

East Dunbartonshire HSCP Performance, Audit & Risk Committee Meeting
Tuesday 17th March 2020, 2pm
Meeting room S1, Kirkintilloch Health & Social Care Centre, Saramago Street,
Kirkintilloch, G66 1XQ

AGENDA

No.	Item	Lead	Document
1.	Welcome and Introductions	J Forbes	
2.	Minutes of Last Meeting – 18 th December 2019	J Forbes	
3.	Audit Scotland – Annual Audit Plan 2019/20	P Lindsay	
4.	Internal Audit Progress Update to December 2019	G McConnachie	
5.	Interim Follow Up Report 2019/20	G McConnachie	
6.	HSCP Transformation Plan 2019/20 Update	J Campbell	
7.	Audit Scotland Report - Local Government in Scotland: Financial Overview 2018/19	J Campbell	
8.	Community Support Team: Care Inspectorate Report	C Carthy	
9.	Adult Residential Services Inspection Reports	D Aitken	
10.	Progress Update - Audit Scotland 2018/19 East Dunbartonshire IJB Annual Audit Action Plan	J Campbell	
11.	Future Agenda Items	All	
12..	A.O.C.B	All	
13.	Date of next meeting: 18 June 2020 Time: 1130 – 1330 Location: MS Teams	J Forbes	

Minutes of East Dunbartonshire HSCP Performance, Risk and Audit Committee
Meeting held on Wednesday 18 December 2019
Room S1, Kirkintilloch Health & Care Centre

PRESENT

Jacqueline Forbes (JF) Chair
 Claire Carthy (CC) Interim Head of Children's Services and Criminal Justice
 Kenneth McFall (KM) Senior Auditor
 Gillian McConnachie (GM) EDC Audit & Risk Manager
 Ian Ritchie (IR) Non Exec NHS GG&C
 Sheila Meechan (SM) Councillor
 Susan Murray (SM) Vice Chair
 Susan Manion (SMan) Chief Officer
 Jean Campbell (JC) Chief Finance & Resources Officer

MINUTES

Linda Ferrigno

	ACTION
<p>Welcome and Apologies</p> <p>Chair welcomed everyone and acknowledges apologies from Derrick Pearce and Mags Maguire.</p>	
<p>Minutes of Previous Meeting</p> <p>One amendment was asked to be recorded from the previous minute from the meeting of 24 September 2019.</p> <p>P2. It is hoped that the long term financial plan will be delivered in November 2020 and not 2019 as stated The minute was then recorded as an accurate and agreed record of the previous discussion.</p>	
<p><u>INTERNAL AUDIT PROGRESS UPDATE TO SEPTEMBER 2019</u></p> <p>GMcC explained that the Council internal audit report had been revised to include an update relating to the work completed by Scott-Moncrieff the NHSGGC's internal audit providers.</p> <p>The following summary positions were highlighted to the Committee.</p> <p>A new process called eInvoicing exchanges information between a buyer and the council allowing invoices to be quickly processed. This is an important step forward and the auditors felt that there</p>	

were no concerning issues with the process so no action plan was required.

Table 2 in the NHS GGC Internal audit shows the Classification Reports and the number of issues per grading, 4 being very high risk exposure and 1 being limited risk exposure. GMcC explained that there were no issues with the grading.

JF enquired should there not have been more grading classified as a grade 1.

It was explained that the result was similar on the Council side. GMcG advised that this has been identified and an action plan will be put in place to address the shortcomings of the audit result.

HSCP Financial Position 2019/20 and Beyond

JC spoke to the report and provided an overview of the budget performance for the HSCP over the last 4 years, the level of savings the partnership has achieved during this period and the current financial position. An update on the work underway in relation to the approved recovery plan was provided as well as the additional work underway to identify alternative measures which could be put in place to mitigate the projected overspend position.

The committee was provided with an update on the financial planning assumptions over the next 5 years and the impact of continuing year on year increases in the area of older peoples services particularly for care home and care at home placements. SMu raised a query with the scenario planning around future financial settlements from our constituent bodies and whether we should be reflecting a range of assumptions from NHS GG&C. JC explained that we had a clearer indication of the potential settlement from NHS GG&C and this was linked to the uplift from the SG which would be passed through to HSCPs.

A discussion continued on the need to be realistic on our assumptions and the expectations from our parent bodies and the financial forecast can be amended to reflect a range of scenarios from the health board.

HSCP TRANSFORMATION PLAN 2019/20 UPDATE

JC updated the Committee on the progress being made regarding the Transformation Plan.

The plan describes the financial development in each area where there are expected to be deficiencies.

Presently there are 54 priorities.

- Delivered - 9
- On track - 27
- Some risk - 13
- Significant risk – 5

Of £3.8 million, a shortfall of £1.4 million remains this year. Work is continuing to identify other options to address the shortfall and implement a recovery plan to manage expenditure within the allowed budget.

**FERNDALE RESIDENTIAL SERVICES (CHILDREN)
INSPECTION**

CC advised that Ferndale was subject to an unannounced inspection in November 2019.

The outcome was very positive and scored highly when identifying the needs of the children. The inspection report showed the findings to be either:-

Very good (grade 5) or Excellent (grade 6).

It is a safe, secure and thriving environment and the children and young adults can stay until they are independent and skilled in everyday living. Some also go onto further education and university. CC advised that at present there is no capacity to house others, but further plans are being looked at in order to achieve this.

Congratulations were given by the Committee for the result and asked that CC pass on congratulations to all staff to show their appreciation for the excellent work achieved at Ferndale.

HOMECARE INSPECTION 2019

In the absence of DP, JC explained that there had been an improvement in 2 of the quality themes. Quality of Staffing and Quality of Management and Leadership. They were upgraded to Grade 3 (adequate). Quality of Care and Support theme remained the same at Grade 3.

An action plan has been developed and the service is confident that this will ensure further progress. JC shared concern over the fact that improvements highlighted at the previous inspection in July 2019 had not been fully met but the service was confident that following the conclusion of the homecare review and implementation thereafter that these improvements would be signed off after the next inspection.

JC explained that the new structural changes would create more capacity to manage the service and deliver these improvements and this should be in place mid January 2020. To deliver on this, a period of focus is needed to bed in for the next inspection.

It was felt by all that the discussion should continue with DP on his return.

<u>FUTURE AGENDA ITEMS</u>	
Overall Budget GP Prescribing 3 year Financial Plan	
Date & Time of next meeting	
Tuesday 17 March 2020 Room S1, Kirkintilloch Health & Care Centre	

**EAST DUNBARTONSHIRE HEALTH & SOCIAL CARE PARTNERSHIP
PERFORMANCE, AUDIT & RISK COMMITTEE**

Date of Meeting	17 th March 2020
Subject Title	Audit Scotland – Annual Audit Plan 2019/20
Report By	Jean Campbell, Chief Finance & Resources Officer
Contact Officer	Peter Lindsay, Senior Audit Manager, Audit Scotland, 0131-625 1934

Purpose of Report	<p>The purpose of this report is to update members on Audit Scotland's Annual Audit Plan for East Dunbartonshire IJB.</p> <p>The annual audit plan contains an overview of the planned scope and timing of the audit work to be carried out in accordance with International Standards on Auditing (ISAs), the <i>Code of Audit Practice</i>, and any other relevant guidance.</p> <p>A copy of the Audit Scotland Annual Audit Plan for 2019/20 is included as (Appendix 1).</p>
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Recommendations	<p>The Performance, Audit & Risk Committee is asked to:</p> <p>a) Notes and agrees the contents of the Annual Audit Plan for the IJB.</p>
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Relevance to HSCP Board Strategic Plan	<p>The annual audit process provides an opportunity for the oversight of the financial governance and management arrangements for the partnership as well as consideration of value for money. This will in turn support the delivery of the strategic planning priorities in the provision of assurance that the financial affairs of the partnership are considered and well managed.</p>
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Implications for Health & Social Care Partnership

Human Resources:	Nil
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Equalities:	Nil
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Financial:	Nil
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Legal:	Nil
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Economic Impact:	Nil	
Sustainability:	Nil	
Risk Implications:	Risks are identified in the course of Annual audit work and highlighted to management to action.	
Implications for East Dunbartonshire Council:	Nil	
Implications for NHS Greater Glasgow & Clyde:	Nil	
Direction Required to Council, Health Board or Both	Direction To:	
	1.1 No Direction Required	X
	1.2 East Dunbartonshire Council	
	1.3 NHS Greater Glasgow & Clyde	
	1.4 East Dunbartonshire Council and NHS Greater Glasgow and Clyde	

East Dunbartonshire Integration Joint Board

Annual Audit Plan 2019/20



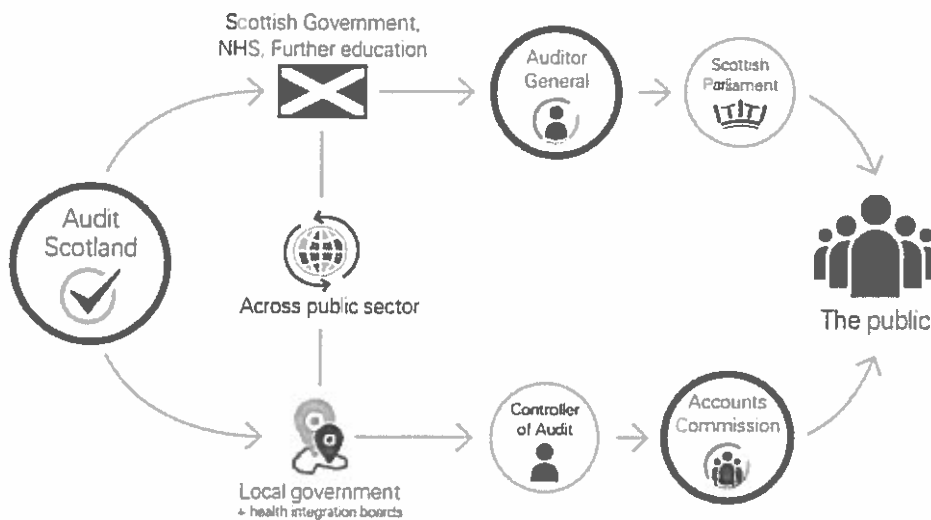
 AUDIT SCOTLAND

Prepared for by East Dunbartonshire Integration Joint Board
February 2020

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations

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Risks and planned work

1. This annual audit plan contains an overview of the planned scope and timing of our audit which is carried out in accordance with International Standards on Auditing (ISAs), the Code of Audit Practice, and guidance on planning the audit. This plan sets out the work necessary to allow us to provide an independent auditor's report on the annual accounts and meet the wider scope requirements of public sector audit.

2. The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money.

Adding value


3. We aim to add value to the East Dunbartonshire Integration Joint Board (hereby referred to as the IJB) through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we intend to help the IJB promote improved standards of governance, better management and decision making and more effective use of resources.


Audit risks


4. Based on our discussions with staff, attendance at Board & committee meetings and a review of supporting information we have identified the following significant risks for East Dunbartonshire Integration Joint Board. We have categorised these risks into financial statements risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in Exhibit 1.


Exhibit 1

2019/20 Significant audit risks

 Audit Risk	Source of assurance	Planned audit work
Financial statements risks		
<p>1 Risk of material misstatement caused by management override of controls</p> <p>Auditing Standards require that audits are planned to consider the risk of material misstatement caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of management override of controls that results in fraudulent financial statements.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance.</p>	<ul style="list-style-type: none"> • Detailed testing of journal entries. • Review of accounting estimates. • Focused testing of accruals and prepayments. • Evaluation of significant transactions that are outside the normal course of business.

 Audit Risk	Source of assurance	Planned audit work
<p>2 Risk of material misstatement caused by fraud in expenditure</p> <p>The Code of Audit Practice expands the consideration of fraud under ISA 240 to include the risk of fraud over expenditure.</p> <p>As the expenditure of EDIJB is processed through the financial systems of NHS Greater Glasgow & Clyde and East Dunbartonshire Council, there is a risk that expenditure that does not relate to the IJB is included in the accounts or that expenditure that does relate to the IJB is omitted from the accounts.</p>	<ul style="list-style-type: none"> • Robust budget monitoring. 	<ul style="list-style-type: none"> • Assurances will be obtained from the auditors of NHS Greater Glasgow & Clyde and East Dunbartonshire Council over the accuracy, completeness and allocation of the Integration Joint Board ledger entries recorded in the correct financial year.
<p>3 Hospital acute services (Set Aside)</p> <p>The "set aside" budget is the Integration Joint Board's share of the budget for delegated acute services provided by hospitals on behalf of the Joint Board.</p> <p>The Board recently agreed an estimated figure for 2019/20, with a view to reflecting the true cost and activity from 1 April 2020.</p> <p>There is a risk that the sum set aside in the 2019/20 IJB accounts does not accurately reflect the true cost of acute services.</p>	<ul style="list-style-type: none"> • Work continues within the NHS GG&C Chief Finance Officer Group, with support from the SG, in tandem with the development of an un-scheduled Care Commissioning plan to deliver a mechanism for set aside. Regular reports provided to HSCPs to give an indication of spend based on activity against budget. Awaiting final guidance from the SG to support full implementation. 	<ul style="list-style-type: none"> • Engage with officers to ensure that a robust mechanism has been developed to quantify set aside income and expenditure • Monitor Scottish Government guidance on the treatment of set aside in the 2019/20 financial statements to establish whether the financial statements are compliant.
Wider dimension risks		
<p>4 Financial sustainability and going concern</p> <p>Based on the latest budget monitoring report presented to the January 2020 Board meeting (for the period to 30 November 2019) there is a projected overspend for 2019/20 of £2.538 million. The budget includes the planned use of £0.346 million of earmarked reserves. This is mainly due to overspends in Older People Community Services.</p>	<ul style="list-style-type: none"> • Ongoing monitoring of expenditure against budget. • Robust financial plan for 2019/20 which delivers financial balance and opportunities for sustainability moving forward. • Longer term financial plan in development. • Integrated partnership meetings during 2019/20 with the Chief Executives, Chief Officer, NHS GG&C DOF and Chief Finance 	<ul style="list-style-type: none"> • Ensure budget monitoring is robust and accurately reflects the financial position. • Confirmation of agreement of funding and balances with host bodies. • Review of the IJBs recovery plan agreed with EDC and NHSGG&C. • Review and report on progress against our 2018/19 audit

 Audit Risk	Source of assurance	Planned audit work
<p>The reserves held by the Board are expected to be fully utilised in year and a financial recovery plan was approved at the IJB meeting on 5 September 2019 in order to put in place measures to mitigate the anticipated financial challenges.</p> <p>In addition, there are no long term financial plans in place to demonstrate how the IJB will secure the financial sustainability of its services in the future.</p> <p>There is a risk that the IJB is not financially sustainable. As a result, the IJB needs to demonstrate that the going concern basis is appropriate for the 2019/20 annual accounts.</p>	<p>Officers focussed on supporting the HSCP budget position for 19/20 and pressures moving into future years. Recovery Plan approved and oversight in place, reported regularly through the IJB.</p>	<p>recommendation in relation to this risk.</p> <ul style="list-style-type: none"> Review the IJBs evidence to support the going concern assumption for the 2019/20 accounts
<p>5 Achievement of Efficiency Savings</p> <p>The financial monitoring report presented to the January 2020 meeting of the Board confirmed that the planned savings for 2019/20 are £3.75 million. Of this total, £1.66 million of the required savings have so far been identified as part of the IJB's transformation activity, leaving a shortfall of £2.1 million.</p> <p>There is a risk that the IJB may not be able to generate sufficient efficiencies and cost savings to bridge the remaining funding gap.</p>	<ul style="list-style-type: none"> Robust financial plan and transformation agenda which ensures efficiency savings are delivered and IJB achieves financial balance. HSCP has a Transformation Board which challenges and supports the delivery of the transformation programme including efficiency savings. Oversight of this programme is through the HSCP Performance, Audit and Risk Committee. 	<ul style="list-style-type: none"> Ongoing review of budget monitoring reports including details of identified savings.
<p>6 2020/21 budget setting process</p> <p>The timing of budget setting for the UK and Scottish public sector has led to increased uncertainty for IJBs in setting 2020/21 budgets.</p> <p>East Dunbartonshire Council is due to set its 2020/21 budget on 20 February 2020 but there is a risk that that the budget does not reflect the final settlement, and further in-year savings need to be</p>	<ul style="list-style-type: none"> Tri-partite meetings with partner agency Chief Executives, Chief Officer, DOF and Chief Finance Officers to discuss 2020/21 financial challenge. Robust analysis of pressures areas for Older People and Learning Disability undertaken and shared with partner agencies to further understanding and future planning. Interim HSCP leadership arrangements and support through Council 	<ul style="list-style-type: none"> Ongoing monitoring of budget setting process for 2020/21, including confirmation of funding from host bodies.

	Audit Risk	Source of assurance	Planned audit work
	<p>made that impact on the IJB budget.</p> <p>EDIJB is due to set its budget on 26 March 2020 and, as in past years, indicative figures will be used for the Health Board's contributions.</p> <p>If partner contributions are lower than expected, this will impact on the 2020/21 EDIJB budget and the planned delivery of services.</p>	<p>Depute Chief Executive to support development of a sustainable programme of transformation going forward.</p>	
7	<p>Demonstrating the delivery of Best Value</p> <p>EDIJB are required to have arrangements in place to demonstrate that it is delivering Best Value in the provision of services.</p> <p>There is a risk that the IJB does not continue to demonstrate that it is delivering Best Value and evidence how the IJB is changing the way care services are delivered and realigning budgets to support this.</p>	<ul style="list-style-type: none"> The IJB has established a Best Value framework which was approved by the Performance, Audit and Risk Committee in March 2019. the IJB plans to complete an annual review of the HSCPs arrangements for demonstrating it is delivering Best Value. 	<ul style="list-style-type: none"> Review evidence of continuous improvement reported within EDIJB's 2019/20 Annual Performance Report.

Source: Audit Scotland

5. International auditing standards require auditors to make a presumption of a risk of fraud in the recognition of income other than where there are circumstances that would allow this presumption to be rebutted. As the Joint Board is wholly funded by NHS Greater Glasgow & Clyde and East Dunbartonshire Council we have concluded that there is no risk of material misstatement caused by fraud over income recognition and have therefore rebutted this presumption. As a result we do not plan to conduct audit procedures to address this risk.

Reporting arrangements

6. Audit reporting is the visible output for the annual audit. All annual audit plans and the outputs as detailed in Exhibit 2, and any other outputs on matters of public interest will be published on our website: www.audit-scotland.gov.uk.

7. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officer(s) to confirm factual accuracy.

8. We will provide an independent auditor's report to East Dunbartonshire Integration Joint Board East Dunbartonshire Integration Joint Board and Accounts Commission setting out our opinions on the annual accounts. We will provide the Chief Finance & Resources Officer and Accounts Commission for with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

Exhibit 2

2019/20 Audit outputs

Audit Output	Target date	Committee Date
Annual Audit Plan	31 March 2020	17 March 2020
Independent Auditor's Report	30 September 2020	TBC
Annual Audit Report	30 September 2020	TBC

Source: Audit Scotland

Audit fee

9. The proposed audit fee for the 2019/20 audit of East Dunbartonshire Integration Joint Board is £26,560 (2018/19: £28,440). In determining the audit fee we have taken account of the risk exposure of the IJB, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited annual accounts, with a complete working papers package on 5 June 2020.

10. Where our audit cannot proceed as planned through, for example, late receipt of unaudited annual accounts or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises out with our planned audit activity.

Responsibilities

Performance, Audit & Risk Committee and Chief Finance & Resources Officer

11. Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.

12. The audit of the annual accounts does not relieve management or the Performance, Audit & Risk committee as those charged with governance, of their responsibilities.

Appointed auditor

13. Our responsibilities as independent auditors are established by the 1973 Act for local government, and the Code of Audit Practice (including supplementary guidance) and guided by the Financial Reporting Council's Ethical Standard.

14. Auditors in the public sector give an independent opinion on the financial statements and other information within the annual accounts. We also review and report on the arrangements within the audited body to manage its performance, regularity and use of resources. In doing this, we aim to support improvement and accountability.

Audit scope and timing

Annual accounts

15. The annual accounts, which include the financial statements, will be the foundation and source for most of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing the public sector. Our audit approach includes:

- understanding the business of the IJB and the associated risks which could impact on the financial statements
- identifying major transaction streams, balances and areas of estimation and understanding how the IJB will include these in the financial statements
- assessing the risks of material misstatement in the financial statements
- determining the nature, timing and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements are free of material misstatement.

16. We will give an opinion on whether the financial statements:

- give a true and fair view in accordance with applicable law and the 2019/20 Code of the state of affairs of the Board as at 31 March 2020 and of the income and expenditure of the Board for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2019/20 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.



characteristics



responsibilities



principal activities



risks



governance arrangements

Statutory other information in the annual accounts

17. We also review and report on statutory other information published within the annual accounts including the management commentary, annual governance statement and the remuneration report. We give an opinion on whether these have been compiled in accordance with the appropriate regulations and frameworks in our independent auditor's report.

18. We also read and consider any information in the annual accounts other than the financial statements and audited part of the remuneration report and report any uncorrected material misstatements.

Materiality

19. We apply the concept of materiality in planning and performing the audit. It is used in evaluating the effect of identified misstatements on the audit, and of any uncorrected misstatements, on the financial statements and in forming our opinions in the independent auditor's report.

20. We calculate materiality at different levels as described below. The calculated materiality values for the IJB are set out in Exhibit 3.

Exhibit 3 Materiality values



Materiality	Amount
Planning materiality – This is the figure we calculate to assess the overall impact of audit adjustments on the financial statements. It has been set at 1% of gross expenditure for the year ended 31 March 2020 based on the latest audited accounts.	£1.603 million
Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have calculated performance materiality at 60% of planning materiality.	£0.962 million
Reporting threshold (i.e., clearly trivial) – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. This has been calculated at 1% of planning materiality.	£16,000

Source: Audit Scotland

Timetable

21. To support the efficient use of resources it is critical that the annual accounts timetable is agreed with us to produce the unaudited accounts. We have included an agreed timetable at [Exhibit 4](#).

Exhibit 4 Annual accounts timetable

 Key stage	 Date
Consideration of unaudited annual report and accounts by those charged with governance	TBC
Latest submission date of unaudited annual report and accounts with complete working papers package	5 June 2020
Latest date for final clearance meeting with Chief Finance & Resources Officer	4 September 2020
Issue of Letter of Representation and proposed independent auditor's report	11 September 2020
Agreement of audited unsigned annual report and accounts	11 September 2020
Independent auditor's report signed	TBC
Issue of Annual Audit Report to those charged with governance	TBC

Internal audit

22. Internal audit is provided by a team from East Dunbartonshire Council and NHS Greater Glasgow & Clyde on a joint basis. As part of our planning process we carry out an annual assessment of the internal audit function.

Using the work of internal audit

23. Auditing standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to rely on the work of internal audit wherever possible to avoid duplication. We plan to consider the findings of the work of internal audit as part of our planning process to minimise duplication of effort and to ensure the total resource is used efficiently or effectively.

24. As part of our wider dimension audit responsibilities we plan to consider the work of Internal Audit in the following areas:

- HSCP Directions
- Financial Planning

Audit dimensions

25. Our audit is based on four audit dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 5](#).

Exhibit 5 Audit dimensions



Source: Code of Audit Practice

26. In the local government sector, the appointed auditor's annual conclusions on these four dimensions will help contribute to an overall assessment and assurance on best value.

Financial sustainability

27. As auditors we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on financial sustainability in the longer term. We define this as medium term (two to five years) and longer term (longer than five years) sustainability. We will carry out work and conclude on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, medium and long term
- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps
- monitoring the arrangements put in place by the Board to minimise any disruption occasioned by the UK's withdrawal from the European Union

Financial management

28. Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. We will review, conclude and report on:

- whether arrangements are in place to ensure systems of internal control are operating effectively
- the effectiveness of budgetary control system in communicating accurate and timely financial performance can be demonstrated
- how the IJB has assured itself that its financial capacity and skills are appropriate
- whether there are appropriate and effective arrangements in place for the prevention and detection of fraud and corruption.

Governance and transparency

29. Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision – making and transparent reporting of financial and performance information. We will review, conclude and report on:

- whether the IJB can demonstrate that the governance arrangements in place are appropriate and operating effectively
- whether there is effective scrutiny, challenge and transparency on the decision-making and finance and performance reports.
- the quality and timeliness of financial and performance reporting.

Value for money

30. Value for money refers to using resources effectively and continually improving services. We will assess whether the Joint Board can provide evidence that it is demonstrating value for money in the use of resources, has a focus on improvement and that there is a clear link to the outcomes delivered.

Best Value

31. Integration Joint Boards have a statutory duty to make arrangements to secure best value. We will review and report on these arrangements.

EU withdrawal

32. The United Kingdom left the European Union on 31 January 2020. Work is ongoing with the Scottish Government and the Joint Board's partner organisations to ensure that all necessary and appropriate steps are taken to minimise any disruption caused by EU withdrawal during and beyond the 12 month transition period. We will continue to monitor developments in this area.

Independence and objectivity

33. 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 Director of Audit Services, who serves as Audit Scotland's Ethics Partner.

34. The engagement lead (i.e. appointed auditor) for East Dunbartonshire Integration Joint Board is Fiona Mitchell-Knight, Audit Director. Auditing and ethical

standards require the appointed auditor 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 East Dunbartonshire Integration Joint Board.

Quality control

35. International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor's report or opinion is appropriate in the circumstances.

36. The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice (and supporting guidance) issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards Audit Scotland conducts peer reviews and internal quality reviews. Additionally, the Institute of Chartered Accountants of Scotland (ICAS) have been commissioned to carry out external quality reviews.

37. As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time and this may be directed to the engagement lead.

East Dunbartonshire Integration Joint Board

Annual Audit Plan 2019/20

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500 or info@audit-scotland.gov.uk

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Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
T: 0131 625 1500 E. info@audit-scotland.gov.uk
www.audit-scotland.gov.uk

**EAST DUNBARTONSHIRE HEALTH & SOCIAL CARE PARTNERSHIP
PERFORMANCE, AUDIT & RISK COMMITTEE**

Date of Meeting	17 March 2020
Subject Title	Internal Audit Progress Update to December 2019
Report By	Jean Campbell, Chief Finance & Resources Officer
Contact Officer	Gillian McConnachie, HSCP Chief Internal Auditor, EDC Audit & Risk Manager 0141 574 5642

Purpose of Report	<p>The purpose of this Report is to advise Committee of the internal work completed in the period, as work on the 2019/20 plans continued.</p> <p>This report presents a consolidated summary of the internal audit work completed by both East Dunbartonshire Council's in-house internal audit team and also the work performed by Scott-Moncrieff, the NHSGGC's internal audit providers.</p> <p>This is the fourth monitoring report of 2019/20. The report also summarises the risk classifications and provides detail on key internal audit findings.</p> <p>The information contained in this report has been presented to the Council's Audit & Risk Management Committee (A&RMC) and the NHSGGC Audit & Risk Committee as appropriate, where it receives scrutiny. Once noted by the these committees, this report provides details on the ongoing audit work, for information, to the H&SCP Performance, Audit & Risk Committee and to allow consideration from the perspective of the H&SCP.</p>
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Recommendations	<p>The Audit Committee is asked to:</p> <p>a) Note the Update on Internal Audit Progress.</p>
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Relevance to HSCP Board Strategic Plan	None directly.
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Implications for Health & Social Care Partnership

Human Resources:	Nil
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Equalities:	Where applicable these are referenced in the body of internal audit reports with associated management actions for improvement.
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Financial:	Internal Audit reports are presented to improve financial controls and aid the safeguarding of physical and intangible assets.
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Legal:	Legal risks are presented in the body of internal audit reports with reference to relevant legislation where appropriate.
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Economic Impact:	Nil
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Sustainability:	Nil
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Risk Implications:	Risks are highlighted to management in audit reports. The risks are addressed through agreed action plans, appended to internal audit reports.
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Implications for East Dunbartonshire Council:	The risks identified in the internal audit reports relevant to East Dunbartonshire Council have been highlighted to the Council's Audit & Risk Management Committee.
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Implications for NHS Greater Glasgow & Clyde:	The risks relevant to the NHS Greater Glasgow & Clyde identified in the internal audit reports have been highlighted to the NHSGGC's Audit & Risk Committee.
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Direction Required to Council, Health Board or Both	Direction To:	
	1.1 No Direction Required	X
	1.2 East Dunbartonshire Council	
	1.3 NHS Greater Glasgow & Clyde	
	1.4 East Dunbartonshire Council and NHS Greater Glasgow and Clyde	

MAIN REPORT	
1.0	EAST DUNBARTONSHIRE COUNCIL INTERNAL AUDIT PROGRESS
1.1	Table 1 below shows a summary of the work completed by East Dunbartonshire Council's Internal Audit team in the months of October to December 2019.

Table 1 – Extract of East Dunbartonshire Council Internal Audit Outputs October to December 2019

Internal Audit Area and Title	Issues Noted	High Risk	Medium Risk	Low Risk
System				
17 Cyber Security	10	-	10	-
18 Building Standards	2	1	-	1
19 Housing Rent Arrears	9	-	1	8
20 Other Debtors	4	-	-	4
21 Council Tax Billing and Collection	3	-	-	3
22 Contract Standing Orders	1	-	-	1
Consultancy				
23 HSCP Financial Outturn and Key Controls	7	-	7	-
24 HSCP Outturn Variance	4	-	4	-
Regularity				
25 Interim Follow Up	-	-	-	-

- 1.2 Continued progress is being made against the internal audit plan for 2019/20, with nine outputs completed in the months of October to December. Progress to date is broadly in line with planned phasing, with the year to date position of 25 reports representing 74% completion of the 34 outputs planned for the year at 75% through the year. In delivering these outputs, 76% of the resources in the Plan for the year have been allocated. Furthermore, three reports are at the draft report stage and so nearing completion, with a further seven audits ongoing - ten audits are in progress in total. The internal audit plan of 34 outputs is expected to be completed by year end and following this the annual audit opinion will be provided.
- 1.3 In relation to the period since the last monitoring report, Auditors highlight the following summary positions to committee members where the outputs may be relevant to the HSCP.
- 1.4 **System Audits**
- 1.5 *Cyber Security* – Auditors have assessed the council's compliance against the ten steps of the National Cyber Security Centre's best practice guidance, and have agreed an action plan with management to address areas where further work is required.



Auditors recognise the organisational improvements that have been made in raising the profile of cyber security, with the inclusion of cyber on the Council's Corporate Risk Register. The Council also exhibits good practice in respect of the monitoring of the Network and the general Cyber perimeter.

1.6 The agreed action plan will improve management and committee assurances over cyber security risks. The most significant areas identified for improvement are in relation to incident management, training and awareness across the organisation and removable media controls. The agreed actions are as follows, with target dates for the individual actions falling due throughout 2020, with a final completion date of December 2020:

- The existing ICT Incident Management Plan will be developed to include Cyber Security, in line with the Scottish Government's Cyber Resiliency Strategy.
- Training & Awareness – work will be undertaken to raise awareness across the council of cyber security, in recognition of the importance of human aspects of Cyber Security.
- The use of removable media will be strengthened in a revised Acceptable Use Policy, with stronger enforcement being included.
- Policy & Procedures – all relevant policies and procedures will be reviewed, with the Acceptable Use Policy being the first to be reviewed. Monitoring Policy & Procedures will also be developed, which will outline the process to follow when firewall/network monitoring reports are received.
- Reporting Arrangements – Cyber Security KPIs will be reviewed for 2020/21, including reporting arrangements.
- The standards in place or being worked towards include Public Services Network (PSN), the Scottish Government's Cyber Essentials, and compliance with ISO 27001, without seeking formal accreditation for this standard.
- Independent Assurance – following the agreement of a starter, leaver and mover process, compliance with Cyber Essentials will be progressed in order to provide appropriate independent assurance over critical cyber security controls.
- Improved cyber controls and protocols will be developed. Following this, a simulated Cyber Attack will be conducted to evaluate the effectiveness of the revised controls.
- ICT will review the use of privileged accounts, currently restricted to ICT officers and consider necessary limits and potential monitoring solutions. If non-ICT employees require additional access for work purposes in future, then this will be granted and recorded for a set timescale.

1.7 Whilst the above work may appear onerous, it represents a continuation of the work within respective services to secure Council systems and assets. Recent advice from the Scottish Government highlights that 100% compliance is not expected as



technology and related threats will continue to change over time and Councils will need to react accordingly. There is no anticipated end state because '...cyber resilience is a process of continuous improvement based on evolving risks and responses.' As such, auditors' expectations are that there will be continued management improvement actions in response to ongoing identification of risks.

- 1.8 *Other Debtors* - Auditors can provide substantial assurance over the Ash Debtors Systems processes, with the control environment having been assessed as generally sound. Four low level risks have been identified as areas for potential improvement. These are: destruction of data in line with retention schedules, selection of key performance indicators, user list maintenance and records of reasons for credit notes.
- 1.9 *Contract Standing Orders* - Auditors concluded that the key controls surrounding the Council's compliance with Contract Standing Orders ensure a sound framework of internal control, with controls operating effectively and best practice being evident. Auditors are pleased to note the progress made in procurement controls in recent years. One minor recommendation was made and an action plan has been agreed with management. It should be noted that this review excluded Social Care spend. Two internal audit reviews of the award of specific HSCP contracts is underway and the results of this work will inform future internal audit activity.

Consultancy Audits

- 1.10 *Review of HSCP Financial Outturn and Key Controls* - The 2018/19 year end out-turn for Social Work services originally provided a significant unexpected adverse movement, from a projected overspend of £3.414m reported at period 10, to that reported at the year-end, of £4.257m – an apparent adverse movement of £0.843m between the periods. This prompted a reflection on the reasons for such a variation and highlighted a number of potential control weaknesses across the system, which required further investigation and corrective action.
- 1.11 Two audits were requested and specified to review the adequacy of the systems and processes for ensuring care packages are timeously recorded on relevant systems and the robustness of information available to managers to support effective HSCP budget monitoring. The key findings of the larger piece of work are as follows:
- Auditors reviewed the history of audit reporting on areas relevant to this audit and concluded that timely implementation of issues previously raised would have reduced the significance and/or number of issues raised in the report.
 - The report makes a number of references to key roles and responsibilities, both in relation to HSCP financial information, as well as data. These issues are fundamental to the management of the services delegated to the HSCP. It is important that effective management protocols are in place and that these operate effectively. The Integration Scheme provides adequate direction in this regard and this position requires to be reinforced.
 - In relation to the responsibilities for financial information, there are a number of areas that would merit further development, including an enhanced narrative around variances. Such work may serve to manage the volatility of social work



forecasts. Auditors asked that this be lead and managed by Social Work Budget holders, HSCP Senior Management and the Chief Finance & Resources Officer. It was recommended that this work should be carried out in close partnership with Officers from the Council's finance teams. There is a risk that in the absence of such control, finance teams assume default responsibility for increasing aspects of 'management and control'. This is not an accepted model of financial management. HSCP management are required to provide more than oversight of those budgets delegated to them. There should be an increasing role for Social Work Management in inputting into the HSCP's forecasting process and in challenging the assumptions therein.

- Budget monitoring processes are complex, with significant reliance being placed on a finite few key individuals within the Council's finance team to carry out an increasing number of tasks. Such pressures and accelerated reporting timetables may have contributed to issues and errors at key points in the reporting timetable. This serves as an indicator that internal controls may be strained. The processes should be documented to reduce key person dependencies and to ensure clarity around roles and responsibilities, including for social work team leaders and managers.
- In addition to the responsibility for data, Auditors noted that over £3.5m of HSCP payments were made in 2018/19 on the basis of information held in Excel spreadsheets and databases, outwith the primary system, Carefirst. The potential for related risks regarding the accessibility, quality, security and completeness of information have been raised previously.
- Some improvements have been made in respect of the development of the core Social Work management system, Carefirst. Any ongoing development requires Social Work management to be involved in specifying system requirements, including consideration of:
 - workflows,
 - databases currently held outwith Carefirst,
 - an interface between CM2000, and
 - data cleansing.
- In following up previous audit testing, it was noted that required adjustments to payments made using the self billing constituted approximately 4% of the payments made. Auditors identified the reasons for such adjustments and, whilst there may be some learning from this exercise, this was generally found to be at a reasonable level.

1.12 An action plan has been agreed with management to address the issues raised by auditors and work towards mitigating the risks is in progress, with a target date for completing the actions of March 2020. Risks in relation to data held outwith Carefirst and in relation to the Carefirst system itself have been accepted by management in the short term, with medium term plans for an option appraisal on system replacement being taken forward as part of the Transformation Programme. A further audit was carried out as is detailed below.

- 1.13 *HSCP Outturn Variance* – As referred to above, and in addition to the audit detailed above, a joint audit between the Council's internal audit team and the NHSGGC's internal audit provider was requested by the Chief Executives of the Council and of NHS Greater Glasgow and Clyde. This audit reviewed the circumstances and controls surrounding the HSCP accruals and bad debt year-end processes. Auditors concluded that the circumstances which led to the apparent overspend were the large number and complexity of journals required to be posted, coupled with an accounting error. The error was identified through subsequent month end procedures. Documented year-end tasks have since been amended, with a view to preventing a recurrence and auditors have made further suggestions to improve controls and to enhance management assurances over the process. An action plan has been agreed to improve the control environment, with a target completion date of March 2020.

Items referred to the Internal Audit from Council

- 1.14 *Contract Award: Day Care Provision* - The Audit & Risk Manager was asked by Council to conduct an internal audit review into the circumstances surrounding the contract. The audit fieldwork is nearing completion and the team expect to be able to issue a draft report for management response and comment in the near future. In the original 2019/20 HSCP audit plan it was intended that a separate report would be produced on the use of Directions. However, the use of Directions in the specific instance of the Day Care Provision contract is being considered as part of this audit. In addition, the Scottish Government has recently issued statutory guidance on the issuing of directions¹. It is therefore proposed to delay the Directions audit until the end of 2020/21 to allow time for the guidance to be reflected upon and implemented (see 1.16 below).
- 1.15 *Contract Award: Care at Home Provision* - The circumstances of the contract and proposed contract was referred to Internal Audit for investigation and to report back to a future meeting of the Council. The audit is progressing and an update will be brought in the coming months.

2020/21 Internal Audit Plan

- 1.16 The Council's audit team's Internal Audit Plan for 2020/21 is in the process of being developed. At this stage, it is proposed that a number of HSCP internal audit areas of focus will include: Children's services ring fenced funds, Home Care, Social Work Charging, Use of Directions and HSCP and Carefirst Key Controls. Further detail on the audit plan will be provided at the next PAR committee in June.

2.0 NHSGGC INTERNAL AUDIT PROGRESS

- 2.1 Consideration is given below to the internal audit work completed by Scott-Moncrieff for NHSGGC in 2019/20 since the previous update to this committee.

¹ <https://www.gov.scot/publications/statutory-guidance-directions-integration-authorities-health-boards-local-authorities/>

Audit Title	Report Classification	Number of Issues per Grading			
		4	3	2	1
Capacity Planning – Delayed Discharges	Minor improvement required	-	-	1	-
Financial Systems Health Check	Effective	-	-	-	1
Grