- ◆ the comparisons being used, given the differences pre-pandemic
- ◆ taking on board those differences, the ability to project figures going forward
- ◆ delays associated with Adults with Incapacity

Members commended the staff involved in the work to reduce delayed discharges and the national awards received.

**The Sub-Committee decided:** that the current performance trends, service pressures and ongoing work to improve system-wide flow be noted.

*[Reference: Minutes of the Integration Joint Board of 20 September 2022 (Paragraph 10)]*

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## **6 Draft Annual Performance Report 2021/2022**

A report dated 2 November 2022 by the Director, Health and Social Care was submitted on the draft Annual Performance Report (APR) 2021/2022 for the South Lanarkshire Integration Joint Board (IJB).

The Public Bodies (Joint Working) (Scotland) Act 2014 placed a duty on IJBs to prepare and publish APRs.

The APR aimed to ensure that performance was open and accountable, whilst providing an overall assessment of performance in relation to planning and carrying out integration functions. Guidance issued by the Scottish Government had recommended that the following areas be included within the report:-

- ◆ a summary of progress against the 9 National Health outcomes using, as a minimum, the 23 core national performance indicators
- ◆ financial performance and Best Value

As with previous years, the APR was aligned to reporting progress against the intentions outlined in the Strategic Commissioning Plan (SCP) and, for this APR, would cover the final year of the 2019 to 2022 SCP.

The Scottish Government had advised that, similar to last year, IJBs could delay the release of their APR until November 2022 using the mechanisms laid out in the Coronavirus (Scotland) Act 2020.

The draft APR was attached as an appendix to the report. Work would be undertaken to refine the text and presentation prior to the final version being submitted to the IJB for approval.

#### **The Board decided:**

- (1) that the draft IJB APR 2021/2022, attached as an appendix to the report, be noted; and
- (2) that the IJB Chief Officer be authorised to finalise the APR 2021/2022 prior to submission to the IJB.

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## **7 Risk Management Update**

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A report dated 2 November 2022 by the Director, Health and Social Care was submitted providing an update on the Integration Joint Board (IJB) Risk Register and associated partner risks.

The IJB was required to have an approved Risk Management Strategy and Risk Register in place which detailed the organisation's approach to risk and how it would identify and manage risks to mitigate against subsequent impact.

Information was provided on the governance and oversight arrangements in place which included:-

- ◆ quarterly updates to this Sub-Committee and the IJB
- ◆ monthly meetings to review the Risk Registers of the IJB, HSCP and Social Work Resources to ensure that all risks that could impact on the IJB were taken account of
- ◆ Social Work Resources' Risk Register being reported to every meeting of South Lanarkshire Council's (SLCs) Social Work Resources Committee and annually to its Executive Committee
- ◆ oversight by Internal Audit
- ◆ an annual risk workshop with Sub-Committee members which included risk professional officers from NHS Lanarkshire, SLC and the Internal Audit Consortium
- ◆ reporting to this Sub-committee and the IJB to highlight the subsequent impact or mitigation a policy or priority would have on the IJB to deliver the Strategic Commissioning Plan (SCP) or otherwise meet its statutory obligations

A revised Risk Register had been agreed with 8 identified risks, as detailed in Appendix 1 to the report.

A Risk Tolerance Level was recommended to and approved by the IJB at its meeting on 26 October 2021. The IJB Risk Management Strategy had been updated to include a risk appetite statement.

The IJB aimed to be risk embracing and would accept a tolerable level of risk to deliver the strategic commissioning intentions set out in the SCP. It was agreed that the risk tolerance level be set as follows:-

- ◆ no more than 10% of residual risks at a very high level
- ◆ no more than 15% of risks at a high level
- ◆ around 50% to 60% of residual risks at a medium level
- ◆ no more than 30% of residual risks at a low level

Information was provided on the high-level risks of the partner organisations.

**The Board decided:**

- (1) that the contents of the report be noted; and
- (2) that the IJB Risk Register be agreed for submission to the IJB for approval.

*[Reference: Minutes of the Integration Joint Board of 26 October 2021 (Paragraph 7)]*

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## **8 Any Other Competent Business**

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There were no other items of competent business.



# Report

Report to:	<b>South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee</b>
Date of Meeting:	<b>21 February 2023</b>
Report by:	<b>Director, Health and Social Care</b>

Subject:	<b>Risk Management Update</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide an update on the Integration Joint Board Risk Register and associated partner risks

## 2. Recommendation(s)

2.1. The Performance and Audit Sub-Committee (PASC) is asked to approve the following recommendation(s) :-

- (1) that the contents of the report be noted; and
- (2) approve the IJB risk register prior to final approval by the Integration Joint Board.

## 3. Background

3.1. From a good practice and sound governance perspective, all public bodies are required to identify and take account of the impact of any potential risks in delivering their business.

3.2. The Integration Joint Board (IJB) requires to have an approved Risk Management Strategy and a Risk Register in place which details the organisation's approach to risk and how it will identify and manage risks to mitigate against subsequent impact.

3.3. The IJB has committed to promote an environment that is risk aware and strives to place risk management information at the heart of key decisions. This means that the IJB can take an effective approach to managing risk in a way that both addresses significant challenges and enables positive outcomes.

3.4. Governance and oversight arrangements are in place through the following:

- Quarterly updates on the Risk Register to the PASC and IJB reflecting:
  - any new risks which the IJB needs to be sighted on, together with the risk assessment and mitigating actions
  - any risks within the Council and/or NHS Board Risk Registers which are rated 'high' or 'very high' which relate to the delegated functions and impinge on the ability of the IJB to deliver its Strategic Commissioning Plan (SCP)

- any risks within the Council and/or NHS Board Risk Registers which would impinge on the ability of either to deliver the 'directions' of the IJB.

- Monthly meetings to review the Risk Registers of the IJB, Health and Social Care Partnership (HSCP) and Social Work Resources to ensure that all risks which may impact on the IJB are taken account of
- Social Work Resources Risk Register reported to every Social Work Committee and annually to South Lanarkshire Council Executive Committee
- Oversight by Internal Audit
- Annual risk workshop with PASC members which includes risk professional officers from NHS Lanarkshire, South Lanarkshire Council and the Internal Audit Consortium
- Reports to the IJB and PASC to highlight the subsequent impact or mitigation a policy or priority will have on the IJB to deliver the SCP or otherwise meet its statutory obligations.

3.5. As per the IJB's commitment to risk management as a dynamic process, risks continue to be reviewed monthly with regards to their potential impact on the business of the IJB and any revisions noted in the subsequent risk report to the respective Committee.

#### **4. Current Position**

4.1. On review it is clear that a number of risks continue to have a significant impact on the delivery of health and social care services. In turn, these particular risks affect the IJB, particularly with regard to the ambitions outlined in the SCP and its associated commissioning intentions. Recognition of such risks informed the development of the SCP and its priorities.

4.2. The appended IJB Risk Register also reflects consideration of:

4.2.1 The IJB's external auditor (Audit Scotland) Audit Annual Report 2021/22 which was presented to PASC in October 2022, notably the recommendation that:  
*The Joint Board should continue to explore and progress transformational change with its partners. Without this, there is a risk that temporary solutions are relied upon to bridge funding gaps which do not address the longer-term financial pressures of the Joint Board.*

4.2.2 Audit Scotland's national report on Integration Joint Boards Financial analysis 2020/21 as previously highlighted to the PASC, which highlighted that:  
*IJBs face significant financial sustainability risks exacerbated by uncertainty of future funding, rising demand and the potential impact of a national care service. The non-recurring nature of some funding streams, and the reserves held by IJBs, presents a significant challenge to IJBs. It is essential that IJBs identify significant recurring savings to maintain current levels of service provision at the same time as transforming the way services are delivered.*

4.3. The appended Risk Register profile sets out what are the most important areas for the South Lanarkshire IJB to focus on from a risk mitigation perspective. Each of the risks noted below represents the assessed risk after mitigation:

#### **Very High or High Risks**

- Demand pressures
- Workforce availability
- Financial sustainability
- External provider resilience

4.4. There are a number of other risks which whilst important to the IJB do not constitute the higher risk profile of those cited in 4.3 above:

**Medium/Lower Risks**

- Public Protection
- Public Sector Duties
- Transformation
- National Care Service

4.5. From a risk tolerance perspective, the IJB aims to be risk embracing, in that it will accept a tolerable level of risk to deliver the strategic commissioning intentions set out in the SCP. The level of risk facing the IJB is measured both before (inherent risk) and after (residual risk) consideration of controls. The IJB’s agreed risk tolerance levels are as follows:

- ◆ No more than 10% of residual risks at a very high level
- ◆ No more than 15% of risks at a high level
- ◆ Around 50 to 60% of residual risks at a medium level
- ◆ No more than 30% of residual risks at a low level

4.6. The summary profile of the eight risks from an inherent and residual risk scoring perspective are captured in the table below, with detail for each risk provided in Appendix 1.

Risk Level	Inherent Risks	Residual Risks
Very High	4 (50%)	3 (38%)
High	4 (50%)	1 (12%)
Medium	0 (0%)	4 (50%)
Low	0 (0%)	0 (0%)
<b>Total</b>	<b>8</b>	<b>8</b>

4.7. The risk profile detailed above is reflective of the environment within which health and social care currently operates.

4.8. As referred to above, the IJB also requires to be sighted on the higher-level risks affecting the Parties, as these can have major impacts on the IJB’s overall aim of successfully delivering the intentions set out in the SCP. The top risks within both NHS Lanarkshire and the Council’s Social Work risk registers are noted.

No	Risk	Lead Organisation
1.	Ability to maintain existing GM Services across NHS Lanarkshire	NHSL
2.	Sustaining Out of Hours Primary Care Service	NHSL
3.	Financial Risk to the Health Board (GP Premises)	NHSL
4.	Workforce Resilience, Recruitment and Retention including Integrated Community Support Team	NHSL
5.	Ability of South H&SCP to maintain financial balance	NHSL
6.	Workforce Availability and Capacity (Lack of capacity and skills to meet increased service demands)	SLC
7.	Meeting Public Protection and Legislative Duties (combined legislation/statutory duties Public Protection, Care Inspectorate/SDS)	SLC
8.	Market and Provider Capacity (Procurement/Supply chain)	SLC

No	Risk	Lead Organisation
9.	Funding and Budgetary Pressures (Reduction in funding/increased costs)	SLC
10.	Demand Pressures (Emergency Response)	SLC
11.	The council is materially affected by the implications arising from the National Care Service Bill	SLC
12.	The council does not fully deliver the strategic outcomes required of the IJB as outlined in their Strategic Commissioning Plan	SLC
13.	Failure to fulfil emergency response commitment befitting the Council's status as a Category 1 (emergency) responder	SLC

## 5. Employee Implications

5.1. This report does not describe any new employee implications.

## 6. Financial Implications

6.1. This report does not describe any new financial implications.

## 7. Climate Change, Sustainability and Environmental Implications

7.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

## 8. Other Implications

8.1. Internal audit provides the PASC and IJB with independent assurance on risk management as well as internal control, and corporate governance processes. For the South Lanarkshire Integration Joint Board, internal audit is delivered on a joint basis by the Chief Auditors of NHS Lanarkshire and South Lanarkshire Council.

8.2. Internal audit issued its Annual Assurance Report to the IJB in June 2022 which included the opinion that: overall, reasonable assurance can be placed on the adequacy and effectiveness of the partnership's framework of governance, risk management and control arrangements for the year ending 31 March 2022.

8.3. There are no other issues associated with this report.

## 9. Equality Impact Assessment and Consultation Arrangements

9.1. This report does not introduce a new policy, function or strategy, or recommend a change to an existing policy, function or strategy and therefore no Equality Impact Assessment is required.

**Soumen Sengupta**

**Director, Health and Social Care**

31 January 2023

## Previous References

◆ PASC (October 2022): SL IJB External Audit Annual Audit Report 2021/2022

## List of Background Papers

◆ South Lanarkshire IJB Risk Register

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

Martin Kane, Service Manager, Performance & Support

Email: [Martin.Kane@southlanarkshire.gov.uk](mailto:Martin.Kane@southlanarkshire.gov.uk)

No	Key Risk Area and Description	Inherent Risk Score	Sample Controls	Residual Risk Score
1	<p><b>Demand Pressures</b></p> <p>Demand on health and social care services continues to increase and has been exacerbated by the impact of the pandemic. This continues to place real and enduring pressures on the health and social care system.</p>	Very high	<ul style="list-style-type: none"> <li>• Partnership and Locality Strategic Needs Analysis</li> <li>• Projections of demand</li> <li>• Strategic Commissioning Plan</li> <li>• Home First</li> <li>• Discharge Without Delay</li> <li>• Carers Strategy</li> <li>• Expansion of Telecare and Telehealth</li> <li>• Care at Home Redesign</li> <li>• Blantyre Intermediate Care Development</li> <li>• Winter Plan</li> </ul>	Very High
2	<p><b>Workforce availability</b></p> <p>The IJB is heavily dependent upon the Parties (NHS and Council) to be able to recruit and retain workforce to deliver the delegated functions and commissioning intentions set out in the IJB SCP. There is currently a national shortage of workforce and this is impacting significantly on the delivery of health and social care services.</p>	Very high	<ul style="list-style-type: none"> <li>• Strategic Commissioning Plan</li> <li>• Lanarkshire Health and Social Care Workforce Plan 2022-25</li> <li>• Communication and Engagement Strategy</li> <li>• Staff wellbeing strategy</li> <li>• Establishing a Lanarkshire Care Academy to create a pipeline into health and social care and a 'grow our own' workforce.</li> <li>• Revised recruitment practices to attract candidates into social care roles.</li> <li>• Promotion of flexible working and revised shift patterns</li> </ul>	Very High

3	<p><b>Financial Sustainability</b></p> <p>A report undertaken by the Accounts Commission recognised the challenges that all IJBs face as they seek to balance the impact of Covid-19 together with rising demand of services. IJBs are having to do this against a backdrop of uncertainty over future financial settlements</p>	Very High	<ul style="list-style-type: none"> <li>• IJB Financial procedures</li> <li>• Financial procedures of the Parties</li> <li>• Chief Financial Officer oversight</li> <li>• Annual budget setting process</li> <li>• Integration Scheme</li> <li>• Strategic Commissioning Plan</li> <li>• Regular/standing financial reports to IJB and PASC</li> <li>• Service Redesign and Transformation, for example Home First and Care at Home Redesign</li> </ul>	Very High
4	<p><b>External Provider Resilience</b></p> <p>External providers, for example Care Homes have a key role to play in delivering the ambitions of the IJB as outlined in the Strategic Commissioning Plan.</p>	Very High	<ul style="list-style-type: none"> <li>• Strategic Commissioning Plan</li> <li>• Strategic Commissioning Group</li> <li>• Provider Forums</li> <li>• Primary Care Improvement Plan</li> <li>• National Care Home Contract</li> <li>• Market Facilitation Plan</li> </ul>	High
5	<p><b>Public Protection</b></p> <p>Ability to meet increased demands and risks with regards Public Protection and other legislative duties pertaining to Child Protection, Adult Support and Protection, MAPPA and Gender Based Violence</p>	High	<ul style="list-style-type: none"> <li>• Chief Officers Group Public Protection</li> <li>• Chief Social Work Officer membership on IJB and PASC</li> <li>• Themed Committees for Child Protection and Adult Support and Protection</li> <li>• Investment into Fieldwork Services and Supports</li> <li>• Increased investment in Carers</li> <li>• Children’s Services Plan</li> </ul>	Medium
6	<p><b>Public Sector Duties</b></p> <p>Similar to other public sector bodies, the IJB has a number of public sector duties that it must demonstrate compliance with. At this point in time, two of the more pertinent areas are the Public Sector Equality Duty and Climate Change and Sustainability duties.</p>	High	<ul style="list-style-type: none"> <li>• Annual Climate Change Statement</li> <li>• IJB Equalities Statement</li> <li>• Strategic Commissioning Plan</li> <li>• Performance Reporting</li> <li>• Policy, reports and priorities linked to equality duties and climate change requirements</li> <li>• Training in equalities and climate/sustainability</li> <li>• Links with Equalities and Human Rights Commission</li> </ul>	Medium

7	<p><b>Transformation</b></p> <p>The Accounts Commission cited the need for IJBs to explore and progress transformational change to mitigate against the risk of relying on temporary solutions to bridge funding gaps.</p>	High	<ul style="list-style-type: none"> <li>• Strategic Commissioning Plan</li> <li>• IJB Directions</li> <li>• Strategic Commissioning Intentions</li> <li>• Strategic Commissioning Group</li> <li>• Update reports on transformation areas to IJB and PASC</li> <li>• Home First</li> <li>• Discharge Without Delay</li> <li>• Blantyre Intermediate Care Development</li> <li>• Expansion of Telecare and Telehealth</li> </ul>	Medium
8	<p><b>National Care Service</b></p> <p>The Scottish Government proposals for a National Care Service have the potential to significantly change the way that IJBs are structured and operate. There are additional risks associated with the implementation of such proposals in terms of the risks of instability through any change process.</p>	High	<ul style="list-style-type: none"> <li>• Chief Officer involvement in national groups</li> <li>• Response to national consultation</li> <li>• IJB development time to consider potential impact</li> <li>• Reports to IJB</li> <li>• Communications and Engagement Strategy</li> </ul>	Medium

# Report

Report to:	<b>South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee</b>
Date of Meeting:	<b>21 February 2023</b>
Report by:	<b>Director, Health and Social Care</b>

Subject:	<b>Financial Monitoring 2022/2023</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise the Performance and Audit Sub-Committee of the financial position of the South Lanarkshire Health and Social Care Partnership (HSCP) for the period from 1 April to 31 December 2022 (Health Care Services) and 1 April to 30 December 2022 (Social Work and Housing Services)

## 2. Recommendation(s)

2.1. The Performance and Audit Sub-Committee is asked to approve the following recommendations:-

- (1) that the contents of the report be noted;
- (2) that the current financial planning assumption that the additional costs incurred in 2022/2023 in respect of the Covid pandemic and also the recovery and remobilisation of health and social care services can be contained within the IJB ring-fenced reserves be noted;
- (3) that the ongoing review and update of the IJB Financial Plan 2022/2023 and the IJB Medium Term Financial Plan be noted;
- (4) that the request by the South Lanarkshire Council partner to reclaim the unplanned underspend of £5.635m at 31 March 2023 as detailed at 7.8 be noted;
- (5) that the retention by the IJB of the unplanned underspend of £1.423m at 31 March 2023 as detailed at 7.8 be noted;
- (6) that, as highlighted at 7.11, the South Lanarkshire Council partner's consideration of the option to reduce the contribution they are making to the IJB by £1m be noted;
- (7) that in recognition of the ongoing challenging winter period and the requirement to maintain service continuity as far as practical during this critical period, the ongoing delegation of authority to the IJB Chief Officer, as outlined at paragraph 8.1, which was previously approved by the IJB on 13 December 2022 until the next meeting of the IJB on 28 March 2023, be noted;
- (8) that the proposal to continue the delegation of authority to the IJB Chief Officer between 28 March 2023 and the next meeting of the IJB on 20 June 2023, as outlined at paragraphs 8.4 and 8.5, is endorsed by the Performance and Audit Sub-Committee (PASC) in advance of formal approval by the IJB on 28 March 2023; and

- (9) that the planned internal review process to establish the future arrangements in relation to the delegation of authority by the IJB to the IJB Chief Officer, which is supported by the SLC Section 95 Officer, NHS Lanarkshire Director of Finance and both Partner Chief Executives, be noted.

### **3. Background**

- 3.1. This report is based on the financial monitoring reports received from the Director of Finance of NHS Lanarkshire (NHSL) and the Executive Director of Finance and Corporate Resources of South Lanarkshire Council (SLC). The position detailed in these reports is therefore based on the information contained in each partner's respective financial systems and includes accruals and adjustments in-line with their financial policies. This is the fifth financial monitoring report presented for the financial year 2022/2023.

### **4. Key Financial Highlights 2022/2023**

- 4.1. The IJB Financial Plan 2022/2023 was approved by the IJB on 29 March 2022. As at December 2022, an underspend of £5.054m is reported (NHSL - £1.741m; SLC - £3.313m). The PASC is asked to note the following key financial highlights to date in respect of 2022/2023.

- 4.2. The current financial planning assumption is that the additional costs incurred in 2022/2023 in respect of the Covid pandemic and also the recovery and remobilisation of health and social care services can be contained within the IJB ring-fenced reserves.

- 4.2.1 On 22 November 2022, the PASC noted the following:

- The Scottish Government's intention to recover uncommitted Covid-19 reserve funding, which was ring-fenced, for redistribution across the sector to meet current Covid-19 priorities.
- That the basis upon which the Scottish Government could recover uncommitted Covid-19 reserve funding was still to be clarified.
- That the financial planning assumption that additional Covid-19 costs and health and social care recovery and remobilisation costs during 2022/2023 would be contained within the balance of IJB ring-fenced reserves retained.

The above was also noted by the IJB on 13 December 2022.

- 4.2.2 Based on the submission to the Scottish Government in November 2022, actual Covid costs which are being incurred in 2022/2023 across the health and social care services delegated to the IJB, including the unscheduled care services that the IJB is also responsible for, were projected to be £15.458m. These Covid costs are being incurred in line with the agreement in March 2022 between the IJB Chief Financial Officer and the NHSL Director of Finance. These costs are not new costs and were also funded from the Covid funding in 2021/2022.

- 4.2.3 On 16th January 2023, the Scottish Government provided further detail on the arrangements which will be put in place to enable uncommitted Covid reserves funding to be returned.

- The South Lanarkshire IJB reserve at 31 March 2022 was £33.256m.
- The actual Covid costs projected in 2022/2023 is £15.458m, based on the November 2022 submission to the Scottish Government.

#### 4.2.3 Cont.

- The balance which the Scottish Government are therefore seeking to reclaim is £17.798m. This will be carried out through a negative allocation of £17.798m from the NHSL Health Board back to the Scottish Government with local arrangements to be agreed with regards to the transactions between the IJB and NHS Board as required.

4.2.4 The Scottish Government are aware of the uncertainties over the current winter period, including demand led sustainability payments, and that all IJBs are working on the principle of Covid costs being funded in 2022/2023. It is on this basis that the reserve adjustment is taking place. The Scottish Government have confirmed that in April 2023 a reconciliation exercise will be undertaken between the projection based on the November 2022 position and final year-end position at 31 March 2023.

4.2.5 Notwithstanding the funding for the costs for programmes such as Test and Protect and Vaccinations which is still to be agreed, the Scottish Government also reiterated that from 2023/2024 onwards there is no additional Covid funding.

4.2.6 At 31 December 2022, the projected Covid costs for the period from 1 April 2022 to 31 March 2023 for the South Lanarkshire HSCP total £15.444m (Projection based on November 2022 costs - £15.458m).

4.3. The outcome of the 2022/2023 pay awards for the SLC partner and the NHSL partner are now being implemented. The increase in cost as a result of the 2022/2023 pay award, which is recurring for both partners, is currently being quantified.

4.3.1. The IJB Financial Plan 2022/2023, which was approved on 29 March 2022, included an estimate of the 2022/2023 pay award. There is a high risk however that the total increase in the cost of the pay award for 2022/2023 will exceed the original financial planning assumptions for both partners.

4.3.2. In respect of the SLC partner, the Scottish Government issued a letter to Local Authority Directors of Finance on 7 October 2022 to advise that an additional £140 million of recurring revenue funding for 2022/2023 is being provided to support the local government pay offer. The SLC share of the additional recurring revenue funding is £8.216m. The additional recurring revenue funding provided includes funding for all staff (including teachers) directly employed by local authorities. Further clarification from the Scottish Government confirmed that this also included all IJB staff directly employed by the local authority. The SLC partner has been asked to confirm that the relevant share of the additional recurring revenue funding will be passed on to the IJB to fund the 2022/2023 pay award.

4.3.3. In respect of the NHSL partner, the Agenda For Change pay offer for 2022/2023 has been raised to an average of 7.5%. The Scottish Government Health and Social Care Department have advised Health Boards to assume they will receive a funding allocation for the difference between that actual cost of the pay award and the previously modelled public sector pay policy. Health Boards were informed of the level of funding to expect and this has been modelled through the local pay base and will be adequate to cover the additional costs. The required budget adjustments are being processed.

- 4.4. No further funding is being allocated by the Scottish Government to meet the inflationary cost increases being experienced by each partner across supplies and services. This includes energy cost increases and prescribing cost increases. The current financial planning assumption continues to be that these additional costs will also require to be funded within the existing financial envelope. It is anticipated that part of the increase in cost as a result of inflation will be recurring. The impact of the increase in cost will be monitored.
- 4.5. NHSL continues to be at critical occupancy levels across the three acute hospitals due to relentless pressures, bed shortages and staff shortages due to unavailable workforce, sickness and stress. The sustained pressure is showing no signs of easing and University Hospitals Hairmyres, Monklands and Wishaw are regularly at maximum capacity. NHSL therefore moved to, and remains at, the highest risk level which is Black.
- 4.6. The current pressures over the winter period are continuing. An overspend across Acute Services is therefore projected. This includes the set-aside services. The projected overspend is being monitored. As highlighted to the NHSL Health Board on 25 January 2023, the NHSL Health Board is still facing a deficit for 2022/2023 however the risk of it ending the year outside a range that could be covered by repayable brokerage from Scottish Government is now deemed to be low, especially as additional Scottish Government funding is now being confirmed. The measures it is taking to narrow this gap are predominantly one-off leaving a substantial gap to be filled next year.
- 4.7. There continues to be uncertainty in respect of the total costs projected for 2022/2023 and the total funding available for 2022/2023. This includes the Covid funding for the provision of vaccinations and the funding available for the cost of the 2022/2023 pay award. Costs and funding are continuing to be monitored and will be clarified at the earliest opportunity.
- 4.8. Both partners require to manage significant cost pressures across other non-IJB services. NHSL originally reported a funding gap for 2022/2023 to the Scottish Government at the start of the financial year. This funding gap is projected to increase due to the in-year cost pressures as a result of the pay award and inflation. The SLC partner is also reporting a funding gap for 2022/2023 in respect of Children and Family Services.
- 4.9. In recognition of the range of pressures employers and staff are continuing to manage, and in order to maximise capacity, support staff wellbeing and progress other Ministerial priorities, the Scottish Government previously endorsed that some on-going programmes of work were temporarily rescheduled or suspended. The Scottish Government does however remain committed to completing these programmes.
- 4.10. The reasons for major budget variances across Health and Social Care Services are outlined in appendix 1, with further supporting information outlined at appendices 2 to 5.

## 5. Review of IJB Financial Plan 2022/2023

- 5.1. The IJB Financial Plan 2022/2023 was approved on 29 March 2022 and detailed a funding gap of £8.499m (NHSL - £3.554m; SLC - £4.945m). Following the mid-year review of the IJB financial assumptions, on 13 December 2022, the IJB approved the allocation of recurring funding of £4.945m to reduce the funding gap to £3.554m (NHSL - £3.554m; SLC - Nil).
- 5.2. The PASC were previously advised that, in order to address the NHSL funding gap of £3.554m, reliance was being placed on the following recurring and non-recurring funding solutions:
- A recurring Prescribing Quality and Efficiency Programme (PQ&EP) target totalling £0.985m.
  - Employee Turnover Savings - Health Care Services (£1.677m).
  - Existing Prescribing Reserve (£0.500m).
  - Allocation from IJB Contingency Reserve To Prescribing Reserve (0.392m).
- 5.3. As at 31 December 2022, an overspend on prescribing of £1.950m is being reported. This relates to October 2022 prescribing activity. The recurring PQ&EP funding solution originally projected to be £0.985m has therefore not been secured. A comprehensive review of the PQ&EP is being progressed and will include confirmation of the actual targets set and an assessment of the achievement of these targets. A viable action plan to secure a balanced prescribing budget will be agreed.
- 5.4. As at December 2022, a net underspend of £1.741m is reported by the NHSL partner. The overspend of £1.950m on prescribing is therefore being offset by underspends across other health care services.
- 5.5. In order to ensure that agreed levels of service provision are not compromised, it is recognised good practice that efficiency savings should be delivered in a planned way and that the IJB should be aware of the cumulative impact on service delivery.
- 5.5.1. In response to the External Auditor's recommendation, in respect of the financial year 2023/2024, the Chief Financial Officer and the Head of Commissioning and Performance will continue to develop the performance and financial frameworks to better assess and inform the strategic commissioning intentions. As part of the ongoing development of the IJB Medium Financial Plan, additional information on the impact of cumulative savings on health and social care service provision will be outlined. This will include a current assessment of slippage in respect of previously agreed savings. In summary, over the 3 years since 2020/2021, savings totaling £19.074m (NHSL - £7.285m; SLC - £11.789m) have been agreed. A total of £13.693m (72%) has been secured on a recurring basis with the balance of £5.381m being managed on a non-recurring basis in 2021/2022 and 2022/2023. This is summarised as follows:

Financial Year	Target	Achieved Recurringly		Achieved Non-Recurringly	
	£m	£m	%	£m	%
2020/2021	3.294	3.294	100%	0.000	0%
2021/2022	7.291	5.454	75%	1.837	25%
2022/2023	8.489	4.945	58%	3.544	42%
<b>Total</b>	<b>19.074</b>	<b>13.693</b>	<b>72%</b>	<b>5.381</b>	<b>28%</b>

- 5.5.2. There are two key savings proposals which could not be implemented namely prescribing targets for 2021/2022 and 2022/2023 and an increase in charges for community alert alarms for 2021/2022. The requirement to respond to the Covid pandemic since 2021 will have been a factor impacting on immediate priorities.
- 5.5.3. The IJB Financial Plan 2023/2024 will take into consideration the impact of savings which have been managed on a non-recurring basis to date. This is currently estimated to be £3.834m (NHSL – £3.544m; SLC - £0.290m).
- 5.6. The implementation of the transformational changes highlighted in the Strategic Commissioning Plan 2022-2025 is critical if financial balance in 2023/2024 and beyond is to be secured.

## **6. Review Of IJB Reserves**

- 6.1. The IJB reserves at 1 April 2022 totalled £85.278m (Ring-fenced - £68.733m; Earmarked - £16.545m; Contingency - Nil).
- 6.2. As at December 2022, the draw down from IJB reserves to date is £20.575m. The balance of the IJB reserves is therefore £64.703m as detailed at appendix 5 for noting.
- 6.3. In respect of the planned Covid expenditure in 2022/2023 and the Scottish Government's intention to reclaim uncommitted Covid funding as highlighted at 4.2, the IJB reserves funding balance at 31 December 2022 of £64.703m will reduce by a further £31.515m to £33.188m at 31 March 2023. Further drawdowns from other IJB ring-fenced and earmarked reserves are also planned between 1 January 2023 and 31 March 2023. These are being monitored.
- 6.4. As previously reported to the IJB, if there are earmarked reserves for specific purposes and/or contingency reserves, the Scottish Government are indicating that, unlike previous years, additional in-year funding for particular areas will not be made available. Two examples of this change in approach were highlighted as follows:
- ◆ A reduction in the Primary Care Improvement Fund 2022/2023 to reflect part or all of the IJB Primary Care reserves held. The total funding available in-year to meet existing cost commitments is therefore not yet confirmed. The recurring Primary Care Improvement Fund to meet the recurring cost commitments is also currently uncertain.
  - ◆ Additional Scottish Government funding to implement the Winter Plan, which has been made available in previous years, is unlikely to be available this year. The cost of the winter planning arrangements therefore requires to be met within the current financial envelope.
- 6.5. A range of in-year cost pressures and requests for funding have emerged during the year and are being discussed with both partners. The review of the IJB Reserves Plan is therefore ongoing. This review includes confirmation of recurring costs which are currently being funded by non-recurring reserves and other non-recurring in-year funding solutions.

- 6.6. The PASC is also asked to note that, following IJB approval on 13 December 2022, the IJB Chief Officer continues to have the option to exercise delegated authority as outlined at paragraph 8.1 if immediate action is required to address service demands. In particular, it may be necessary to draw down reserves funding in line with the IJB Reserves Plan to address winter pressures and to mitigate the ongoing financial uncertainties.
- 7. Projected Outturn 2022/2023**
- 7.1. The projected outturn in respect of the current financial year 2022/2023 is estimated to be £9.027m (NHSL - £1.969m; SLC - £7.058m).
- 7.2. In respect of the SLC partner, the projected underspend of £7.058m includes a non-recurring, unplanned underspend of £5.635 million in the current year 2022/2023 across the Adult and Older People services budgets.
- 7.3. In respect of unplanned underspends by either partner, the Integrated Resource Advisory Group Finance Guidance and the IJB Financial Regulations, allow the following options:
- (1) Return the unplanned underspend to the relevant partner in-year through adjustments to their respective contributions to the IJB.
  - Or
  - (2) Maintain the unplanned underspend by the IJB to be carried forward through the IJB reserves.
- 7.4. The IJB Financial Regulations therefore do allow the SLC partner to adjust its contributions in respect of unplanned underspends. The Council's contribution can therefore be reduced by the amount of £5.635m. This position relates to the financial year 2022/2023.
- 7.5. On 1 February 2023, the SLC partner sought the approval of the SLC Executive Committee to propose that the unplanned underspend retained by the SLC partner is allocated to help cover the Children and Families' budget pressures in 2023/2024. This would be facilitated by a transfer to SLC reserves allowing the monies to be used into 2023/2024 to support Children and Families' pressures. The SLC Children and Families Services are not delegated to the IJB.
- 7.6. On 1 February 2023, the SLC partner also sought the approval of the SLC Executive Committee to propose that the balance of the non-recurring unplanned underspend of £1.423m be retained by the IJB within the IJB reserves and earmarked for future care costs, in line with the approach to integrating health and social care budgets.
- 7.7. This approach was adopted in 2021/2022 when part of the unplanned underspend across Adult and Older People Services was retained by the SLC partner to help cover the Children and Families' budget pressures in 2022/2023.
- 7.8. The PASC is asked to note the request from the SLC partner to reclaim the unplanned underspend of £5.635m at 31 March 2023 and also the retention of the unplanned underspend of £1.423m by the IJB which will be transferred to IJB reserves. The IJB Financial Plan 2023/2024 is currently being developed in consultation with the SLC and NHSL partners. Recurring funding solutions will require to be agreed for both partners for 2023/2024. This will involve difficult choices. The unplanned underspend of £1.423m which is being retained by the IJB in reserves will be available to be taken into consideration as a non-recurring funding solution to address part of the 2023/2024 funding gap, subject to IJB approval.

- 7.9. For completeness, the PASC is advised that in the event of a projected overspend by either partner in the future, in the first instance the IJB Chief Financial Officer would agree a recovery plan with the SLC Executive Director (Finance and Corporate Resources) and/or the NHSL Director of Finance as appropriate.
- 7.10. In the event that the recovery plan does not fully address the projected overspend, the PASC is asked to note that, as stated at paragraph 5.17 of the IJB Financial Regulations, in exceptional circumstances, should the South Lanarkshire Council or the Health Board require the Board to identify resources to offset an in-year overspend, they (i.e. the partner) must do this amending their contributions to the Board. It is however recommended that this provision should only be used in extremis.
- 7.11. The PASC is asked to note that, on 18 January 2023, the SLC partner presented a report to South Lanarkshire Council for noting which set out the options to meet the SLC budget gap in 2023/2024. This included the option to remove restrictions in passing over funding to the IJB. This option being considered by the SLC partner would be to reduce the contribution they are currently making to the IJB. This option proposes £1m. This would require to be considered by the IJB as to what action it would need to take to manage this reduced funding level in their 2023/2024 budget. The SLC partner is including this option as it is one of the flexibilities sought by COSLA to which (collectively as a package of flexibilities) the Scottish Government responded on. Wording that could be considered contradictory to that permission to be flexible around IJB budgets was included in a letter to NHS and IJB Chief Officers and finance around the time the Scottish Budget was announced. Further clarity is being sought from COSLA on this. The SLC partner highlighted that a potential outcome may be that this saving may not be deliverable.
- 7.12. The immediate challenge is to agree a recurring financially sustainable strategy for both partners for 2023/2024 and beyond. Progress in respect of this will be presented to the IJB on 28 March 2023.
- 7.13. The request to return the projected unplanned underspend of £5.635m to the SLC partner will be presented to the IJB on 28 March 2023. The SLC partner has also advised that the amount to be returned may be revisited if there is a change in financial outlook by the end of the financial year.
- 7.14. The projected unplanned underspend does not yet include the additional recurring Scottish Government funding for the 2022/2023 pay award as highlighted at paragraph 4.3.2.
- 7.15. The IJB Chief Financial Officer continues to consult with both partners to assess the impact of 2022/2023 recurring and non-recurring health and social care cost pressures and to agree how best to address the in-year and future financial risks. The IJB Chief Financial Officer and both partners are committed to evaluating the feasible options and working towards a sustainable financial strategy.

## **8. Delegated Authority**

- 8.1. Effective from Tuesday 26 October 2021, authority was delegated to the IJB Chief Officer, in consultation with the IJB Chair, IJB Vice-Chair, or their nominated deputies as necessary, the NHSL Chief Accountable Officer and Director Finance and the SLC Chief Executive and Executive Director of Finance and Corporate Resources, in order to make timely strategic and operational decisions of an urgent nature to maintain service continuity as far as practical during this critical period. If decisions are taken which require the IJB Chief Officer to exercise such delegated authority, these will be reported to the next IJB meeting for information. As at 31 January 2023, the IJB Chief Officer has not required to exercise this delegated authority.

- 8.2. On 13 December 2022, the IJB approved the ongoing delegation of authority to the IJB Chief Officer as outlined at paragraph 8.1 above until the next meeting of the IJB on 28 March 2023.
- 8.3. As a matter of good governance, the IJB Standards Officer has been asked to undertake a review of the IJB Chief Officer's Scheme of Delegation to ensure that it continues to be appropriate for the current and anticipated operating environment, particularly in respect of effective and timely strategic and operational decision-making of an urgent nature in order to maintain service continuity as far as practical during critical periods. The review will include seeking comparisons with provisions in place for other IJB Chief Officers across Scotland. Any change to the IJB Chief Officer's Scheme of Delegation is subject to IJB approval.
- 8.4. In recognition that this review is ongoing and in order to maintain service continuity as far as practical during this ongoing critical period, the PASC is asked to consider and endorse the following recommendation to the IJB on 28 March 2023:
- In order to maintain service continuity as far as practical during critical periods, authority is delegated to the IJB Chief Officer to make timely strategic and operational decisions of an urgent nature. If decisions are taken which require the Chief Officer to exercise such delegated authority, these will be reported to the next IJB meeting for information.*
- 8.5. The delegation of authority as recommended at paragraph 8.1 would therefore remain in place between 28 March 2023 and next meeting of the IJB on 20 June 2023, whereupon it would be reviewed.

## **9. Employee Implications**

- 9.1. The employee implications associated with the report are detailed at appendix 1. These include vacancies and recruitment challenges. Employee recruitment continues to represent a challenge for health and social care partnerships locally and nationally. A range of factors have contributed to this including:
- the scale of new Scottish Government funding to support the health and social care workforce and the required recruitment;
  - the capacity of teams to recruit whilst responding to the pandemic;
  - the timescales to recruit and
  - the lack of availability of the respective skill mix of staff required within the workforce market.
- 9.2. It was originally assumed that there would be a full spend in respect of this funding in 2022/2023. The availability of staff across all sectors is a national issue which has been recognised by Audit Scotland. While workforce planning will contribute important mechanisms to address this, there are material limits to what can be achieved given wider labour market shortages. It is crucial that the IJB and other stakeholders are supported to be realistic in their expectations of the degree to which the risks associated with a material lack of appropriately trained staff in the labour market can be mitigated.

## **10. Financial Implications**

- 10.1. The financial implications are outlined in appendices 1 to 5.
- 10.2. The IJB Reserves Plan 2022/2023 is continuing to be reviewed in consultation with the Director of Finance of NHSL and the Executive Director of Finance and Corporate Resources of SLC and will take into consideration the range of in-year cost pressures and requests for funding that have emerged during the year.

## 11. Climate Change, Sustainability and Environmental Implications

11.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

## 12. Other Implications

12.1. The outcomes contained in this report will contribute to the following risks within the IJB Risk Register, notably:

- ◆ Demand Pressures (Very High)
- ◆ Workforce availability (Very High)
- ◆ Financial Sustainability (Very High)
- ◆ External Provider Resilience (Very High)
- ◆ Public Protection (High)
- ◆ Transformation (High)

12.2. The IJB Risk Register reflects consideration of the IJB's External Auditor (Audit Scotland) Audit Annual Report 2021/2022 which was presented to PASC on 12 October 2022, notably the following recommendation.

*The Joint Board should continue to explore and progress transformational change with its partners. Without this, there is a risk that temporary solutions are relied upon to bridge funding gaps which do not address the longer-term financial pressures of the Joint Board.*

12.3. Audit Scotland's national report on Integration Joint Boards Financial analysis 2020/2021 as previously highlighted to the PASC, also advised the following:

*IJBs face significant financial sustainability risks exacerbated by uncertainty of future funding, rising demand and the potential impact of a national care service. The non-recurring nature of some funding streams, and the reserves held by IJBs, presents a significant challenge to IJBs. It is essential that IJBs identify significant recurring savings to maintain current levels of service provision at the same time as transforming the way services are delivered.*

12.4. This report relates to all national outcomes as effective governance arrangements will ensure the IJB can fulfil its statutory duties. The contents of this report are material to the delivery of the IJB Strategic Commissioning Plan 2022 – 2025, notably the following outcome:

- ◆ Resources are used effectively and efficiently in the provision of health and social care services (Outcome 9).

12.5. The main risk associated with the IJB revenue budget is that either or both partners may overcommit against recurring budgets. On a non-recurring basis, this risk may be mitigated by the impact of vacancies and other non-recurring underspends however labour market supply challenges present a significant risk to the delivery of the strategic commissioning plan intentions across the health and social care partnership.

12.6. There is a very high risk in respect of the sufficiency of the totality of the Scottish Government funding for 2023/2024 particularly in respect of the 2023/2024 pay negotiations, inflationary cost pressures and demand for services across the whole system.

- 12.7. Demand across all Social Care Services continues to represent a significant risk within the Council's element of the partnership's budget, particularly within Care at Home Services, Care Home Services and Equipment and Adaptation Services.
- 12.8. The overall funding available for the Primary Care Improvement Plan and prescribing volatility continue to represent the most significant risks within the Health element of the partnership's budget.
- 12.9. The operational impacts of the national shortage of heavy goods vehicle drivers, petrol, diesel, gas and carbon dioxide continue to be key risks which are also being monitored by both partners as appropriate.
- 12.10. The IJB and both partners require to manage the risks associated with the ongoing uncertainty of the withdrawal from the EU.
- 12.11. These risks are heightened by the fact that there is the scope for a series of major risks all to coincide concurrently.
- 12.12. Financial risks are managed by the IJB, NHSL and SLC through their detailed budget management and probable outturn arrangements.
- 12.13. There are no other issues associated with this report.

### **13. Equality Impact Assessment and Consultation Arrangements**

- 13.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 13.2. Consultation was undertaken with both the Director of Finance for NHSL and the Executive Director of Finance and Corporate Resources of SLC in terms of the information contained in this report.

**Soumen Sengupta**  
**Director, Health and Social Care**

27 January 2023

### **Previous References**

- ◆ IJB 13 December 2022 Financial Monitoring 2022/2023

### **List of Background Papers**

- ◆ None

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

Marie Moy, Chief Financial Officer

Phone: 01698 453709

Email: [marie.moy@southlanarkshire.gov.uk](mailto:marie.moy@southlanarkshire.gov.uk)

## 1. Health Services Variance Explanations

### 1.1. Locality and Other Services

- 1.1.1 There is a net underspend of £1.360m across the localities and other services. Other services include boundary service level agreements, Social Care Funding, management team costs, school nursing and the apprenticeship levy.
- 1.1.2 The net underspend on employee costs totals £0.955m. There is an underspend within the Cambuslang / Rutherglen locality (7.81 WTE - £0.253m), Hamilton locality (10.41 WTE - £0.218m) and East Kilbride locality (8.10 WTE - £0.232m). The vacancies across the localities are mainly within nursing services. There is also an underspend of £0.155m across Telehealth Services. There are further net underspends of £0.097m across pay costs.
- 1.1.3 There is a net underspend of £0.405m on non-pay costs. There is an underspend of £0.431m in respect of the Social Care Funding and an underspend of £0.081m in respect of the Veteran's Fund. There are overspends across the Cambuslang / Rutherglen locality £0.063m and the Hamilton locality £0.067m. There are also other net underspends totalling £0.023m.
- 1.1.4 There continue to be unidentified savings targets from previous years. Work is ongoing to confirm a recurring funding solution to address unidentified savings.

### 1.2. Addiction Services

- 1.2.1 There is an underspend of £0.845m across Addiction Services which includes Cares Services and Alcohol and Drug Partnership (ADP) Funding.
- 1.2.2 There are 10.5 WTE vacancies (£0.299m) in the Cares Team mainly within nursing services.
- 1.2.3 In respect of the ADP funding, an underspend of £0.513m is reported (Pays - £0.001m overspend; Non-Pays - £0.514m underspend). The planned commitments in respect of ADP in 2022/2023 continue to be monitored.

### 1.3. Medical and Nursing Directorate

- 1.3.1 There is an overspend of £0.012m.
- 1.3.2 There is a net underspend of £0.119m within the medical directorate costs.
- 1.3.3 There is a net overspend of £0.131m within the nursing directorate costs.

### 1.4. Prescribing

- 1.4.1 Prescribing activity figures for 31 October 2022 have been received and an overspend of £1.950m is reported at this stage of the financial year.
- 1.4.2 The prescribing budget has been increased to include an inflation uplift of 2%. A further change in the Scottish Government tariff prices has also been deducted and the IJB reserves funding of £0.892m has been drawn down and added to the prescribing budget. The revised annual budget is therefore £67.621m. The year-to-date budget as at 31 December 2022 is £50.716m. Expenditure incurred as at 31 December 2022 in respect of prescribing is £52.666m.

**1. Health Services Variance Explanations (Cont.)****1.4. Prescribing (Cont.)**

1.4.3 The year-to-date prescribing activity figures for October 2022 are 3.05% higher than the year-to-date position for October 2021. The initial indications reflect an increase of approximately 4.62% for November 2022 which would result in a year-to-date increase of 2.89%. The current cost per item in October 2022 of £10.20 is higher than the average cost per item for October 2021. This is contributing to the overspend position. Prescribing costs remain a key financial risk and will continue to be closely monitored.

**1.5. Out of Area Services**

1.5.1 There is an overspend of £0.457m. Additional costs are incurred in respect of the cost of services to support individuals with complex care needs.

**1.6. Area Wide Services**

1.6.1 There is an underspend of £0.252m. The underspends are within Pharmacy Services (£0.127m) and Health Promotion Services (£0.118m). There are other net underspends of £0.007m.

**1.7. Hosted Services Led by South Lanarkshire**

1.7.1 The Hosted Services which are led by the South Lanarkshire HSCP are outlined at appendix 3. There is a net underspend of £1.703m as at December 2022. The significant variances are in respect of the following services:

- ◆ Community Dental Services           £0.492m under
- ◆ Occupational Therapy Services       £0.476m under
- ◆ Physiotherapy Services               £0.387m under

1.7.3 The underspend across Community Dental Services (£0.492m) is as a result of an underspend across pay costs due to vacancies within senior medical and dental posts and dental nurses (18.81 WTE - £0.480m) and an underspend across non-pay costs (£0.012m).

1.7.4 The underspend across Occupational Therapy Services (£0.476m) is as a result of an underspend across pay costs due to vacancies (£0.399m) and an underspend across non-pay costs (£0.077m).

1.7.5 The underspend across Physiotherapy Services (£0.387m) is as a result of an underspend across pay costs due to vacancies (11.55 WTE - £0.456m) which is partly offset by an overspend across non-pay costs (£0.069m).

1.7.6 In line with the Integrated Resources Advisory Group Finance Guidance, the lead partner for a Hosted Service is responsible for managing any overspends incurred. With the exception of ring-fenced funding, the lead partner can also retain any underspends which may be used to offset the overspends. This arrangement has been in place since 1 April 2016.

1.7.7 The IJB was previously advised that the hosted services principals were being reviewed however due to the Covid pandemic, progress to date has been limited. In the interim, on 29 March 2022, the IJB approved the continuance of the current arrangement in respect of the management of overspends and the retention of underspends by the lead partner for the financial year 2022/2023.

**1. Health Services Variance Explanations (Cont.)**

## 1.8. Hosted Services Led by North Lanarkshire

1.8.1 The Hosted Services which are led by the North Lanarkshire HSCP are outlined at appendix 4. In-line with the Hosted Services agreement, a break-even position is reported.

## 1.9. Notional Set-Aside Budget

1.9.1 The set-aside budget is a notional budget which represents the consumption of hospital resources by South Lanarkshire residents. In line with the accounting policy previously agreed, this notional set-aside budget will be included in the IJB Annual Accounts 2022/2023 as an estimate of expenditure. It is recognised that this will not necessarily reflect the actual usage of these hospital services by the IJB however it has been endorsed as an acceptable approach pending further updates from the Information Services Division (ISD). It is also recognised that, in the future, activity levels will not be representative of previous normal activity levels due to the impact of the Covid pandemic. This will require to be taken into consideration.

1.9.2 In line with the previously agreed methodology, the 2021/2022 notional set-aside budget has been increased by the 2022/2023 inflation uplift of 2% (£1.230m) and the additional funding for the increase in national insurance contributions (£0.368m). The notional set-aside budget has therefore increased by £1.598m from £61.481m to £63.079m for 2022/2023.

1.9.3 The agreement in place from 2016/2017 to date in 2022/2023 has been that any physical transfer of resources from the set aside will be based on agreed costed service changes. Outside of these planned changes, it has been agreed each year to date that the NHS Board will deliver the set aside services in return for the budget offered. Although under s28(4) of the Public Bodies (Joint Working) (Scotland) Act 2014, the Health Board may require the integration authority to reimburse it for the additional amount used in providing set aside services, this has not been pursued by NHSL with the IJB.

1.9.4 All expenditure incurred on the set-aside services to date therefore has been met by NHSL. Instead, the focus has been on whole system working through the unscheduled care board to develop future plans to cope with increased demand coupled with day-to-day integrated working to resolve the more immediate problems. This approach has allowed a constructive dialogue between the parties which focusses on the service changes that will make a difference.

1.9.5 The system reform assumptions in the Scottish Government Medium Term Health and Social Care Financial Framework which was published in October 2018 included material savings to be achieved from reducing variation in hospital utilisation across partnerships. Planning across the whole unplanned care pathway is key to delivering this objective. Partnerships were advised that by the start of 2019/2020, the set aside arrangements were to be fit for purpose and enable this approach. However, there continues to be a significant time lag in being able to quantify reliably the hospital resource use in any year. The impact of the Covid pandemic on the set-aside services during 2020/2021 will not be known until 2022/2023. These activity levels will also not be representative of normal demand and will be unique to the emergency response to the pandemic. It will be difficult to isolate the positive impact of the whole system approach adopted across Lanarkshire from the adverse impact of the response to the Covid pandemic.

**1. Health Services Variance Explanations (Cont.)****1.9. Notional Set-Aside Budget (Cont.)**

1.9.6 In line with the Scottish Government guidance, the approach to the management of the Covid costs in 2022/2023 associated with the set-aside services was discussed and agreed between the IJB Chief Financial Officer and NHSL Director of Finance in March 2022. This included Accident and Emergency Services and other unplanned care pathways. Although the set-aside services continue to be managed directly by Acute Services, they are formally delegated to the IJB. At 31 December 2022, the projected Covid expenditure being incurred again for the period from 1 April 2022 to 31 March 2023 for the South Lanarkshire HSCP is estimated to be £15.444m (Projection based on November 2022 costs - £15.458m). These costs relate to the health and social care services delegated to the IJB including the unscheduled care services that the IJB is also responsible for. These costs are not new costs and were also funded from the Covid funding in 2021/2022.

1.9.7 It was previously highlighted that a further development of the set-aside concept would be to increase the visibility of the hospital set-aside resource usage in financial terms, similar to the transparency across Community Health Services and Social Care Services. This would contribute to a balanced view of the entire patient journey. During 2020/2021, the local pilot which was established to assess if reliance could be placed on more timely information had to be paused due to the pandemic. Further opportunities to explore the connections between the set-aside budget and the other health and social care budgets were also limited during 2021/2022. The outcome of future reviews will need to take account of the operational and financial impact of the ongoing significant demand and capacity challenges across the health and social care system.

1.9.8 The calculation of the notional set-aside allocation and the confirmation of actual activity levels remains a complex accounting process. The allocation will be updated on receipt of the validated 2019/2020 activity levels from ISD. The information is not yet available due to the impact of the Covid pandemic and the requirement to support other priorities. The NHSL Director of Finance, in consultation with the IJB Chief Financial Officer, continues to develop the monitoring arrangements for the Hospital Acute Services.

**1.10. Covid Costs**

1.10.1 The financial position for 2022/2023 in respect of the Covid pandemic is being updated in consultation with both partners.

1.10.2 The additional actual costs incurred to date across Health Care Services as a result of the Covid pandemic are being closely monitored by the NHSL partner. This additional cost will be met from the ring-fenced Covid reserve. No further additional Scottish Government funding will be received in 2022/2023. Work is progressing to assess the impact of 2022/2023 demand on future years. As highlighted at paragraph 4.2, the Scottish Government has advised of its intention to reclaim unspent Covid reserves funding of £17.798m.

## 1. Health Services Variance Explanations (Cont.)

### 1.11. Financial Position

1.11.1 The financial position in respect of Health Care Services as at December 2022 is outlined at appendix 2 and is summarised as follows:

- ◆ there is a net underspend of £1.741m on the core budgets within Health Care Services
- ◆ there is a break-even position reported in respect of the Primary Care Improvement Funding

## 2. Average Vacancy Factor (NHSL)

2.1. The year-to-date WTE position against the funded establishment across Health Care Services is summarised as follows:

Establishment	Actual	Variance
1,735 WTE	1,593 WTE	142 WTE under
100%	92%	8% under

2.2. The actual workforce is approximately 8% under establishment. Action is being taken to recruit to vacant posts particularly in key service areas. Additional hours are also worked through bankaide, overtime and excess part-time hours, the cost of which is included within the financial position reported.

## 3. Social Care Services

3.1. An underspend of £3.313m across Social Care and Housing Services is reported at 30 December 2022 (Period 10). This is mainly due to the employee recruitment challenges (£1.781m).

3.2. As highlighted at section 7, the outturn for the SLC partner at 31 March 2023 is projected to be an underspend of £7.058m. This includes projected underspends in relation to specific funding streams across Adult and Older People Services where spend has not yet commenced or is not fully committed. It also includes the impact of the ongoing recruitment challenges. In this regard, significant concerns continue to be highlighted around unmet need in Care at Home Services and increasing delays in hospital.

3.3. Care home placements are continuing to increase to manage delayed discharges. The financial strategy for 2022/2023 provided for an additional 5 care home placements per month. Between 1 April 2022 and 31 December 2022, approximately 91 additional placements have been made and discharges have been 22 less than budgeted. The additional 113 care home placements therefore require to be funded at a cost of £3.000m (part year) in 2022/2023 and £3.300m (full year) in 2023/2024. This recurring cost has been partially offset by the outcome of the review of changes in circumstances of other existing care home placements. The net additional cost has therefore been reduced to £2.500m in 2022/2023 and £3.000m in 2023/2024. It is assumed that the projected overspend of £2.500m in 2022/2023 will be funded from the IJB Covid reserve funding. A recurring funding solution for the recurring cost of £3.000m in 2023/2024 requires to be identified and implemented effective from 1 April 2023.

**3. Social Care Services (Cont.)**

- 3.4. Interim care home placements are also continuing to be made to manage delayed discharges. Non-recurring funding for interim care home placements of £1.174m was provided by the Scottish Government for 2022/2023.
- 3.5. The demand for equipment continues to be higher than planned due to the impact of the ongoing significant demand and capacity challenges across the health and social care system including demographic growth and the requirement to discharge people safely from hospital. The actual expenditure incurred has increased between 7 October 2022 and 30 December 2022 by £0.975m from £0.866m to £1.841m.
- 3.6. The impact in 2022/2023 as a result of the underachievement of 2021/2022 savings continues to be £0.290m.
- 3.7. In respect of the regrading of Social Care Assistants, there continues to be a non-recurring funding gap of £0.650m and a recurring funding gap of £0.120m. This is being managed on a non-recurring basis in 2022/2023. A recurring funding solution will require to be identified and agreed.
- 3.8. As at 23 January 2023, an additional 2,589 Care at Home hours have been called on to external providers since 1 April 2022. The part-year cost of the additional Care at Home hours is £1.683m in 2022/2023. The recurring full-year cost in 2023/2024 is £2.641m. At this stage, this cost can be contained within the current funding available for Care at Home Services. This activity is being closely monitored to ensure further increases in the additional Care at Home hours called on do not exceed the funding available.
- 3.9. Recruitment for additional internal Care at Home staffing was previously authorised, the cost in respect of which is now being met by the Care at Home Capacity Expansion Funding of £7.281m which was allocated by the Scottish Government in 2022/2023. The SLC partner is continuing to progress the recruitment of additional internal Care at Home staff to meet the increasing demand however recruitment is proving challenging. Other options therefore to ensure care needs are being met, particularly over the winter period, are being progressed in addition to ongoing recruitment. The position continues to be monitored.
- 3.10. An overspend of £0.346m is reported in respect of the Housing Revenue Account at period 10 in respect of the increase in the cost of and demand for equipment and adaptations.
- 3.11. An over-recovery of income totalling £0.222m is reported at period 10 which is a favourable variance.
- 3.12. The additional actual costs incurred to date across Social Care Services as a result of the Covid pandemic are being closely monitored by the SLC partner. This additional cost will be met from ring-fenced reserves. No further additional Scottish Government funding is expected for 2022/2023. Work is progressing to assess the impact of 2022/2023 demand on future years. As highlighted at paragraph 4.2, subject to consideration by the IJB, the Scottish Government has advised of its intention to reclaim unspent Covid reserves funding totalling £17.798m.

### 3. Social Care Services (Cont.)

- 3.13. The financial position in respect of Social Care and Housing Services as at 30 December 2022 is a net underspend of £3.313m as outlined at appendix 2 and summarised as follows:
- ◆ there is a net underspend of £3.659m on the core budgets within Social Care and Housing Services
  - ◆ there is an overspend of £0.346m reported in respect of the Housing Revenue Account (HRA)

### 4. Risk

- 4.1. Risk management arrangements are in place for the IJB and each partner. The IJB risk register has been reviewed and updated. The main risk associated with the in-scope budget is the uniquely high level of uncertainty in respect of projected costs and funding solutions particularly in respect of the pay award negotiations and the challenging labour market shortages nationally. There is a risk that either or both partners may overspend.
- 4.2. The financial years 2020/2021, 2021/2022 and 2022/2023 have been and continue to be unprecedented. The emergency response to the Covid pandemic and the ongoing significant demand and capacity challenges across the health and social care system have had a significant operational and financial impact on service delivery, the achievement of the Strategic Commissioning Plan and the financial planning assumptions of the original IJB Financial Plans.
- 4.2.1. Across social care services, the service continues to face demand pressures for service provision within Care at Home Services, Care Home Services and Equipment and Adaptation Services.
- 4.2.2. Prescribing volatility and uncertainty continues to represent a high-risk area within the NHSL element of the partnership's budget. Further prescribing efficiency savings will need to be achieved to reduce costs.
- 4.2.3 Both partners and external health and social care providers continue to highlight higher than normal staff turnover rates and recruitment challenges. In addition to the requirement to isolate when necessary, the impact of vacancies and absences throughout the year has had a detrimental impact to maintaining service provision.
- 4.3. The financial planning assumption is that the demand pressures as a result of the Covid pandemic in 2022/2023 will be met from the IJB Covid reserve funding. There is however a high risk for the IJB and both partners that some of the additional Covid costs will be recurring in 2023/2024. Covid funding is not being made available by the Scottish Government in 2023/2024. The recurring cost of continuing to respond to the Covid pandemic is being quantified and will require to be included as a cost pressure in the IJB Financial Plan 2023/2024.
- 4.4. The operational and financial risks associated with the ongoing significant demand and capacity challenges across the health and social care system continue to be closely monitored by the IJB and both partners in line with their agreed emergency response arrangements and also the recovery, redesign and remobilisation work to reinstate services. The whole system approach continues to be adopted by NHSL, SLC and North Lanarkshire Council.

## Health and Social Care Services Analysis

## Appendix 2

South Lanarkshire Health and Social Care Partnership Budget	ANNUAL BUDGET 2022/2023 £m	YEAR TO DATE		YEAR TO DATE VARIANCE		
		BUDGET Dec 2022 £m	ACTUAL Dec 2022 £m	GENERAL Dec 2022 £m	RING-FENCED Dec 2022 £m	TOTAL Dec 2022 £m
<b>Health Care Services</b>						
Locality and Other Services	26.483	18.080	16.720	1.360		1.360
Addiction Services	11.933	7.716	6.872	0.845		0.845
Medical and Nursing Directorate	4.526	3.269	3.281	(0.012)		(0.012)
Prescribing	67.621	50.716	52.666	(1.950)		(1.950)
Out of Area Services	4.060	3.045	3.502	(0.457)		(0.457)
Area Wide Services	10.663	7.189	6.937	0.252		0.252
Hosted Services	124.812	90.108	88.405	1.703		1.703
Family Health Services	109.060	82.352	82.352	(0.000)		(0.000)
Set-Aside Budget	63.079	47.309	47.309	0.000		0.000
Remobilisation	1.606	1.606	1.606	0.000		0.000
Covid-19	0.136	0.137	0.137	(0.000)		(0.000)
<b>Expenditure - Sub Total</b>	<b>423.980</b>	<b>311.528</b>	<b>309.787</b>	<b>1.741</b>	<b>0.000</b>	<b>1.741</b>
<b>Social Care Services</b>						
Adult and Older People Services	221.951	158.324	154.731	3.593		3.593
Substance Misuse Services	0.000	0.000	0.000	0.000		0.000
Grounds Maintenance Services	0.084	0.084	0.084	0.000		0.000
Performance & Support Services	0.515	0.351	0.319	0.032		0.032
Housing Services - General Fund	2.623	1.652	1.841	(0.188)		(0.188)
Covid-19 Costs	10.568	8.314	8.314	0.000		0.000
<b>Total Expenditure</b>	<b>235.741</b>	<b>168.726</b>	<b>165.289</b>	<b>3.437</b>		<b>3.437</b>
Gross Income	(8.481)	(6.380)	(6.602)	0.222		0.222
<b>Net Expenditure</b>	<b>227.260</b>	<b>162.346</b>	<b>158.687</b>	<b>3.659</b>		<b>3.659</b>
Housing Services - HRA	2.955	1.862	2.208		(0.346)	(0.346)
<b>Social Care and Housing Services Sub-Total</b>	<b>230.215</b>	<b>164.207</b>	<b>160.894</b>	<b>3.659</b>	<b>(0.346)</b>	<b>3.313</b>
<b>TOTAL EXPENDITURE</b>	<b>654.196</b>	<b>475.735</b>	<b>470.681</b>	<b>5.400</b>	<b>(0.346)</b>	<b>5.054</b>
<b>FUNDED BY:</b>						
SLC Funding	170.739					
<b>Total - SLC</b>	<b>170.739</b>					
NHS Lanarkshire Funding	422.652					
Resource Transfer	24.543					
Social Care Funding	20.272					
Commissioned Services Funding	5.284					
Covid-19 Funding	10.704					
<b>Total - NHSL</b>	<b>483.456</b>					
<b>TOTAL</b>	<b>654.196</b>					

## Hosted Services Led By South Lanarkshire IJB

## Appendix 3

Led by the South Partnership	TOTAL			
	Annual Budget 2022/2023	YTD Dec 2022 Budget 2022/2023	YTD Dec 2022 Actual 2022/2023	YTD Dec 2022 Variance 2022/2023
	£m	£m	£m	£m
Community Dental Services	7.488	5.545	5.053	0.492
Brain Injury Unit	2.365	1.414	1.322	0.092
Out of Hours Services	8.919	6.629	6.600	0.028
Palliative Care Services	7.215	5.437	5.312	0.124
Physiotherapy Services	10.209	7.666	7.279	0.387
Primary Care Services	0.806	0.600	0.556	0.044
Occupational Therapy Services	7.988	6.017	5.541	0.476
Diabetic Services	4.948	4.007	3.947	0.059
<b>Sub Total</b>	<b>49.938</b>	<b>37.314</b>	<b>35.610</b>	<b>1.704</b>
<b>Ring Fenced Funding</b>				
Primary Care Improvement Fund	12.874	6.617	6.617	0.000
Primary Care Transformation Fund	0.000	0.000	0.000	(0.000)
<b>Sub Total</b>	<b>12.874</b>	<b>6.617</b>	<b>6.618</b>	<b>(0.000)</b>
<b>TOTAL</b>	<b>62.812</b>	<b>43.931</b>	<b>42.228</b>	<b>1.703</b>
<b>South Share of North Hosted Services</b>	<b>62.000</b>	<b>46.177</b>	<b>46.177</b>	<b>0.000</b>
<b>Hosted Services Total</b>	<b>124.812</b>	<b>90.108</b>	<b>88.405</b>	<b>1.703</b>

South Lanarkshire IJB - 49% Share			
Annual Budget 2022/2023	YTD Dec 2022 Budget 2022/2023	YTD Dec 2022 Actual 2022/2023	YTD Dec 2022 Variance 2022/2023
£m	£m	£m	£m
3.669	2.717	2.225	0.492
1.159	0.693	0.601	0.092
4.370	3.248	3.220	0.028
3.535	2.664	2.540	0.124
5.003	3.756	3.369	0.387
0.395	0.294	0.250	0.044
3.914	2.948	2.473	0.476
2.425	1.963	1.904	0.059
<b>24.470</b>	<b>18.284</b>	<b>16.580</b>	<b>1.704</b>
6.308	3.243	3.242	0.000
0.000	0.000	0.000	(0.000)
<b>6.308</b>	<b>3.243</b>	<b>3.243</b>	<b>(0.000)</b>
<b>30.778</b>	<b>21.526</b>	<b>19.823</b>	<b>1.703</b>

North Lanarkshire IJB - 51% Share			
Annual Budget 2022/2023	YTD Dec 2022 Budget 2022/2023	YTD Dec 2022 Actual 2022/2023	YTD Dec 2022 Variance 2022/2023
£m	£m	£m	£m
3.819	2.828	2.828	0.000
1.206	0.721	0.721	0.000
4.548	3.381	3.381	0.000
3.680	2.773	2.773	0.000
5.207	3.910	3.910	0.000
0.411	0.306	0.306	0.000
4.074	3.069	3.069	0.000
2.524	2.043	2.043	0.000
<b>25.469</b>	<b>19.030</b>	<b>19.030</b>	<b>0.000</b>
6.566	3.375	3.375	0.000
0.000	0.000	0.000	0.000
<b>6.566</b>	<b>3.375</b>	<b>3.375</b>	<b>0.000</b>
<b>32.034</b>	<b>22.405</b>	<b>22.405</b>	<b>0.000</b>

## Hosted Services Led By North Lanarkshire IJB

## Appendix 4

Led by the North Partnership	TOTAL			
	Annual Budget 2022/2023	YTD Dec 2022 Budget 2022/2023	YTD Dec 2022 Actual 2022/2023	YTD Dec 2022 Variance 2022/2023
	£m	£m	£m	£m
Sexual Health Services	2.986	2.243	2.118	0.125
Continence Services	2.361	1.771	1.776	(0.005)
Immunisation Services	1.898	1.423	1.852	(0.429)
Speech and Language Therapy Services	6.114	4.589	3.959	0.630
Children and Adolescents Mental Health Services	12.448	8.591	7.581	1.010
Childrens Services	12.444	9.030	8.755	0.275
Integrated Equipment and Adaptations Store	0.567	0.426	0.508	(0.082)
Dietetics Services	3.856	2.897	2.663	0.234
Podiatry Services	4.357	3.266	3.160	0.106
Prisoner Healthcare Services	1.707	1.281	1.248	0.032
Blood Borne Viruses Services	1.529	1.147	1.103	0.044
Hospital at Home	2.502	1.749	1.518	0.232
Mental Health and Learning Disability Services	73.762	55.827	54.602	1.224
<b>TOTAL</b>	<b>126.530</b>	<b>94.238</b>	<b>90.842</b>	<b>3.396</b>

South Lanarkshire IJB - 49% Share			
Annual Budget 2022/2023	YTD Dec 2022 Budget 2022/2023	YTD Dec 2022 Actual 2022/2023	YTD Dec 2022 Variance 2022/2023
£m	£m	£m	£m
1.463	1.099	1.099	0.000
1.157	0.868	0.868	0.000
0.930	0.698	0.698	0.000
2.996	2.249	2.249	0.000
6.100	4.209	4.209	0.000
6.097	4.425	4.425	0.000
0.278	0.208	0.208	0.000
1.890	1.419	1.419	0.000
2.135	1.600	1.600	0.000
0.836	0.627	0.627	0.000
0.749	0.562	0.562	0.000
1.226	0.857	0.857	0.000
36.143	27.355	27.355	0.000
<b>62.000</b>	<b>46.177</b>	<b>46.177</b>	<b>0.000</b>

North Lanarkshire IJB - 51% Share			
Annual Budget 2022/2023	YTD Dec 2022 Budget 2022/2023	YTD Dec 2022 Actual 2022/2023	YTD Dec 2022 Variance 2022/2023
£m	£m	£m	£m
1.523	1.144	1.019	0.125
1.204	0.903	0.908	(0.005)
0.968	0.726	1.155	(0.429)
3.118	2.340	1.710	0.630
6.349	4.381	3.371	1.010
6.346	4.605	4.330	0.275
0.289	0.217	0.299	(0.082)
1.967	1.477	1.243	0.234
2.222	1.666	1.560	0.106
0.870	0.653	0.621	0.032
0.780	0.585	0.541	0.044
1.276	0.892	0.661	0.232
37.619	28.472	27.247	1.224
<b>64.530</b>	<b>48.061</b>	<b>44.665</b>	<b>3.396</b>

<b>North Share of South Hosted Services</b>	32.034	22.405	22.405	0.000
<b>Hosted Services Total</b>	<b>158.564</b>	<b>116.643</b>	<b>113.247</b>	<b>3.396</b>

IJB Reserves Plan 2022/2023

Appendix 5

Ref	Lead	Useable Reserve	Revised Balance As At 31 March 2022 £m
<b>Ring-Fenced Reserves</b>			
RF2	NHSL	Alcohol and Drug Partnership Fund	1.276
RF3	NHSL	Primary Care Improvement Fund	0.151
RF10	NHSL	GP Information Technology Fund	0.750
RF11	NHSL	Community WIFI Fund	0.315
RF12	NHSL	Remobilisation Fund	3.074
RF13	NHSL	Integration Authority Support Fund	5.924
RF14	NHSL	Primary Care Improvement Fund - Health Improvement Services	0.024
RF15	NHSL	Adult Social Care Winter Preparedness Fund	2.573
RF17	NHSL	ADP - Drug Death Task Force	0.290
RF18	NHSL	Community Living Change Fund	1.047
RF19	NHSL	West Of Scotland Trauma Fund	0.228
RF22	NHSL	Insulin Pump Fund	0.079
RF23	NHSL	Covid Funding	30.832
RF24	NHSL	Covid - Test & Protect Funding	0.480
RF25	NHSL	Covid - Unscheduled Care Funding	1.944
RF26	NHSL	GPIT Reprovisioning	0.750
RF27	NHSL	Primary Care Improvement	9.046
RF28	NHSL	National Drugs Mission	0.222
RF29	NHSL	Residential Rehab	0.296
RF30	NHSL	WFA	0.207
RF31	NHSL	Buvidal	0.235
RF32	NHSL	Outreach	0.115
RF33	NHSL	Near Fatal Overdose	0.178
RF34	NHSL	Lived Experience	0.030
RF35	NHSL	Local Improvement	0.797
RF36	NHSL	MIST	0.355
RF37	NHSL	Dental Remobilisation	0.576
RF38	NHSL	Dental GCU Monies	0.025
RF39	NHSL	School Nursing	0.140
RF40	NHSL	Brain Injury	0.992
RF41	NHSL	DN Expansion	0.075
RF42	NHSL	ADP Task Force	0.191
RF43	NHSL	Urgent Care	0.060
RF44	NHSL	Discharge Without Delay	0.562
RF45	NHSL	Home First - MDT	1.161
RF46	NHSL	Additional 2-4 Allocation	0.467
RF47	NHSL	Additional 2-4 Allocation	0.163
RF48	NHSL	Staff Well Being	0.228
RF49	NHSL	Interface Care Programme	0.860
RF50	NHSL	Telehealth	0.015
RF51	NHSL	Video Medication Prompting	0.018
RF52	NHSL	Family Nurse Partnership	0.045
RF53	NHSL	Neurological Framework	0.024
RF54	NHSL	Out of Hours	0.302
RF55	NHSL	OT NES	0.002
RF56	NHSL	Insulin Pumps Funding	1.607
<b>Total Ring-Fenced Reserves</b>			<b>68.733</b>

2022/2023		
Transfers To / From Contingency £m	Transfers Out £m	Balance As At December 2022 £m
	(1.222)	0.054
	(0.151)	0.000
		0.750
		0.315
		3.074
	(0.662)	5.262
	(0.024)	0.000
	(0.074)	2.499
	(0.061)	0.229
		1.047
		0.228
		0.079
	(1.741)	29.091
		0.480
		1.944
		0.750
	(9.046)	0.000
	(0.222)	0.000
		0.296
		0.207
		0.235
	(0.115)	0.000
		0.178
		0.030
		0.797
		0.355
	(0.222)	0.354
	(0.025)	0.000
	(0.140)	0.000
	(0.752)	0.240
	(0.075)	0.000
		0.191
	(0.060)	0.000
	(0.121)	0.441
	(0.831)	0.330
	(0.467)	0.000
	(0.163)	0.000
	(0.009)	0.219
		0.860
		0.015
		0.018
		0.045
		0.024
	(0.302)	0.000
		0.002
	(1.182)	0.425
<b>0.000</b>	<b>(17.667)</b>	<b>51.066</b>

## IJB Reserves Plan 2022/2023 (Cont.)

## Appendix 5 (Cont.)

Ref	Lead	Useable Reserve	Revised Balance As At 31 March 2022 £m
<b>Earmarked Reserves</b>			
EM1	NHSL	Palliative Care Services	0.225
EM2	NHSL	Prescribing Fund	0.892
EM3	SLC	Social Care Contingency Fund	0.893
EM5	NHSL	Transitional Fund	0.186
EM8	NHSL	Telehealth Fund	0.150
EM19	SLC	Housing Services - General Fund	0.585
EM22	NHSL	GP IT Systems Replacement Fund	0.997
EM24	NHSL	Director of Nursing Fund	0.065
EM25	NHSL	Registered Nurse Recruitment Fund	0.191
EM28	NHSL	CLAN Fund	0.045
EM31	NHSL	Area Wide Services - Health Inequalities Health Promotion Posts	0.082
EM32	NHSL	Area Wide Services - Mental Health Initiatives - Health Improvement	0.201
EM33	NHSL	Area Wide Services - Vulnerable Population Post - Health Improvement Services	0.065
EM34	NHSL	Area Wide Services - Development of Health Promoting Culture	0.136
EM35	NHSL	Area Wide Services - Third Sector Initiatives To Improve Health	0.294
EM36	NHSL	Area Wide Services - Public Health Intelligence Data Analysts	0.059
EM37	NHSL	Area Wide Services - Inequalities Funding	0.023
EM38	NHSL	Health and Social Care Fund	0.326
EM39	SLC	Financial Plan 2022/2023	4.945
EM40	SLC	Integrated Care Fund	0.902
EM41	SLC	Self-Directed Support Development Team	0.343
EM42	SLC	Mental Health Officer Capacity	0.160
EM43	NHSL	Area Wide Services - 2021/2022 Underspend	1.567
EM45	NHSL	OT - Project Specific	0.114
EM46	NHSL	OT - PCIF Staff Support	0.500
EM47	NHSL	Band 6 Project Lead	0.074
EM48	NHSL	Band 5 OSM's South	0.081
EM49	NHSL	ADP Commissioned	0.300
EM50	NHSL	Professional Nursing	0.291
EM51	NHSL	Vaslan	0.240
EM52	NHSL	Care Opinion	0.033
EM53	NHSL	Veterans	0.108
EM54	NHSL	Social Care Fund	0.575
EM55	NHSL	Childrens Care Fund	0.050
EM57	NHSL	Medical Staffing	0.040
EM60	NHSL	GPIT Reprovisioning	0.186
EM61	NHSL	Clinical Fellow fundng	0.080
EM62	NHSL	Clinical Pharmacist re addictions	0.035
EM64	NHSL	Oversubstantive Posts (£2.438m)	0.506
<b>Total Earmarked Reserves</b>			<b>16.545</b>

<b>Contingency Reserve</b>	<b>0.000</b>
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<b>General Fund</b>	<b>85.278</b>
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<b>Summary</b>	
Ring-fenced	68.733
Earmarked	16.545
Contingency	0.000
<b>Total</b>	<b>85.278</b>

2022/2023		
Transfers To / From Contingency £m	Transfers Out £m	Balance As At December 2022 £m
	(0.035)	<b>0.190</b>
	(0.892)	<b>0.000</b>
		<b>0.893</b>
		<b>0.186</b>
		<b>0.150</b>
		<b>0.585</b>
	0.000	<b>0.997</b>
		<b>0.065</b>
	(0.191)	<b>0.000</b>
	(0.045)	<b>0.000</b>
		<b>0.082</b>
	(0.143)	<b>0.058</b>
		<b>0.065</b>
		<b>0.136</b>
		<b>0.294</b>
		<b>0.059</b>
		<b>0.023</b>
		<b>0.326</b>
		<b>4.945</b>
		<b>0.902</b>
		<b>0.343</b>
		<b>0.160</b>
	(0.279)	<b>1.288</b>
	(0.057)	<b>0.057</b>
	(0.500)	<b>0.000</b>
	(0.042)	<b>0.032</b>
	(0.054)	<b>0.027</b>
		<b>0.300</b>
	(0.121)	<b>0.170</b>
		<b>0.240</b>
		<b>0.033</b>
	(0.065)	<b>0.043</b>
		<b>0.575</b>
		<b>0.050</b>
	(0.020)	<b>0.020</b>
		<b>0.186</b>
	(0.047)	<b>0.033</b>
		<b>0.035</b>
	(0.417)	<b>0.089</b>
<b>0.000</b>	<b>(2.908)</b>	<b>13.637</b>
		<b>0.000</b>
<b>0.000</b>	<b>(20.575)</b>	<b>64.703</b>

0.000	(17.667)	<b>51.066</b>
0.000	(2.908)	<b>13.637</b>
0.000	0.000	<b>0.000</b>
<b>0.000</b>	<b>(20.575)</b>	<b>64.703</b>



# Report

Report to:	<b>South Lanarkshire Integration Joint Board (Performance and Audit) Sub- Committee</b>
Date of Meeting:	<b>21 February 2022</b>
Report by:	<b>Director, Health and Social Care</b>

Subject:	<b>Performance Monitoring Report</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update the Sub-Committee on performance with currently available data against the six key performance measures identified by the Ministerial Steering Group (MSG) assigned to the integration of Health and Social Care
- ◆ highlight the service pressures and impact on remobilisation and performance recovery
- ◆ provide an update on work ongoing to accelerate enactment of the 'Discharge Without Delay' Programme and associated work intended to maximise flow through the health and social care system
- ◆ highlight examples of innovation and best practice

## 2. Recommendation(s)

2.1. The Performance and Audit Sub-Committee is asked to approve the following recommendation(s):-

- (1) that the Sub-Committee note the current performance trends and service pressures;
- (2) that the Sub-Committee note the work ongoing to improve system wide flow; and
- (3) that the Sub-Committee note the work ongoing to review current performance metrics to reflect work to improve system wide flow.

## 3. Background

3.1. As highlighted in Appendix 1, A&E attendances and admissions are lower than pre-pandemic levels. Delayed discharge performance for the period April – November 2022 is, however, above target, albeit still not higher than pre-pandemic levels. There is, however, an increased length of stay overall which means that the numbers of unscheduled bed days are very similar to pre-pandemic levels and much of this can be related to patients presenting in a more acute phase of their illness, being 'de-conditioned' as a result of Covid lockdown and, therefore, requiring more rehabilitation time and other system flow issues which mean a longer length of stay.

- 3.2. There was a peak in delayed discharge bed days in August 2022, followed by decrease which has stabilised in October and November. In real terms however, the rate of Delayed Discharges in South Lanarkshire has dropped significantly with the Health and Social Care Partnership (HSCP) being in the 'middle of the pack' as opposed to occupying one of the highest rates of Delayed Discharges as existed pre-pandemic. Much of the work described below is helping keep these numbers down and will work towards further reductions.
- 3.3. Recently reported work associated with 'Discharge without Delay' and associated developments to support earlier discharge and potential admission avoidance are anticipated to assist in improving this position. Lanarkshire is one of the four pathfinder sites in Scotland and is making steady progress in relation to maximising the numbers of patients who can be discharged without delay. In the last week 95% of all patients from South Lanarkshire were discharged without delay.
- 3.4. Further scrutiny of the 'Discharge without Delay' data shows, at the most recent census, 59% had a Planned Date of Discharge (PDD) set with 10.4% for weekend days. 65% of social care assessment referrals were planned but only 10% of hospital discharges took place pre noon.
- 3.5. As part of the review of the various systems associated with improving hospital flow, then so too there will be a need to reflect current performance metrics to measure impact of the various initiatives that have been/are being undertaken and where further focus is required to bring about improved flow.
- 3.6. As previously reported, significantly high levels of absence across the care at home sector; infection, prevention and control closures of care homes to protect staff and patients therein and ongoing staffing difficulties across the wider health and social care sector have all impacted adversely on performance over the period shown here.
- 3.7. Work is ongoing in the recovery of Allied Health Professional (AHP) service waiting times. AHP services have similar recruitment difficulties in being able to recruit to all posts associated with the additional number of posts advertised nationwide in seeking to recover services to pre-covid levels. Details are contained in Appendix 2.
- 3.8. There are a number of areas in which the HSCP continues to progress innovative and best practice developments. Most recently, the Digital Transformation of the Occupational Therapy and Physiotherapy Service received national recognition after being shortlisted for the Digital Service Transformation Award.

#### **4. Directions**

- 4.1 There are no new directions resulting from this report.

#### **5. Employee Implications**

- 5.1. Staff have been recruited against agreed mobilisation plans.

#### **6. Financial Implications**

- 6.1. This report does not describe any new financial implications.

#### **7. Climate Change, Sustainability and Environmental Implications**

- 7.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

## **8. Other Implications**

- 8.1. There are significant waits for access to AHP and other services with the attendant distress to patients and the system impact of slowing down 'flow'. Further detail is provided in the Appendix 2.

## **9. Equality Impact Assessment and Consultation Arrangements**

- 9.1. There are no EQIA implications introduced by this report.

**Soumen Sengupta**  
**Director, Health and Social Care**

30 January 2023

### **Previous References**

None

### **List of Background Papers**

None

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

Craig Cunningham

Head of Commissioning and Performance

Ext: (Phone: 01698 453704 )

Email: [craig.cunningham@lanarkshire.scot.nhs.uk](mailto:craig.cunningham@lanarkshire.scot.nhs.uk)

## South Lanarkshire Health and Social Care Partnership Health and Social Care Delivery Plan Measures

### Summary of the MSG indicators in South Lanarkshire for currently available data

#### 1. Year on Year comparison

##### April – October (Nov for DDs):

- ◆ A&E attendances **down** by **2%** against 2021/22
- ◆ emergency admissions **down** by **6%** against 2021/22\*
- ◆ unscheduled bed days (Acute) **down** by **0.5%** against 2021/22\*
- ◆ Unscheduled Care (UC) Bed days Acute/Geriatric Long Stay (GLS)/Mental Health (MH) **down** by **4%** against 2021/22\*
- ◆ delayed discharge non-code nine bed days **are 9% above** trajectory

\*(It should be noted that emergency admissions and unscheduled care bed days will increase as episodes of care are completed.)

#### 2. Performance against Targets

Table 1 shows performance April – October 2022/23 for attendances, emergency admissions and unscheduled care bed days, with the exception of mental health and geriatric long stay bed days which are to September 22. In addition, delayed discharges performance is shown for most recently published data April – November 2022/23

2022/23	Target	Performance	Variance	% variance
A&E Attendances	68,801	62,508	-6,293	-9.15%
Emergency Admissions	24,197	20,918	-3,279	-13.55%
UC Bed days - Acute	137,170	136,151	-1,019	-0.74%
UC Bed days - Acute/GLS/MH	159,509	153,651	-5,858	-3.67%
Delayed Discharge standard bed days	22,586	24,619	2,033	9.00%

Table 1 Performance April – October, April – Sep MH & GLS bed days, Delayed discharges April - November

#### 3. A&E Attendances

Figure 1 shows attendance performance against trajectory. April - October 2022/23 there were 6,293 **fewer** attendances than anticipated, 62,508 against a prediction of 68,801. This represents 9% above target. For SL residents, attendances have followed a similar pattern of attendances to Scotland wide attendances

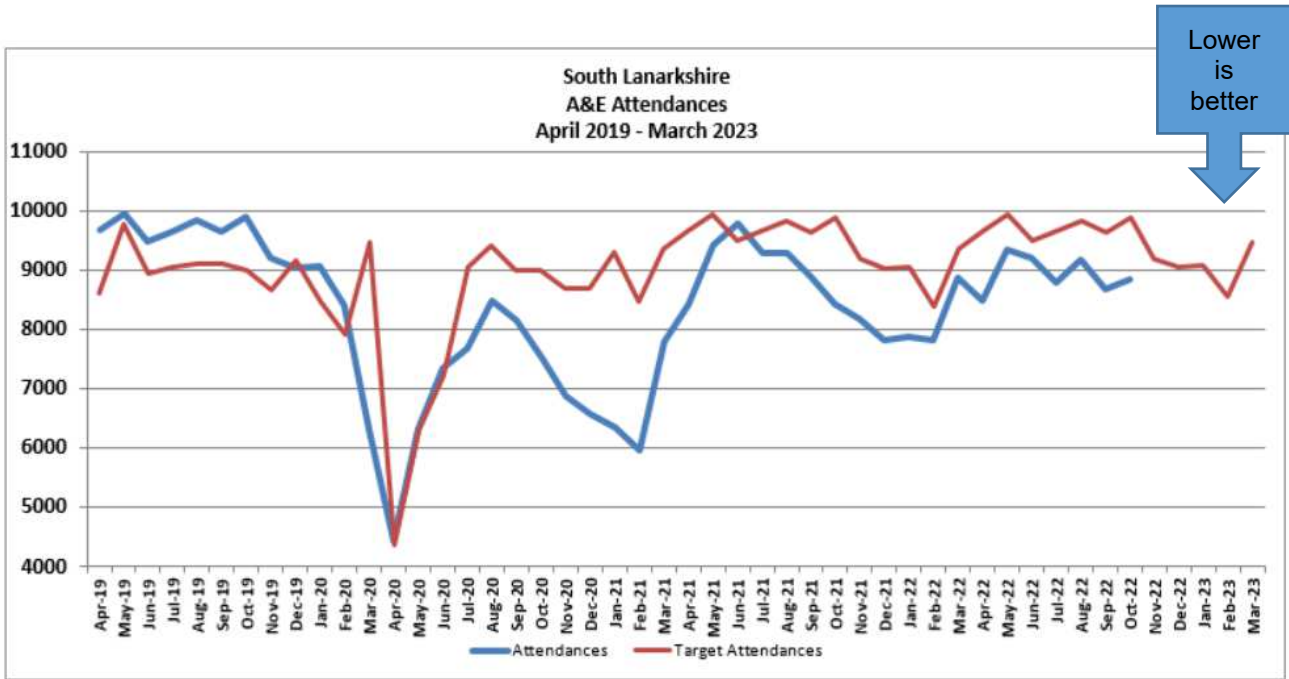


Figure 1 Attendances performance against trajectory

#### 4. Emergency Admissions

Emergency admissions (Figure 2) are performing well against trajectory for April to October 2022/23, with 3,279 fewer admissions than predicted 20,918, against a prediction of 24,197. However, it should be noted that emergency admissions for this time period are not complete and will increase as inpatient stays are completed.

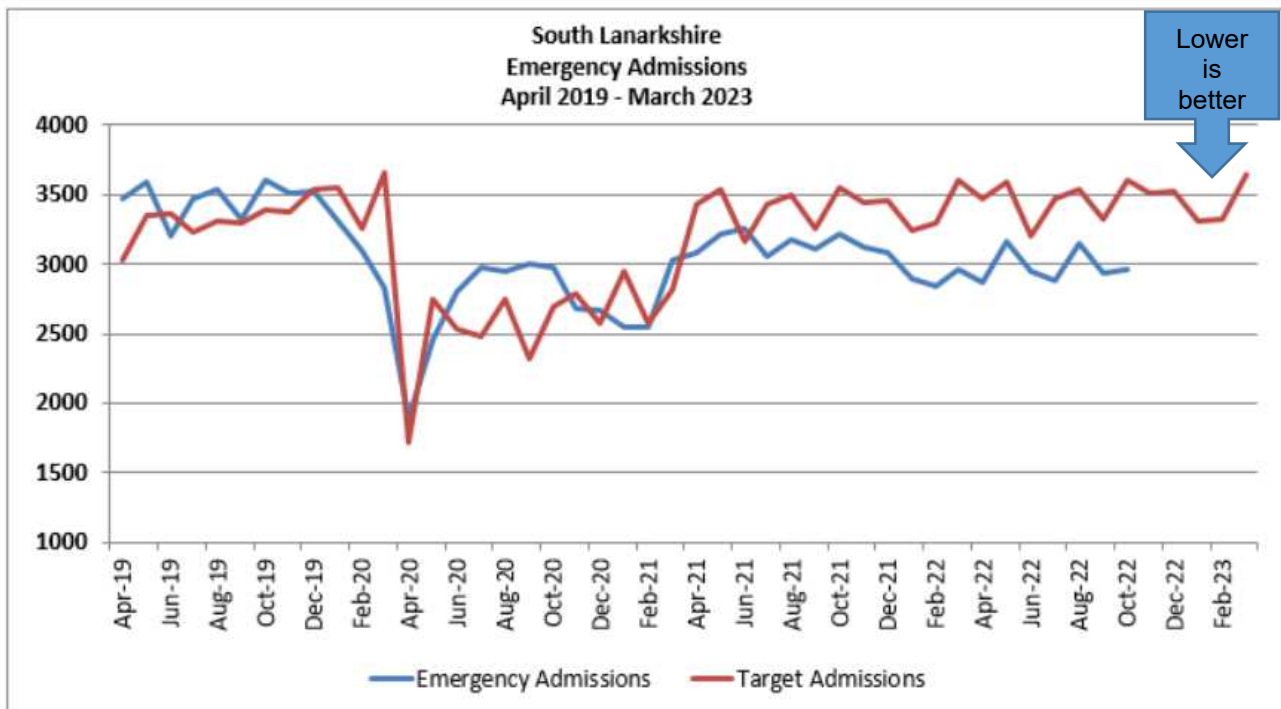


Figure 2 Emergency Admissions

#### 5. Unscheduled Bed Days

Unscheduled Care Bed Day trajectories for 2022/23 include Acute, Geriatric Long Stay (GLS) and Mental Health (MH). For consistency the graph below (Figure 3) tracks the month-on-month performance longitudinally against the trajectory agreed for unscheduled bed days – Acute specialities. With the second graph (Figure 4) showing UC Bed days for Acute, GLS and MH. It should be noted that there is routinely a lag in terms of completed episodes of care and bed days for April to October 2022/23 will increase.

**Unscheduled Bed Days – Acute.**

April to October 2022/23 were 1,019 fewer bed days than anticipated, 136,151 against the prediction of 137,170 (Figure 3).

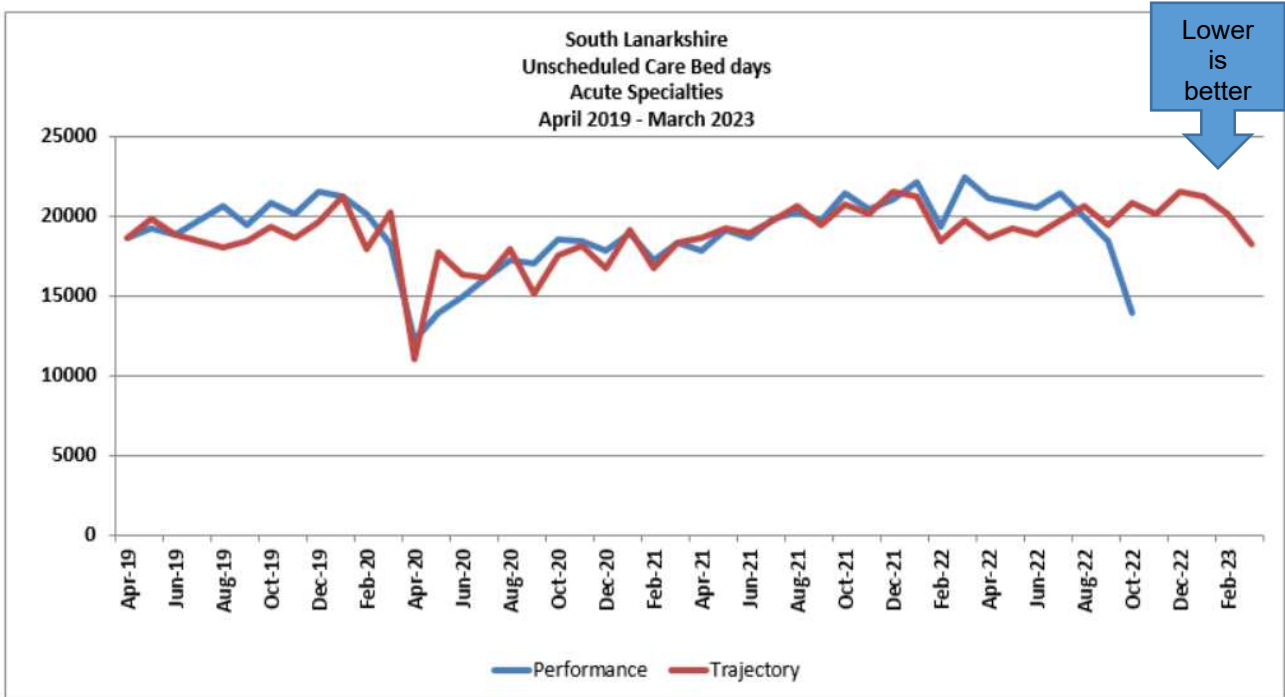


Figure 3 UC Bed Days performance against trajectory

**UC Bed Days – Acute, GLS, MH.**

April to November 2022/23 there were 5,858 **fewer** bed days than anticipated, 153,651 against the prediction of 159,509 (Figure 4). This **will** increase over the next quarter as episodes of care are completed.

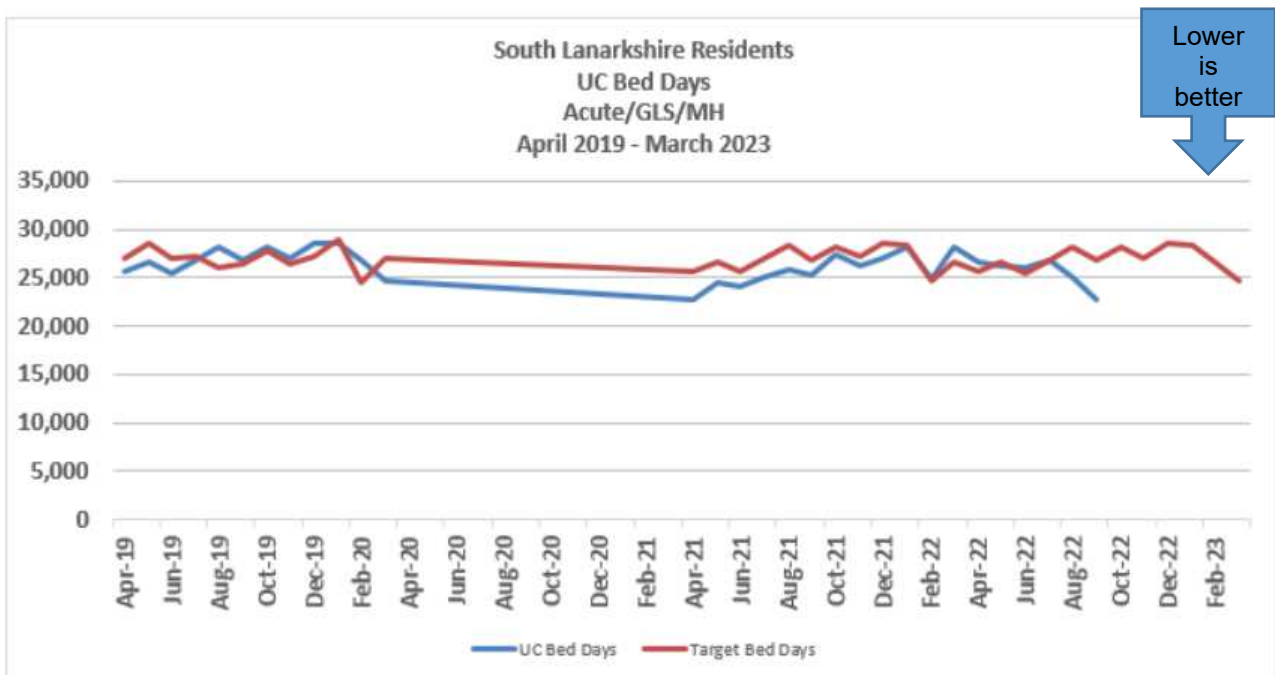


Figure 4 UC Bed days all specialties

## 6. Delayed Discharge Bed Days

April – November 2022/23

April – November 2022/23, cumulatively, there were 2,033 more delayed discharge standards bed days than trajectory - 24,619 against the target of 22,586 (fig.5). This increase can be linked to the ongoing issues around staffing and capacity in Care at Home and Care Homes and the increased care needs of individuals.

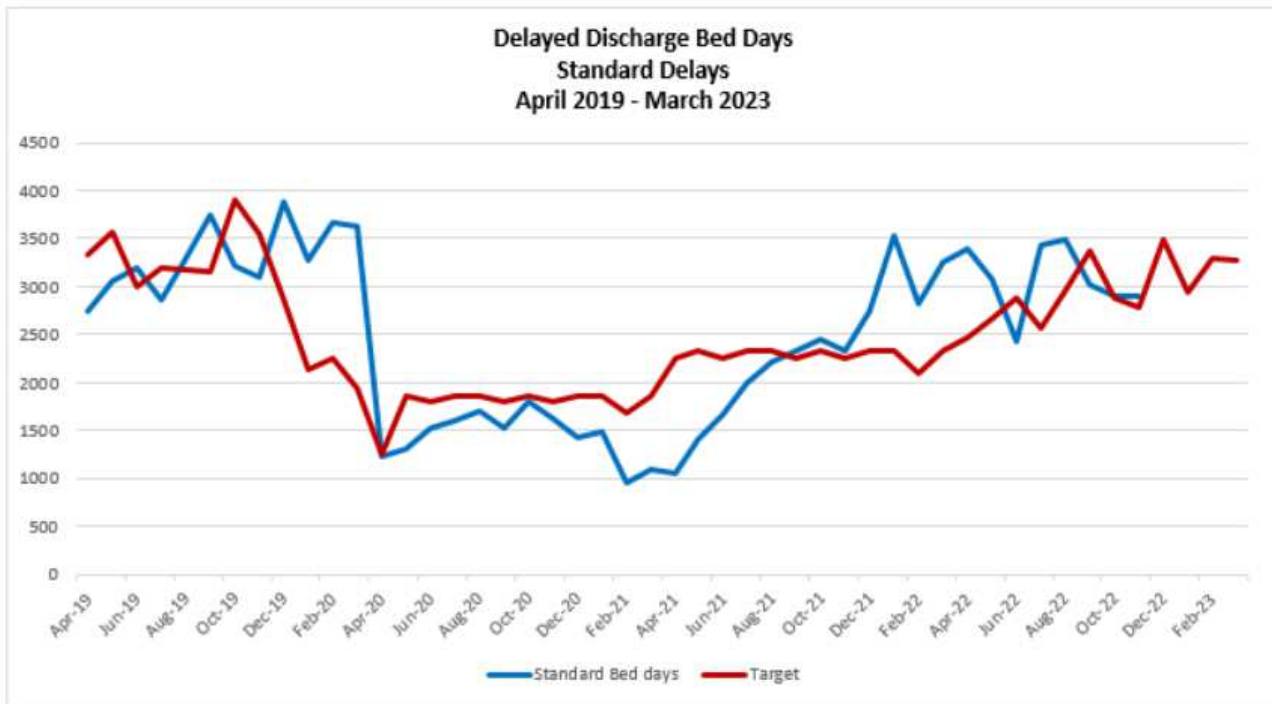


Figure 5 Standard Bed Days against trajectory

As will be noted from the Figures 6 and 7 below, the South Lanarkshire rate of DDs has reduced significantly over recent years with the performance now better than national average.

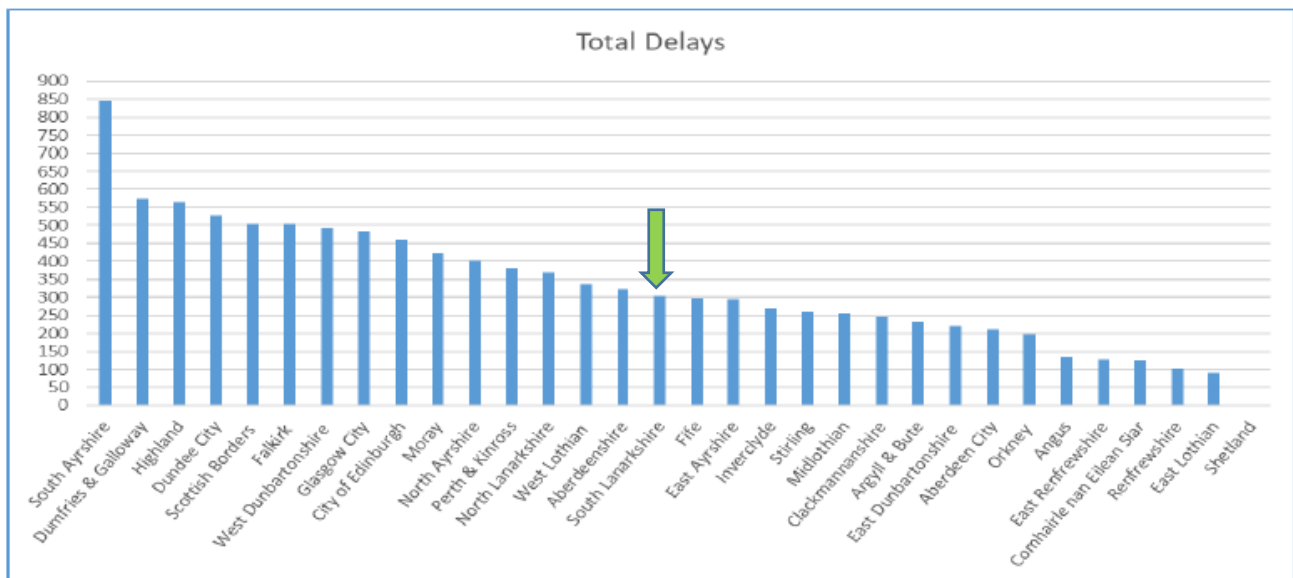


Figure 6 - Rate Per 100,000 Over 75s\* –24 January 2023

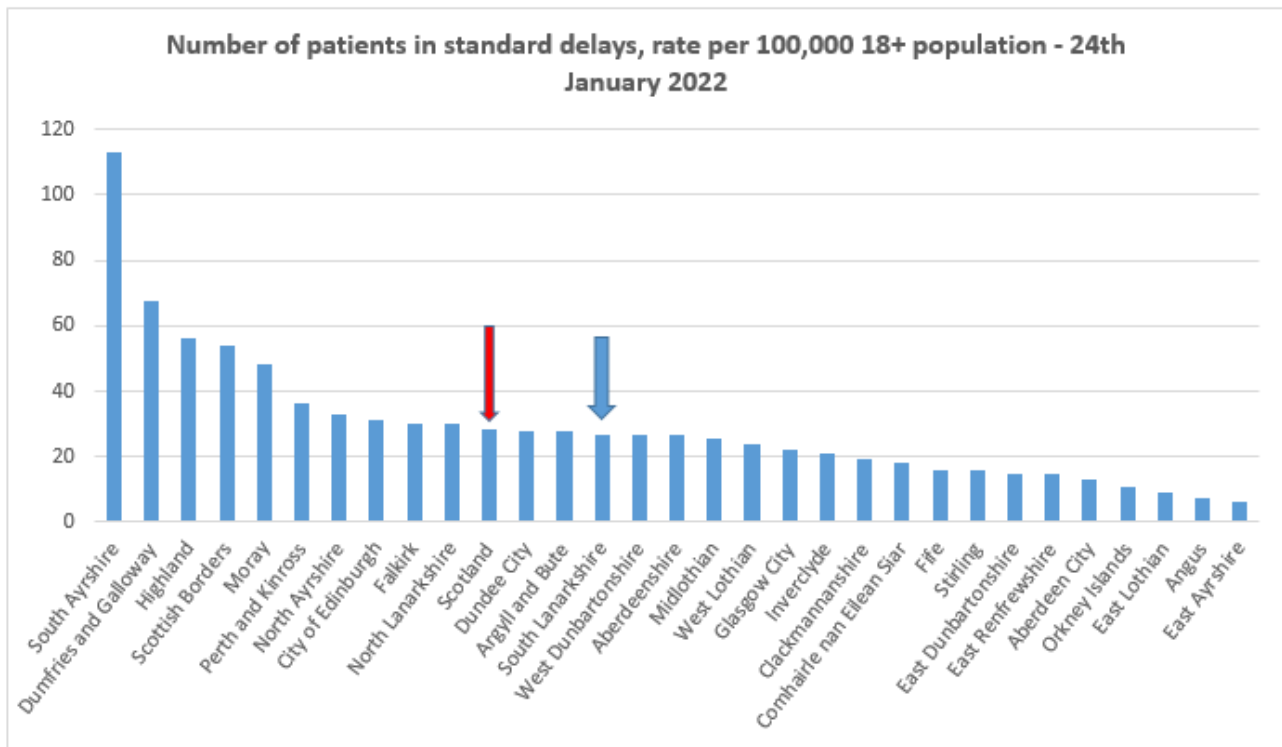


Figure 7 - Rate Per 100,000 Over 18s\* –24 January 2023

Appendix 3 again provides the detail of Delayed Discharge classifications.

## 7. Last Six Months of Life by Setting

Percentage of people who spend their last six months in a community setting has steadily increased and it is clear more people want to stay in their own home for as long as possible. As the range of services in the community setting increases, it is expected that the numbers of people who spend the last six months in the community will similarly increase (Fig 8).

The table below (Fig 8) confirms the Partnership is increasing the proportion of South Lanarkshire residents who spend the last six months of life in the community. The percentage of people who spend the last six months of life in a large hospital has fallen since 2013/14 to 8.1% during 2020/21, ahead of the target of 10.0%. Fewer people spend their last six months in either hospitals or hospice/palliative care units. It should be noted that the data provided for 2021/22 is provisional.

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/20	2020/21	2021/22P
<b>Community</b>	84.8%	85.2%	85.3%	87.2%	87.6%	88.5%	88.2%	90.8%	89.5%
<b>Community Target</b>	84.2%	84.4%	84.9%	87.0%	86.6%	88.4%	87.1%	88.5%	88.5%
<b>Large Hospital</b>	11.8%	12.1%	12.1%	10.7%	10.2%	9.9%	10.3%	8.1%	9.4%
<b>Large Hospital Target</b>	12.4%	12.9%	12.4%	11.1%	10.7%	10.0%	10.0%	10.0%	9.3%

Figure 8: Last 6 months of life by setting

## 8. Balance of Care

Figure 9 shows the percentage of people over 75 who are not thought to be in any other setting, or receiving any Home Care, has increased since 2015/16. Given the increase in the 75+ age group, the 2015/16 percentage remains the target through to 2019/20.

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/21
<b>Home (unsupported)</b>	81.6%	82.1%	82.2%	82.5%	83.5%	83.0%	83.6%	84.7%
<b>Home (unsupported) Target</b>	81.0%	81.8%	81.7%	82.0%	82.0%	82.0%	82.0%	83.0%
<b>Home Supported</b>	9.6%	9.0%	9.0%	9.0%	9.0%	9.2%	8.8%	8.7%
<b>Home Support Target</b>	9.6%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.1%

Figure 9 Balance of Care

Balance of care improvement figures, shown above, were based on the over 75 population who are generally those with the more complex needs. It should be noted that this data is management information.

The waiting times data contained in this section of the report is provided by NHS Information Services and is unvalidated/ unpublished. This report is for the performance period to December 2022.

The Capacity Planning and Waiting Times (CPWT) group has been re-established, with the aim of supporting the full recovery of AHP services.

Historically the group has limited focus to specialties with a national profile which are outlined below. CPWT is working towards including all AHP specialties in future reporting.

Senior staff members in each of the individual AHP services triage all patients attending. (Triage is a method of determining the clinical priority of patient treatments based on the severity of their condition).

Given uncertainties relating to demand, capacity and service activity South Lanarkshire have agreed a recovery target of 50% for AHP services. Performance for waits for all services hosted by SL HSCP is detailed in Figure 1 and shows two of the occupational therapy (OT) services are not achieving the 50% target. Work is underway to produce recovery trajectories for each of the services.

Service	% Waiting Within 12 Weeks (recovery target 50%)	Waiting Over 12 Weeks	Longest Wait (Weeks)	Comment based on Statistical Process Control chart
Physiotherapy MSK	76.80%	1388	28	Performance shows a recent upwards trend although this has not continued into December.
Occupational Therapy MSK	100.00%	0	4	Current Performance is expected to range from between 90% to 100% and therefore achieving the 95% standard is expected.
Occupational Therapy CYP	46.70%	351	35	Performance over recent months shows a downward trend with recent outlier points below the lower control limit, performance in October and November showed improvement but has dipped again in December.
Occupational Therapy Neurology	86.70%	6	27	Current Performance is expected to range from between 78% to 100% and therefore achieving the 95% standard is expected. Sept and Oct 22 shows outliers in performance below the lower control limit but this recovered in Nov and has improved again in Dec.
Occupational Therapy Rheumatology	48.50%	103	36	Current performance ranges between 37% and 84% and therefore meeting the 95% target is unexpected. December performance shows improvement on previous months. Please see detailed comment in section 2.2.
Community Claudication	86.70%	33	33	Current Performance is expected to range from between 87% to 100% and therefore achieving the 95% standard is expected. Performance has dipped again in December.

Figure 1 Percentage waits within 12 weeks

### Occupational Therapy – Children and Young People (CYP)

Performance over recent months shows a downward trend (see fig 2 below) with recent outlier points below the lower control limit, performance in December shows a decrease on November, 46.7%, with 351 people waiting beyond target.

- Increase in demand has seen sustained referral rate increase of 23% on pre-pandemic levels.
- Increase in complexity and variety of clinical presentations resulting in limited ability to utilise universal and targeted service resources that have previously been successful in managing demand.
- New Lanarkshire developments in CAMHS and Neurodevelopmental services has resulted in the migration of a number of senior and experienced CYP OTs to these new services. All open caseloads of the staff transferring have been distributed across the CYP OT teams, reducing capacity to address new referrals.

- Despite the development of Neurodevelopment (ND) and CAMHS OT posts, treatment and ongoing support for complex ND cases and wellbeing presentations remain with CYP OT. Work is required to re-design existing pathways to maximise patient outcomes and experience, and make best use of available resources.
- Reduced staffing capacity continues as a result of vacancies, turnover and maternity leave.

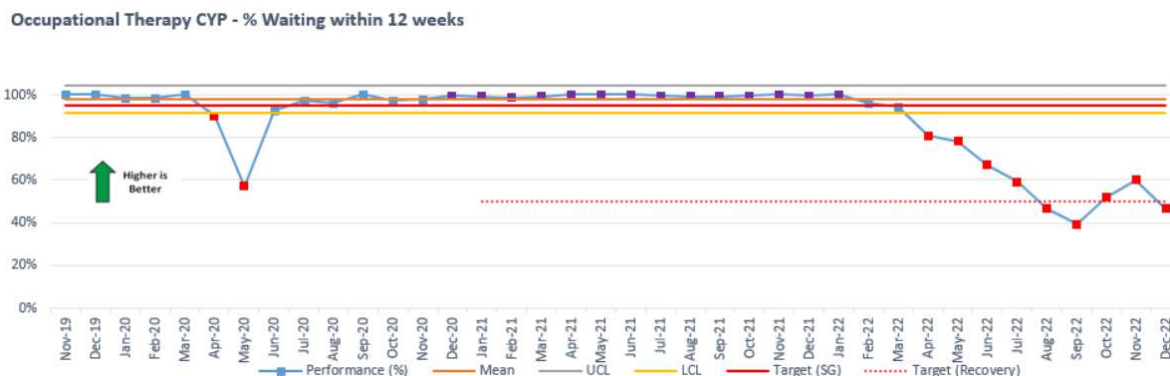


Figure 2 OT CYP Performance Nov 19 – Dec 22

### Occupational Therapy – Rheumatology

Figure 3 below shows performance declined sharply since April 22 although this has stabilised in more recent months with December 22 showing improvement to 48.5% with 103 people waiting over 12 weeks.

- The service has not been fully staffed since inception and there have been a number staff on long term absence.
- Increase in number of consultant referrals due to an improved awareness of what the service can offer
- Work is ongoing to identify maximum skill mix and improve referral management and triage processes in an attempt to support increased referral trends.

Redesigned group fatigue management programmes have recommenced from Jan 2023. The groups support people to live well with fatigue by managing the symptoms and changing their behaviour. This helps to reduce the impact of their long term condition on everyday functioning and work or leisure activities. It also allows a number of people to be seen at the same time, thus reducing waiting times overall.

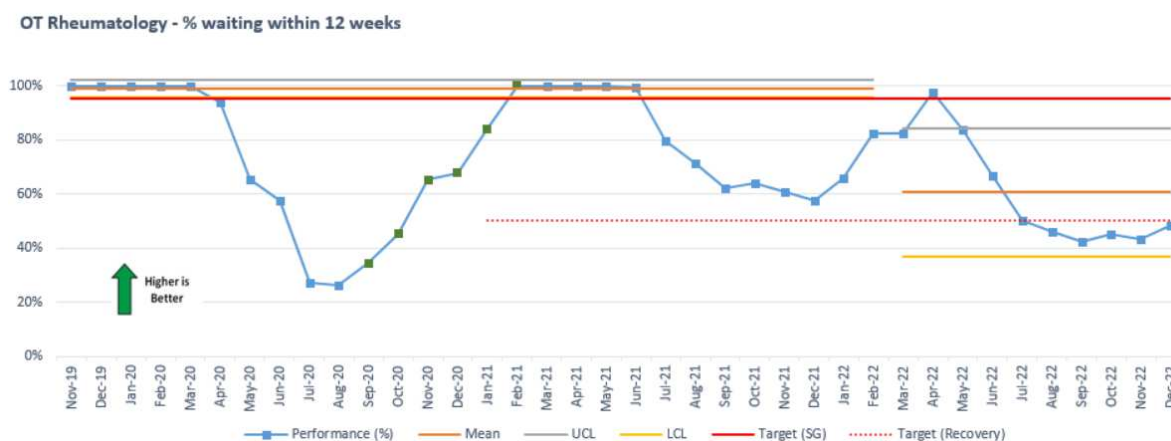


Figure 3 OT Rheumatology performance Nov 19 to Dec 22

**Delayed Discharge additional information****Reason for delay codes**

<b>Health and Social Care Reasons</b>		
Assessment	11A	Awaiting commencement of post-hospital social care assessment (including transfer to another area team). Social care includes home care and social work OT
	11B	Awaiting completion of post-hospital social care assessment (including transfer to another area team). Social care includes home care and social work OT
Funding	23C	Non-availability of statutory funding to purchase Care Home Place
	23D	Non-availability of statutory funding to purchase any Other Care Package
Place Availability	24A	Awaiting place availability in Local Authority Residential Home
	24B	Awaiting place availability in Independent Residential Home
	24C	Awaiting place availability in Nursing Home
	24D	Awaiting place availability in Specialist Residential Facility for younger age groups (<65)
	24DX*	Awaiting place availability in Specialist Facility for high level younger age groups (<65) where the Facility is not currently available and no interim option is appropriate
	24E	Awaiting place availability in Specialist Residential Facility for older age groups (65+)
	24EX*	Awaiting place availability in Specialist Facility for high level older age groups (65+) where the Facility is not currently available and an interim

		option is not appropriate
	24F	Awaiting place availability in care home (EMI/Dementia bed required)
	26X*	Care Home/facility closed
	27A	Awaiting place availability in an Intermediate Care facility
	46X*	Ward closed – patient well but cannot be discharged due to closure
Care Arrangements	25A	Awaiting completion of arrangements for Care Home placement
	25D	Awaiting completion of arrangements - in order to live in their own home – awaiting social support (non-availability of services)
	25E	Awaiting completion of arrangements - in order to live in their own home – awaiting procurement/delivery of equipment/adaptations fitted
	25F	Awaiting completion of arrangements - Re-housing provision (including sheltered housing and homeless patients)
	25X	Awaiting completion of complex care arrangements - in order to live in their own home
<b><i>Delayed Discharge National Data Requirements – Effective from 1st July 2016</i></b>		
<b>Patient/Carer/Family-related reasons</b>		
Legal/Financial	51	Legal issues (including intervention by patient's lawyer) - e.g. informed consent and/or adult protection issues
	51X*	Adults with Incapacity Act
	52	Financial and personal assets problem - e.g. confirming financial assessment
Disagreements	61	Internal family dispute issues (including dispute between patient and carer)
	67	Disagreement between patient/carer/family and health and social care

Other	71	Patient exercising statutory right of choice
	71X*	Patient exercising statutory right of choice – interim placement is not possible or reasonable
	72	Patient does not qualify for care
	73	Family/relatives arranging care
	74	Other patient/carer/family-related reason
<b>Transport</b>		
Transport	44	Awaiting availability of transport
<b>Other reasons</b>		
Complex Needs	9	Code 9 should be used with the following secondary codes: 24DX, 24EX, 25X, 26X, 46X, 51X, 71X. All code 9 delays should have a secondary reason code.
Unpublished	100	Reprovisioning/Recommissioning (see data definitions manual section 2.3)

\* Indicates secondary code 9 reason for delay



# Report

Report to:	<b>South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee</b>
Date of Meeting:	<b>21 February 2023</b>
Report by:	<b>Director, Health and Social Care</b>

Subject:	<b>Joint Inspection of Adult Support and Protection</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update the Performance and Audit Sub-Committee on the outcome of the recent Joint Inspection of Adult Support and Protection (ASP)

## 2. Recommendation(s)

2.1. The Performance and Audit Sub-Committee (PASC) is asked to approve the following recommendation(s):-

- (1) that the content of the report be noted; and
- (2) that the process for implementation of the improvement plan be noted.

## 3. Background

3.1. A national programme of Joint Inspections for Adult Support and Protection was announced in 2019, led by the Care Inspectorate in collaboration with His Majesty's Inspectorate of Constabulary in Scotland (HMICS) and Healthcare Improvement Scotland (HIS). After considerable delay due to the impact of COVID-19, the programme resumed to seek assurances that adults at risk of harm are protected by existing local and national arrangements, and to identify areas for further improvement if necessary.

3.2. The South Lanarkshire inspection commenced on 1 August 2022 with the inspection team scrutinising two key areas of ASP activity, key processes and strategic leadership. The final inspection report was published on 6 December 2022.

3.3. Social Work Resources has the lead responsibility for adult protection, with Health, Police and other agencies including the third sector, working in partnership to prevent and respond to situations where someone is being harmed.

## 4. Outcome of Inspection

4.1. The outcome of inspection highlights areas of strength, development and opportunities to improve services further. The inspectors noted that the strengths detailed within the report collectively outweigh areas for improvement.

- 4.2. The inspection determined that the partnership's key processes and strategic leadership for adult support and protection were effective at keeping adults safe from harm and interventions supported positive experiences and outcomes for adults at risk of harm.
- 4.3. Key processes were found to be well organised and allowed for effective oversight and decision making early in the adult support and protection process, enabling adults to be supported through timely person-centred interventions.
- 4.4. The strategic leadership's vision and strategy was described by inspectors as collaborative and effective, and it was acknowledged that key processes were integrated into the adult protection policy and practice to support the vision.
- 4.5. The inspection also noted that strategic leaders promoted an extensive range of training opportunities for staff and carers and encouraged effective engagement with unpaid carers throughout strategic planning and service delivery.
- 4.6. Inspectors acknowledged that the partnership had maintained business continuity during the unprecedented challenges of the COVID-19 pandemic and acknowledged recovery and remobilisation was focused on learning and collaborative working.
- 4.7. The inspection also highlighted four areas for improvement, which included the improvement of attendance and consistency at case conferences, improved quality and consistency of chronologies, the ongoing development of existing quality assurance processes, and improved quality of supervisory oversight around decision making.

#### **Next steps**

- 4.8. The partnership will prepare an improvement plan in response to the areas for improvement highlighted within the report. The improvement plan will be submitted to the inspection team by 31 January 2023 and implemented through the local Adult Protection Committee, with overall oversight through the South Lanarkshire Public Protection Chief Officers' Group. The Care Inspectorate's link inspector, and Healthcare Improvement Scotland and His Majesty's Inspectorate of Constabulary in Scotland will monitor progress on behalf of Ministers.

#### **5. Employee Implications**

- 5.1. There are no employee implications associated with this report.

#### **6. Financial Implications**

- 6.1. There are no financial implications associated with this report.

#### **7. Climate Change, Sustainability and Environmental Implications**

- 7.1. There are no implications for climate change in terms of the information contained in this report.
- 7.2. There are no implications for sustainability in terms of the information contained in this report.
- 7.3. There are no implications for the environment in terms of the information contained in this report.

## **8. Other Implications**

- 8.1. Maintaining high quality registered care and support services that are tailored to individual service user needs, ensures that people are supported and protected to live in good health and wellbeing.

## **9. Equality Impact Assessment and Consultation Arrangements**

- 9.1. This report does not introduce a new policy, function, or strategy, or recommend a change to existing policy, function or strategy and therefore no impact assessment is required.
- 9.2. There is also no requirement to undertake any consultation in terms of the information contained in this report.

**Soumen Sengupta**  
**Director, Health and Social Care**

30 December 2022

### **Previous References**

- ◆ None

### **List of Background Papers**

- ◆ [Report on the Joint Inspection of Adult Support and Protection in South Lanarkshire](#)

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

Ian Beattie, Head of Health and Social Care

Ext: 3701 (Phone: 01698 453701)

Email: [ian.beattie@southlanarkshire.gov.uk](mailto:ian.beattie@southlanarkshire.gov.uk)



# Report

Report to:	<b>South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee</b>
Date of Meeting:	<b>21 February 2023</b>
Report by:	<b>Chief Financial Officer</b>

Subject:	<b>Internal Audit Plan 2022/2023 Progress Report</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide an update on progress with the delivery of the Internal Audit Plan for 2022/2023

## 2. Recommendation(s)

2.1. The Performance and Audit Sub-Committee (PASC) is asked to approve the following recommendation(s):-

- (1) that the content of the report is noted.

## 3. Background

3.1. As stated in the IRAG guidance, it is the responsibility of the IJB to establish an adequate and proportionate internal audit of the arrangements for risk management, governance and control of the delegated resources. The internal audit arrangements for the IJB are provided jointly by the internal audit teams of South Lanarkshire Council (SLC) and NHS Lanarkshire (NHSL).

3.2. The IJB approved the 2022/2023 Internal Audit Plan on the 1 March 2022. A total of 60 days, as detailed in the appendix, have been committed to undertake the IJB Internal Audit Plan which focuses on the review of the adequacy and effectiveness of arrangements around the IJB's ongoing emergency response to the COVID-19 pandemic and the conclusion of the fourth phase of work to support the value for money exercise on equipment and adaptations. The audit of operational activities is undertaken under the auspices of the parent bodies. The IJB is asked to note that the outcome of these operational audits will be reported to the parent body Audit Committees and will also be discussed with the IJB Chief Officer and IJB Chief Financial Officer. The assurances gained will be provided to the IJB as part of the overall assurances received from the parent body Audit Committees.

3.3. Each year, the Chief Internal Auditors of SLC and NHSL are required to present to the IJB an annual opinion on the adequacy and effectiveness of the IJB's corporate governance, risk management and internal control arrangements. The Internal Audit opinion, which was previously presented to the PASC on 28 June 2022, is that, overall, reasonable assurance can be placed on the adequacy and effectiveness of the partnership's framework of governance, risk management and control arrangements for the year ending 31 March 2022.

### **3. Background (Cont.)**

- 3.4. As part of the audit planning process, External Audit will also take into consideration the extent to which reliance can be placed on the work of Internal Audit.

### **4. Internal Audit Plan 2022/2023 Progress Update**

- 4.1. The Internal Audit Plan 2022/2023 is designed to target the priority issues and to provide sufficient evidence to form an Internal Audit Opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control arrangements.
- 4.2. The progress in respect of the Internal Audit Plan 2022/2023 is summarised in the appendix. Arrangements have been put in place to ensure the progress in respect of the two key assignments will be available to incorporate within the Internal Audit Annual Assurance Report 2022/2023 which will be presented to the IJB on 20 June 2023.
- 4.3. The internal audit review of the development and production of the Strategic Commissioning Plan, which provided substantial assurance, was presented to the PASC on 23 August 2022.

### **5. Employee Implications**

- 5.1. There are no employee implications associated with this report.

### **6. Financial Implications**

- 6.1. There are no financial implications associated with this report.

### **7. Climate Change, Sustainability and Environmental Implications**

- 7.1. There are no implications for Climate Change, sustainability or the environment in terms of the information contained in this report.
- 7.2. There are no sustainable development issues associated with this report.

### **8. Other Implications**

- 8.1. There are no additional risks associated with this report. The outcome of the Internal Audits undertaken in 2022/2023 will contribute to the mitigation of the following risks within the IJB Risk Register as follows:
- Financial sustainability (Very High).
  - Public Sector Duties (High)
- 8.2. The contents of this report are material to the delivery of the IJB Strategic Commissioning Plan 2022 – 2025, notably the following outcome:
- Resources are used effectively and efficiently in the provision of health and social care services (Outcome 9).
- 8.3. In order to respond to the ongoing significant demand and capacity challenges on the health and social care system, there may be a continuing requirement to reprioritise Internal Audit, Senior Management and financial staff resources as appropriate.
- 8.4. As highlighted previously, the fourth phase of the planned value for money exercise on equipment and adaptations, which includes the financial evaluation of service delivery options, is dependent on continuing engagement with partners. The work will continue to be progressed but remains subject to managing ongoing and emerging priorities and staff availability.

## **8. Other Implications (Cont.)**

8.5. There are no additional risks associated with this report.

8.6. There are no other issues associated with this report

## **9. Equality Impact Assessment and Consultation Arrangements**

9.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.

9.2. There was also no requirement to undertake any consultation in terms of the information contained in this report.

**Soumen Sengupta**  
**Director, Health and Social Care**

27 January 2023

### **Previous References**

- ◆ Internal Audit Plan 2022/2023  
South Lanarkshire Integration Joint Board PASC 1 March 2022

### **List of Background Papers**

- ◆ None

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

Yvonne Douglas, Audit and Compliance Manager, South Lanarkshire Council

Tel: 01698 452618

E-mail: [yvonne.douglas@southlanarkshire.gov.uk](mailto:yvonne.douglas@southlanarkshire.gov.uk)

Tony Gaskin, Chief Internal Auditor, NHS Lanarkshire

Tel: 01382 552545

E-mail: [tony.gaskin@nhs.scot](mailto:tony.gaskin@nhs.scot)

Marie Moy, Chief Financial Officer

Ext: 3709 (Phone: 01698 453709)

Email: [marie.moy@southlanarkshire.gov.uk](mailto:marie.moy@southlanarkshire.gov.uk)

Audit Assignment	Outline Scope	Expected Days	Current Status (Including Days Spent)	Expected Completion Date
<p>Response to Covid-19 Pandemic</p> <p>Lead Partner: Tony Gaskin NHSL Internal Audit Team</p>	<p>Assess the adequacy and effectiveness of arrangements around the IJB's ongoing emergency response to the Covid-19 pandemic. Establish how lessons learned will be reflected in the approach to mitigate potential future waves of the pandemic including variants of the Covid-19 virus.</p> <p>Assess the adequacy and effectiveness of arrangements in respect of the IJB's response to the recovery and remobilisation of health and social care services as both partners continue to respond to and emerge from Covid-19 pandemic in 2022/2023. This will include a review of the implementation of the Change Fund to achieve financial and operational sustainability in the medium term.</p> <p>Assess the adequacy of performance monitoring to continue to capture correct and timeous data on challenges and responses for the purposes of reporting to the IJB.</p>	<p>20</p>	<p>Following the conclusion of the internal audit of the preparation of the Strategic Commissioning Plan (SCP) 2022-2025, an assignment plan has been issued for consideration and approval by key officers.</p> <p>The timing of the audit work has been rescheduled to ensure data is available to allow an evaluation of the reporting on the SCP 2022-2025 and related objectives.</p>	<p>Original timescale - 31 March 2023</p> <p>Revised timescale - 31 August 2023</p> <p>It is intended that the progress in respect of the internal audit work will be available to incorporate within the Internal Audit Annual Assurance Report 2022/2023 which will be presented to the IJB on 20 June 2023. A report will be presented to the PASC on 22 August 2023.</p>

Audit Assignment	Outline Scope	Expected Days	Current Status (Including Days Spent)	Expected Completion Date
<p>Value For Money Audits Lead Partner: Yvonne Douglas SLC Internal Audit Team</p>	<p>Undertake the fourth phase of the Value for Money audit of Equipment and Adaptations. This will include further developing the financial evaluation of the range of service delivery options. It will also include continuing to use data analytical tools to contribute to the decision-making process and to strengthen the management information framework across the partnership, highlighting variations and providing benchmarking with similar partnerships to identify good practice.</p>	<p>20</p>	<p>SLC expenditure with Equipu continues to be updated to include 2022/2023 spend. Data extracted to date has been anonymised.</p> <p>Engagement continues with partners to discuss additional data for analysis and evaluation of service delivery options.</p>	<p>Phase 1 - Complete.</p> <p>Phase 2 – Complete</p> <p>Phase 3 – Complete</p> <p>Phase 4 – The timeline for the analysis of equipment and adaptations data has been extended in order to capture the data for the financial year from 1 April 2022 to 31 March 2023. Time to conclude data analysis has therefore been included in the 2023/2024 Audit Plan.</p>
<p>Follow Up Lead Partner: Yvonne Douglas SLC Internal Audit Team</p>	<p>Follow up actions arising from audits undertaken in previous years and assess the extent to which actions have been fully implemented and issues addressed.</p>	<p>5</p>	<p>Ongoing</p>	<p>31 March 2023</p>

**South Lanarkshire IJB 2022/2023  
Internal Audit Plan Activity Report**

**Appendix (Cont.)**

Audit Assignment	Outline Scope	Expected Days	Current Status (Including Days Spent)	Expected Completion Date
<p>Internal Audit Annual Report</p> <p>Lead Partner: Yvonne Douglas SLC Internal Audit Team</p>	<p>Annual Report containing the Annual Internal Audit Opinion on the assurance and review of the IJB's self-assessment of governance and systems for preparing the 2022/2023 Annual Governance Statement.</p>	<p>7</p>	<p>Ongoing</p>	<p>31 May 2023</p>
<p>Audit Management</p> <p>Lead Partner: Yvonne Douglas and Tony Gaskin</p>	<p>Review and update of 2022/2023 Audit Plan.</p> <p>Preparation of 2023/2024 Audit Plan and development of longer-term strategic Audit Plan.</p> <p>Liaison with senior management and the external auditor.</p> <p>Attendance at Committees (as appropriate).</p>	<p>8</p>	<p>Ongoing</p>	<p>31 March 2023</p>
<p><b>Total</b></p>		<p><b>60</b></p>		

# Report

Report to:	<b>South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee</b>
Date of Meeting:	<b>21 February 2023</b>
Report by:	<b>Director, Health and Social Care</b>

Subject:	<b>Progress Report on Agreed Actions</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide a progress update in respect of the actions previously agreed with the External Auditor, the Internal Auditors and the Senior Management Team to further develop the Integration Joint Board governance framework

## 2. Recommendation(s)

2.1. The Performance and Audit Sub-Committee (PASC) is asked to approve the following recommendation(s):-

- (1) that the contents of the report and progress to date be noted.

## 3. Background

3.1. Recommendations to further strengthen the Integration Joint Board (IJB) governance framework are made by the External Auditor and the Internal Auditors. In addition to this, the Senior Management Team (SMT) also identify further improvement opportunities. These further developments contribute to the IJB's annual assessment of the governance arrangements.

3.2. No further external audit, internal audit or senior management actions have been identified to date.

- On conclusion of the South Lanarkshire IJB External Audit for 2022/2023, the agreed external audit actions highlighted at appendix 1 will be updated.
- On conclusion of the South Lanarkshire IJB Internal Audit assignments for 2022/2023, the agreed internal audit actions highlighted at appendix 2 will be updated.

3.3. The progress of action taken to date is attached at Appendices 1 to 3.

#### 4. Progress Update

- 4.1. The timelines in respect of the ongoing recommendations are highlighted at Appendices 1 to 3. Internal Audit previously highlighted that the requirement to prioritise the response to the challenges of the Covid-19 pandemic was entirely reasonable and the overall level of progress across all actions is therefore considered adequate in the circumstances. Where it has been necessary to extend the original timeline, this is highlighted in the appendix.
- 4.2. Based on the total of 15 actions, the progress to achieve the agreed revised deadlines is summarised as follows:

Actions	Total	Completed By Revised Deadline	Completed Post Revised Deadline	Ongoing On Revised Deadline	Ongoing Post Revised Deadline
External Audit	11	10	0	1	0
Internal Audit	2	2	0	0	0
Senior Management	2	1	0	1	0
Total	15	13	0	2	0
	100%	87%	0%	13%	0%

- 4.3. Based on the revised timelines, the progress made to date in respect of the completion of agreed improvement actions is summarised as follows:

- 13 actions (87%) were completed by the revised deadline.
- 2 actions (13%) are ongoing in line with the revised deadline.

Actions previously reported as completed have been removed.

- 4.4. The IJB Chief Officer, the IJB Chief Financial Officer and the Senior Management Team are committed to progressing the outstanding actions to a satisfactory conclusion. Progress will continue to be monitored against the revised timelines.
- 4.5. In terms of the outcomes that the agreed actions are seeking to secure, as previously reported to the IJB on 13 December 2022, Audit Scotland issued a briefing in November 2022 on Scotland's Public Finances Challenges and Risks. The briefing focused on the pressures facing the Scottish budget this financial year and in the medium term, the implications this has for public services and the need for reform to public services. In particular, Audit Scotland highlighted that failure to make the necessary changes to how public services are delivered will likely mean further budget pressures in the future. Financial sustainability of the IJB in terms of its recurrent finances will require proposals for savings in terms of previous year's requirements and anticipated pressures in the near future. The IJB will therefore require proposals to be brought forward to achieve recurrent balance.

#### 5. Employee Implications

- 5.1. There are no employee implications associated with this report.

#### 6. Financial Implications

- 6.1. There are no financial implications associated with this report.

## **7. Climate Change, Sustainability and Environmental Implications**

7.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

7.2. There are no sustainable development issues associated with this report.

## **8. Other Implications**

8.1. There are no additional risks associated with this report. The outcome of the Internal Audits undertaken in 2022/2023 will contribute to the mitigation of the following risks within the IJB Risk Register as follows:

- Financial sustainability (Very High).
- Public Sector Duties (High)

8.2. This report relates to all national outcomes as effective governance arrangements will ensure the IJB can fulfil its statutory duties. The contents of this report are material to the delivery of the IJB Strategic Commissioning Plan 2022 – 2025, notably the following outcome:

- Resources are used effectively and efficiently in the provision of health and social care services (Outcome 9).

8.3. Good governance enables the IJB to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk. The implementation of agreed actions will inform the Annual Governance Statement for 2022/2023 and contribute to the assessment of the internal control framework. The risk that the agreed actions are not implemented in line with the agreed revised timeline is assessed as low.

8.4. There are no other issues associated with this report.

## **9. Equality Impact Assessment and Consultation Arrangements**

9.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.

9.2. Consultation was undertaken with both the Director of Finance, NHS Lanarkshire and the Executive Director (Finance and Corporate Resources), South Lanarkshire Council in terms of the information contained in this report.

**Soumen Sengupta**  
**Director, Health and Social Care**

27 January 2023

## **Previous References**

- ◆ None

## **List of Background Papers**

- ◆ None

## **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

Marie Moy, Chief Financial Officer  
Ext: 3709 (Phone: 01698 453709)  
Email: [marie.moy@southlanarkshire.gov.uk](mailto:marie.moy@southlanarkshire.gov.uk)

Ref	Finding	Recommendation	Management Response	Current Position
1	<p><b>Efficiency savings</b> Efficiency savings should be delivered in a planned way, to ensure that agreed levels of service provision are not compromised.</p> <p>There is a risk that members are unaware of the impact on service delivery. (<i>External Audit Action 2018/2019</i>)</p>	<p>Management should ensure that members and stakeholders are provided with sufficient information to allow them to assess the impact of cumulative savings on service provision.</p>	<p><b>Agreed</b> Additional information on the cumulative impact on service provision of savings will be presented to the PASC.</p> <p><b>Responsible Officer</b> Chief Financial Officer</p> <p><b>Original Timelines</b> June 2020, March 2021, September 2021 and March 2022</p> <p><b>Revised Timeline</b> March 2023</p>	<p><b>Completed</b> A summary of the savings implemented is included in the financial monitoring report to the PASC on 21 February 2023.</p> <p>The Chief Financial Officer and the Head of Commissioning and Performance will continue to develop the performance and financial frameworks to better assess and inform the strategic commissioning intentions. As part of the ongoing development of the IJB Medium Term Financial Plan, additional information on the impact of cumulative savings on health and social care service provision will be outlined.</p>
2	<p><b>Reserves</b> The IJB held reserves amounting to £8.278 million at 31 March 2018, £5.998 million of which was brought forward from 2016/17 for "earmarked" purposes. (<i>External Audit Action 2017/2018</i>)</p>	<p>As part of the annual budget setting process, a review of reserves, including earmarked balances, should be undertaken and reported to the IJB. The IJB should ensure that where funds are earmarked these are used as planned to deliver the intended service benefits.</p>	<p><b>Agreed</b> A review of earmarked reserves will be undertaken and reported to the IJB as part of the annual budget setting process.</p> <p><b>Responsible Officer</b> Chief Financial Officer</p> <p><b>Original Timelines</b> January 2021, September 2021, January 2022 and March 2022</p> <p><b>Revised Timeline</b> March 2023</p>	<p><b>Ongoing Action</b> The PASC is asked to note the significant ongoing financial uncertainty associated with the response to the Covid-19 pandemic. The reserves balances for 2022/2023 increased significantly in order to ensure funding remained available to continue to address the ongoing Covid-19 pandemic. Audit Scotland guidance on the classification of the funding was complied with. The IJB Contingency Reserve was reallocated as part of the financial strategy to address the 2022/2023 funding gap.</p> <p>Following consultation with both partners in respect of the IJB Financial Plan 2023/2024, the IJB Reserves Strategy for 2023/2024 will be presented to the IJB on 28 March 2023 for consideration and approval.</p>

Update on External Audit Actions (Cont.)

Appendix 1 (Cont.)

Ref	Finding	Recommendation	Management Response	Current Position
3	<p><b>Review of governance documents</b> The IJB has governance documents including standing financial instructions and standing orders in place; however, these have not been reviewed since the inception of the IJB. There is therefore a risk that these key documents, which govern the operational practices of the IJB, may no longer be fit for purpose. (<i>External Audit Action 2020/2021</i>)</p>	<p>The IJB should ensure that governance documents including the standing financial instructions and the standing orders are periodically reviewed to ensure they remain fit for purpose to the operation of the IJB.</p>	<p><b>Agreed</b> A review of the governance documents will be undertaken to ensure they remain fit for purpose.</p> <p><b>Responsible Officer</b> Chief Financial Officer</p> <p><b>Original Timelines</b> March 2022 and December 2022</p> <p><b>Revised Timeline</b> September 2023</p>	<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>▪ Following feedback from the Scottish Government, the Integration Scheme has been finalised and published on the IJB website in January 2023.</li> <li>▪ The IJB Strategic Commissioning Plan (SCP) 2022-2025 has been approved by the IJB.</li> <li>▪ The IJB Financial Plan 2022/2023 has been approved by the IJB.</li> <li>▪ The review of the IJB governance documents is being progressed. In particular, the Medium Term Financial Strategy is being reviewed to align funding to the SCP 2022-2025 and to agree and implement a recurring sustainable financial strategy. These actions are included at Appendix 3 (Ref 2).</li> </ul>
4	<p><b>Savings proposals still to be identified</b> The financial update in June 2021 noted that £1.250 million of savings have still to be identified to bridge the 2021/22 funding gap. There is therefore a risk that the IJB overspends against budget if savings measures are not identified and implemented. (<i>External Audit Action 2020/2021</i>)</p>	<p>The IJB should identify further savings measures as a matter of priority.</p>	<p><b>Agreed</b> The funding gap is being monitored in year. The financial monitoring reports will be further developed to include additional information on savings and management actions.</p> <p><b>Responsible Officer</b> Chief Financial Officer</p> <p><b>Original Timeline</b> March 2022</p> <p><b>Revised Timeline</b> March 2023</p>	<p><b>Completed</b> In respect of the financial year 2022/2023, a surplus is projected at 31 March 2023. This action is therefore being closed. A medium term sustainable financial strategy is being developed and agreed with both partners which aligns to the SCP 2022-2025 and takes cognisance of funding, workforce availability and digital solutions. The agreed framework for developing the IJB Financial Plan for 2023/2024 will take account of savings and legacy funding gaps from previous years and, pending IJB and partner approval, will also reflect the agreement in respect of the 2022/2023 surplus.</p>

Ref	Finding	Recommendation	Management Response / Current Position
1	<p><b>IJB Strategic Commissioning Plan (SCP)</b></p> <p>The approach to developing the SCP has been well planned with transparent and regular reporting on the delivery and progress, highlighting any gaps or areas where further work was required, such as the Financial Framework. The Plan itself is well-constructed and provides a sound basis for the development of future strategic intentions and commissioning.</p> <p>Whilst we have no concerns over the SCP or its preparation process, we have highlighted a number of areas which should be taken into account when implementing the SCP. <i>(Internal Audit Action 2022/2023)</i></p>	<ul style="list-style-type: none"> <li>▪ Formal governance arrangements for oversight of the implementation including monitoring of the implementation and impact of the key actions within the SCP, in accordance with a timetable approved by the IJB and its partners possibly utilising the FTF Integration Assurance and Committee Assurance principles where appropriate.</li> <li>▪ More formal project/programme planning methodology to reflect the much greater complexity and reliance on partner organisations.</li> <li>▪ A project risk register for implementation of SCP to ensure risks are assessed, monitored, recorded, managed, escalated appropriately and mitigating actions remain effective.</li> <li>▪ Actions to ensure that locality and strategic commissioning intentions quantify and address the unidentified needs of the South Lanarkshire population and reflect these within directions and strategic priorities.</li> <li>▪ Receive assurance on the adequacy and effectiveness of partner Workforce Planning arrangements and current information on workforce availability and any subsequent impact on the SCP.</li> <li>▪ Provide assurance on the delivery of the Organisational Development Strategy, and the revised Communication and Engagement Strategy.</li> <li>▪ Provide updates to the Risk Register arising from the SCP development and implementation on to the Board and Performance and Audit sub-Committee, including implementation of, and any required changes to, risk-appetite.</li> </ul>	<p><b>Agreed</b></p> <ul style="list-style-type: none"> <li>▪ A revised Performance Monitoring report and updated metrics have been approved.</li> <li>▪ Proposals to strengthen the existing locality arrangements have been approved and include performance updates.</li> <li>▪ The Annual Performance report is being prepared.</li> <li>▪ A Change Management Team has been established.</li> <li>▪ The IJB risk register reflects the SCP deliverables.</li> <li>▪ Further needs analysis will be progressed as information becomes available. If required, Directions will be issued through agreed processes.</li> <li>▪ A health and social care workforce plan is being developed and will be monitored.</li> <li>▪ Progress on the Organisational Development Strategy and a revised Communication and Engagement Strategy will be presented to the IJB for approval.</li> </ul> <p><b>Responsible Officer</b> Head of Commissioning and Performance</p> <p><b>Timeline</b> March 2023</p> <p><b>Completed</b> The SCP 2022-2025 has been approved. The internal audit recommendations have been complied with.</p>

Ref	Finding	Recommendation	Management Response / Current Position
2	<p><b>Transformational Change</b> Difficult challenges lie ahead. The priority must be the production of a realistic, achievable strategy which addresses the needs of the local population post-Covid19 within the parameters of available resources, most particularly financial, digital and workforce. This will almost inevitably involve extremely difficult decisions, which may not fully align with public or SGHSCD expectations.</p> <p>It is also possible that the impending creation of the National Care Service may create an appetite amongst the public and others to defer difficult or contentious decisions. As noted by Audit Scotland, the pressures in the system are such that transformational change cannot be delayed. (Internal Audit Action 2022/2023)</p>	<p>The IJB, having approved the plan, will need to continue to foster a culture which embraces change and innovation and supports officers making difficult choices. This will be especially important as membership changes and the ambitions within the plan crystallise into tangible, individual decisions which implement the agreed principles and priorities within the SCP.</p> <p>The new Communication and Engagement Plan should overtly address the Board's approach to proactively communicating the need for change and identifying and addressing potential barriers from the outset.</p>	<p><b>Agreed</b></p> <ul style="list-style-type: none"> <li>▪ An updated Communication and Engagement Plan will be presented to the IJB within the financial year 2022/2023.</li> <li>▪ A Change Management Team has been established by the partnership to support the larger elements of work associated with the commissioning intentions outlined in the SCP. This team is using a project management approach to ensure that there is the necessary structure and governance around the change agenda.</li> <li>▪ While the National Care Service will impact on organisations and public sector bodies across health and social care in the imminent future, the IJB's focus and commitment is to progress the priorities of the SCP.</li> </ul> <p><b>Responsible Officer</b> Head of Commissioning and Performance</p> <p><b>Timeline</b> March 2023</p> <p><b>Completed</b> The SCP 2022-2025 is being implemented. Following the endorsement of the Strategic Commissioning Group, the Communication and Engagement Plan will be presented to the IJB on 28 March 2023 and will be in place to support and promote transformational change. This will include a focus on financial sustainability, managing demand, digital solutions and best practice.</p>

Update on Agreed Good Governance Controls and Continuous Improvement Actions

Appendix 3

Ref	Actions	Update
1	<p>A range of actions have been agreed across the partnership to take forward the Ministerial Strategic Group (MSG) proposals. The MSG have indicated that a second self-evaluation will be undertaken in 12 months to assess progress.</p> <p><b>Responsible Officer:</b> Chief Officer</p> <p><b>Original Timelines:</b> April 2019 to March 2020, April 2020 to March 2021 and April 2021 to March 2022</p> <p><b>Revised Timeline:</b> April 2022 to March 2023</p>	<p><b>Completed</b></p> <p>In respect of the 6 key supporting features for integration upon which the Audit Scotland report dated 15 November 2018 and the Ministerial Strategic Group (MSG) report dated 4th February 2019 were based around, the IJB was advised on 25 January 2022 that 5 of the 6 External Audit requirements and 4 of the 5 MSG proposals have been implemented.</p> <p>The appointment of a one full-time Chief Financial Officer post for the South Lanarkshire IJB and one full-time Chief Financial Officer post for the North Lanarkshire IJB was established effective from 22 August 2022 which contributed to addressing the two remaining ongoing actions.</p> <p>The six key performance measures identified by the MSG which were assigned to the integration of Health and Social Care are also now embedded in the IJB performance monitoring report.</p> <p>It is recognised that the financial framework is continuing to be developed in consultation with both partners, the outcome of which will contribute to integrated finances and financial planning as far as practical. This action is included at Appendix 3 (Ref 2).</p> <p>As previously highlighted, the national move towards the implementation of the Independent Review of Adult Social Care is likely to have an impact going forward and will require to be taken into account particularly in respect of integrated finances and financial planning.</p>

Ref	Actions	Update
2	<p>Continue to develop the financial framework.</p> <p>This will include the review of the following:</p> <ul style="list-style-type: none"> <li>▪ IJB Medium to Long Term Financial Strategy</li> <li>▪ IJB Financial Plan</li> <li>▪ IJB Financial Regulations</li> <li>▪ IJB financial monitoring reports</li> <li>▪ IJB reserves strategy</li> <li>▪ the alignment of resources to partner directions and locality needs and</li> <li>▪ finance capacity.</li> </ul> <p><b>Responsible Officer:</b> Chief Financial Officer</p> <p><b>Original Timeline:</b> April 2020 to March 2021 and April 2021 to March 2022</p> <p><b>Revised Timeline:</b> April 2022 to March 2023</p>	<p><b>Ongoing Action</b> The IJB financial framework is continuing to be developed.</p> <ul style="list-style-type: none"> <li>▪ The IJB Financial Plan 2022/2023 was approved by the IJB on 29 March 2022 and reiterated the need for a Medium Term Financial Strategy, to align with the new SCP and to agree and implement a recurring sustainable financial strategy. Work to progress this and the IJB Reserves Strategy is ongoing. Both strategies will be based on the 2023/2024 budget settlement.</li> <li>▪ The review of the IJB Financial Regulations will be concluded by 30 September 2023.</li> <li>▪ The financial framework is continuing to be developed in consultation with both partners, the outcome of which will contribute to integrated finances and financial planning as far as practical.</li> <li>▪ The review of finance capacity to date has resulted in the appointment of a dedicated IJB CFO for the South Lanarkshire IJB and also for the North Lanarkshire IJB rather than a joint CFO role between the South and North Lanarkshire IJBs. Finance capacity continues to be monitored.</li> <li>▪ The review of the IJB governance documents is being progressed.</li> </ul>

# Report

Report to:	<b>South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee</b>
Date of Meeting:	<b>21 February 2023</b>
Report by:	<b>Director, Health and Social Care</b>

Subject:	<b>Internal Audit Plan 2023/2024</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ present the proposed Internal Audit Plan for 2023/2024 for approval.

## 2. Recommendation(s)

2.1. The Performance and Audit Sub-Committee (PASC) is asked to approve the following recommendation(s):-

- (1) that the Internal Audit Plan for 2023/2024, which is attached as an appendix, be approved; and
- (2) that authority is delegated to the IJB Chief Financial Officer to discuss further with the Audit and Compliance Manager of South Lanarkshire Council (SLC) and the Chief Internal Auditor of NHS Lanarkshire (NHSL) the Internal Audit Plan for 2023/2024 including the agreement of the detailed scope of each audit assignment, the allocation of assignment responsibilities and, having regard to Internal Audit resource availability, the timeline for completion.

## 3. Background

3.1. The Public Bodies (Joint Working) (Scotland) Act 2014, requires the Integration Joint Board (IJB) to comply with the accounts and audit regulations and legislation under section 106 of the Local Government (Scotland) Act 1973. A professional and objective Internal Audit Service arrangement has been established in accordance with recognised Internal Audit standards and practices as laid out in the Public Sector Internal Audit Standards, in order to comply with article 7 of the Local Authority Accounts (Scotland) Regulations 2014.

3.2. The Integrated Resources Advisory Group also issued guidance which set out the IJB's responsibility to establish adequate and proportionate Internal Audit arrangements for risk management, governance and control of delegated resources. The guidance further advised that IJBs should make appropriate and proportionate arrangements for the consideration of the audit provision.

### **3. Background (Cont.)**

3.3. At a meeting of the IJB on 13 September 2016, the IJB authorised the Chief Officer to establish effective Internal Audit arrangements. This included the agreement of appropriate protocols to provide a framework within which Internal Audit services would be provided and to manage the key strategic priorities and risks that could impact on the achievement of the IJB's objectives.

### **4. Internal Audit Plan 2023/2024**

4.1. The Internal Audit Plan is designed to provide sufficient evidence to form an Internal Audit Opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control arrangements.

4.2. The proposed Internal Audit Plan for 2023/2024, which is attached as an appendix, has been designed to target the priority issues. It seeks to align to strategic risks, as assessed at the time of writing this report, and to reflect the pressures of the ongoing pandemic and the evolving and complex challenges that this presents to service delivery. The Internal Audit Plan also takes account of assurances which will be provided to the IJB based on the work performed under the Internal Audit Plans of both SLC and NHSL for 2023/2024. These plans however may be subject to change as a result of the ongoing Covid-19 pandemic.

4.3. All sources of assurance across the Health and Social Care Partnership's activities are mapped to assess the content and coverage of the 2023/2024 Internal Audit Plan. The Plan therefore reflects the outcome of this review as well as the assessment of the IJB's top risks undertaken by the SLC Audit and Compliance Manager (SLC) and the NHSL Chief Internal Auditor (NHSL).

4.4. A total of 60 Internal Audit days are available as detailed in the appendix and summarised as follows:

- 10 days have been allocated to ensure our performance frameworks are reflecting these new ways of working and provide sufficient assurance to the IJB that we are performing accordingly.
- 10 days have been allocated to progress the Internal Audit of the adequacy and effectiveness of the arrangements around the IJB's response to the Covid-19 pandemic.
- 20 days have been allocated to progress the fourth phase of the value for money audit of equipment and adaptations.
- 20 days relate to standard audit deliverables namely audit management (8 days), the provision of the annual Internal Audit Report (7 days) and the follow-up of previously agreed actions (5 days).

4.5. The proposed programme of work includes the issue of an Internal Audit Annual Report for 2023/2024 by 30 April 2024 to ensure compliance with the Local Authority Accounts (Scotland) Regulations 2014 and also the guidance issued by the Integrated Resource Advisory Group in respect of Internal Audit arrangements.

4.6. The Chief Internal Auditor of NHSL has advised that he will retire in August 2023 however arrangements are in place to ensure that FTF Internal Audit Consortium will continue to provide a Chief Internal Auditor service to NHSL and, by extension and in conjunction with the SLC Internal Audit Service, to South Lanarkshire IJB.

#### **4. Internal Audit Plan 2023/2024 (Cont.)**

- 4.7. There continue to be ongoing significant demand and capacity challenges on the health and social care system. The risk environment is still volatile and all Internal Audit plans should be re-evaluated during the year to allow any significant changes to the organisation's risk profile are reflected in the Internal Audit Plan. Any proposed amendments will be subject to PASC approval. The IJB is therefore asked to delegate authority to the IJB Chief Financial Officer to finalise the Internal Audit Plan for 2023/2024. This will include agreement of the detailed scope of each audit assignment, the allocation of assignment responsibilities and, having regard to Internal Audit resource availability, the timeline for completion.
- 4.8. The IJB Chief Financial Officer will ensure that sufficient Internal Audit resources are available to provide the necessary assurance in respect of the adequacy and effectiveness of the IJB's framework of governance, risk management and control arrangements for the year ended 31 March 2024. Progress reports will be presented to the PASC during the year.

#### **5. Employee Implications**

- 5.1. The Internal Audit Plan for 2023/2024 will be delivered from within existing Internal Audit resources as agreed between the IJB Chief Financial Officer and the SLC Audit and Compliance Manager and the NHSL Chief Internal Auditor.

#### **6. Financial Implications**

- 6.1. On 16 March 2021, the PASC approved the continuation of the joint Internal Audit approach between 2020/2021 to 2022/2023. There was no charge for the provision of this support service. Arrangements are being reviewed with a commitment by both partners to continue to deliver a joint Internal Audit approach for 2023/2024 and 2024/2025.

#### **7. Climate Change, Sustainability and Environmental Implications**

- 7.1. There are no implications for Climate Change, sustainability or the environment in terms of the information contained in this report.
- 7.2. There are no sustainable development issues associated with this report.

#### **8. Other Implications**

- 8.1. There are no additional risks associated with this report. The outcome of the Internal Audits undertaken in 2023/2024 will contribute to the mitigation of the following risks within the IJB Risk Register as follows:

- Financial sustainability (Very High).
- Public Sector Duties (High)

- 8.2. This report relates to all national outcomes as effective governance arrangements will ensure that the IJB can fulfil its statutory duties. The contents of this report are material to the delivery of the IJB Strategic Commissioning Plan 2022 – 2025, notably the following outcome:

- Resources are used effectively and efficiently in the provision of health and social care services (Outcome 9).

- 8.3. The approval of the Internal Audit Plan for 2023/2024 by the PASC on 21 February 2023 will ensure compliance with best practice and the External Auditor's recommendation.

## **8. Other Implications (Cont.)**

8.4. To mitigate against the risk of the non-delivery of the Internal Audit Plan, the progress of every assignment will be monitored using SLC's risk management software, Figtree. Audit performance will require the co-operation of the IJB. Internal Audit recognise the constraints within which the IJB is currently operating however the delivery of the Internal Audit Plan is dependent on assignments being finalised timeously. Officers therefore commit to assist with delivery of the Internal Audit Plan as follows:

- ◆ Designated contacts will attend the opening meeting and the closing meeting;
- ◆ A senior officer will be nominated to liaise with auditors during the field work; and
- ◆ Draft reports will be reviewed for factual accuracy and agreed within four weeks of the issue of this report.

8.5. There are no sustainable or environmental implications arising directly from this report.

8.6. There are no other issues associated with this report.

## **9. Equality Impact Assessment and Consultation Arrangements**

9.1. This report does not introduce a new policy, function or strategy or recommend a change to existing policy, function or strategy and, therefore, no impact assessment is required.

9.2. There is also no requirement to undertake any further consultation in terms of the information contained in this report.

**Soumen Sengupta**  
**Director, Health and Social Care**

27 January 2023

## **Previous References**

- ◆ Internal Audit Plan 2022/2023  
South Lanarkshire Integration Joint Board PASC 1 March 2022

## **List of Background Papers**

- ◆ None

## **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

Yvonne Douglas, Audit and Compliance Manager  
Telephone: 01698 452618  
Email: [yvonne.douglas@southlanarkshire.gov.uk](mailto:yvonne.douglas@southlanarkshire.gov.uk)

Tony Gaskin, Chief Internal Auditor  
Telephone: 01382 552545 or 07803 436785  
Email: [tony.gaskin@nhs.scot](mailto:tony.gaskin@nhs.scot)

Audit Assignment	Outline Scope	Expected Days
Performance Monitoring Arrangements	Assess the adequacy and effectiveness of the performance monitoring arrangements to ensure our performance frameworks are reflecting these new ways of working and provide sufficient assurance to the IJB that we are continuing to improve performance. This will include an assessment of the enabling work detailed in the SCP 2022-2025 and the transformational change requirements to maintain and improve performance outcomes.	10
Response to Covid-19 Pandemic	Progress the Internal Audit of the adequacy and effectiveness of the arrangements around the IJB's ongoing emergency response to the Covid-19 pandemic, the recovery and remobilisation of health and social care services and the adequacy of the performance monitoring arrangements. This will include lessons learned and a review of the implementation of the Change Fund to achieve financial and operational sustainability in the medium term.	10
Value For Money Audits	In order to progress the fourth phase of the Value for Money audit of Equipment and Adaptations, Internal Audit time is required to conclude the analysis of the data for the financial year from 1 April 2022 to 31 March 2023. Subject to continuing engagement with partners, the financial evaluation of the range of service delivery options will also be considered. It will also include continuing to use data analytical tools to contribute to the decision-making process and to strengthen the management information framework across the partnership, highlighting variations and providing benchmarking with similar partnerships to identify good practice.	20
Follow Up	Follow up actions arising from audits undertaken in previous years and assess the extent to which actions have been fully implemented and issues addressed.	5
Internal Audit Annual Report	Annual Report containing the Annual Internal Audit Opinion on the assurance and review of the IJB's self-assessment of governance and systems for preparing the 2023/2024 Annual Governance Statement.	7
Audit Management	Review and update of 2023/2024 Audit Plan. Preparation of 2024/2025 Audit Plan and development of longer-term strategic Audit Plan. Liaison with senior management and the external auditor. Attendance at Committees (as appropriate).	8
<b>Total</b>		<b>60</b>



# Report

Report to:	<b>South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee</b>
Date of Meeting:	<b>21 February 2023</b>
Report by:	<b>Director, Health and Social Care</b>

Subject:	<b>External Audit Strategy and Audit Fee 2022/2023</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide an update on the 2022/2023 external audit of the South Lanarkshire Integration Joint Board; and
- ◆ advise the Performance and Audit Sub-Committee of the external audit fee.

## 2. Recommendation(s)

2.1. The Performance and Audit Sub-Committee is asked to approve the following recommendation(s):-

- (1) that the content of the report is noted; and
- (2) that the agreed fee of £31,470 is noted.

## 3. Background

3.1. The Public Bodies (Joint Working) (Scotland Act) 2014 established the framework for health and social care in Scotland and the formation of Integration Joint Boards (IJBs). Each IJB is required to prepare annual accounts and have them audited in accordance with Part VII of the Local Government (Scotland) Act 1973.

3.2. Audit Scotland was appointed by the Accounts Commission and the Auditor General as the external auditors of the South Lanarkshire IJB from 2016/2017 to 2020/2021. The term of the appointment was extended for one further year, 2021/2022, due to the Covid-19 pandemic.

3.3. Following an audit tender exercise, the Auditor General and Accounts Commission have approved the appointments for the audits of financial years 2022/2023 to 2026/2027.

3.4. Audit Scotland's Audit Services Group will continue to be responsible for the delivery of the South Lanarkshire IJB external audit for the five years from 2022/2023 to 2026/2027. All audit appointments are required to comply with the Ethical Standard and the Code of Audit Practice. In accordance with ethical standards therefore, Audit Scotland require to rotate responsibility for the audit to ensure independence is maintained. John Boyd, Audit Director, will therefore be taking on responsibility as the Engagement Lead for the external audit from 2022/2023.

3.5. Helena Gray was appointed as the new Controller of Audit and commenced her role in January 2023.

#### **4. External Audit Annual Audit Plan and Audit Fee 2022/2023**

- 4.1. The External Auditor's planning work is at an early stage. The External Auditor has provided an update on the 2022/2023 external audit of the IJB which is set out in the audit strategy letter attached as an appendix for information. Following the conclusion of the audit planning procedures, a copy of the Annual Audit Plan will be issued to officers and members of the PASC by 31 March 2023.
- 4.2. As highlighted at sections 3 to 5 of the appendix, the preliminary planning work has identified one significant risk that requires specific audit considerations namely the risk of material misstatement due to management override of controls to change the position disclosed in the financial statements. The External Auditor however is concluding that the risk that income or expenditure may be fraudulently misstated resulting in a material misstatement in the financial statements is not considered to be a significant risk for the IJB as there are limited opportunities to manipulate the way income or expenditure are recognised in the financial statements. This risk is therefore rebutted by the External Auditor.
- 4.3. Audit Scotland are planning to complete the audit and issue the Independent Auditor's Report by the statutory deadline of 30 September 2023.
- 4.4. The proposed external audit fee is approved by the Audit Scotland Board and the Scottish Parliament. In preparing the 2022/2023 fee proposal, the following local circumstances were taken into consideration in the assessment of external audit needs:
  - the local risk areas for the joint board
  - the reliance that can be placed on the work of internal audit
  - the governance and accountability arrangements, the control environment and the risk assessment and management procedures
  - the systems and procedures in place for the production of timeous South Lanarkshire IJB financial statements
  - potential issues that may emerge and impact on the audit opinion
- 4.5. Audit Scotland sets the auditor remuneration based on its assessment of the work likely to be needed to deliver the audit. The figure also includes an allocation of pooled costs, performance audit and best value costs and audit support costs. The agreed external audit fee is set at the Audit Scotland Services Group standard fee applicable to IJBs which is £31,470 for 2022/2023 (£27,960 for 2021/2022). The fee assumes that the IJB has sound governance arrangements in place, is operating effectively throughout the year, prepares comprehensive and accurate draft accounts and meets the agreed timetable for the audit.
- 4.6. The 'pooled costs' element of external audit fees includes an allocation of Audit Scotland's travel and subsistence costs. As a result of the Covid-19 pandemic, the amount of audit work delivered onsite at audited bodies was less than normal. The external audit fee charged was therefore higher than the actual costs incurred. A rebate of £1,603 has been refunded in respect of the 2019/2020 and 2020/2021 external audit fees.

#### **5. Employee Implications**

- 5.1. There are no employee implications associated with this report.

#### **6. Financial Implications**

- 6.1. The cost of the external audit fee will be met from within existing resources.

## **7. Climate Change, Sustainability and Environmental Implications**

- 7.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.
- 7.2. There are no sustainable development issues associated with this report.

## **8. Other Implications**

- 8.1. There are no additional risks associated with this report. The outcome of the External Audit will contribute to the mitigation of the following risks within the IJB Risk Register as follows:
  - Financial sustainability (Very High).
  - Public Sector Duties (High)
- 8.2. The contents of this report are material to the delivery of the IJB Strategic Commissioning Plan 2022 – 2025, notably the following outcome:
  - Resources are used effectively and efficiently in the provision of health and social care services (Outcome 9).
- 8.3. There are no other issues associated with this report.

## **9. Equality Impact Assessment and Consultation Arrangements**

- 9.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 9.2. There was also no requirement to undertake any consultation in terms of the information contained in this report.

**Soumen Sengupta**  
**Director, Health and Social Care**

27 January 2023

### **Previous References**

- ◆ None

### **List of Background Papers**

- ◆ None

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

Marie Moy, Chief Financial Officer  
Ext: 3709 (Phone: 01698 453709)  
Email: [marie.moy@southlanarkshire.gov.uk](mailto:marie.moy@southlanarkshire.gov.uk)



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## South Lanarkshire Integration Joint Board

27 January 2023

### Update on the 2022/23 audit of South Lanarkshire Integration Joint Board

1. The purpose of this letter is to provide members with an update on the 2022/23 audit of South Lanarkshire Integration Joint Board (SLIJB). Covid-19 has continued to impact on the completion of the 2021/22 audits with ongoing extensions to statutory deadlines. This, along with the changeover in the appointed auditor, has impacted on the timing of our planning work on our 2022/23 audits.

2. Our planning work on the 2022/23 audit of SLIJB is at an early stage. Therefore, we are not able to present our Annual Audit Plan to the Performance and Audit Sub-Committee (PASC) at the meeting on 21 February 2023. We have included this Audit Strategy Letter to update members on progress and highlight key audit matters. Following the conclusion of our audit planning procedures, we will issue a copy of the Annual Audit Plan to officers and members of PASC by 31 March 2023.

### Risks

3. Our preliminary planning work has identified the following significant risk that requires specific audit considerations.

- **Risk of material misstatement due to management override of controls:** International Standard on Auditing 240 (ISA 240) require that audits are planned to consider the risk of material misstatement in the financial statements caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of fraud due to the management override of controls to change the position disclosed in the financial statements.

4. ISA 240 presumes a risk of fraud in revenue recognition which is extended to expenditure by Practice Note 10. There is a risk that income or expenditure may be fraudulently misstated resulting in a material misstatement in the financial statements. We do not consider these to be significant risks for SLIJB as there are limited opportunities to manipulate the way income or expenditure are recognised in the financial statements and have therefore rebutted these risks.

5. Our Annual Audit Plan will include any further risks identified from our planning work and outline our response to all identified risks.

### Audit Fee

6. The proposed baseline audit fee for the 2022/23 audit is £31,470 (2021/22: £27,960). In determining the audit fee, we have taken account of the risk exposure of SLIJB, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit.

## Audit Timetable

7. As outlined in paragraph 1, Covid-19 has continued to impact on the timings of our 2022/23 audit planning. We are working towards issuing the independent auditor's report and Annual Audit Report by the statutory deadline of 30 September 2023. However, we acknowledge this may not be achievable due to ongoing pressures. We will maintain a pragmatic and flexible approach to the audit and will continue to have discussions with management and the Chair of the PASC around the progress of our work and any changes that may be required to the target dates outlined in [Exhibit 1](#).

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### Exhibit 1 Audit outputs

Audit Output	Target date	Performance and Audit Sub-Committee date
Annual Audit Plan	31 March 2023	N/A
Independent Auditor's Report	30 September 2023	TBC
Annual Audit Report	30 September 2023	TBC

Source: Audit Scotland

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## Independence and Objectivity

8. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements, auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has robust arrangements in place to ensure compliance with these standards including an annual "fit and proper" declaration for all members of staff. The arrangements are overseen by the Executive Director of Innovation and Quality who serves as Audit Scotland's Ethics Partner.

9. The engagement lead (i.e. appointed auditor) for SLIJB is John Boyd, Audit Director. Auditing and ethical standards require the engagement lead to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of South Lanarkshire Integration Joint Board.



John Boyd  
Audit Director

Audit Scotland  
4th Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT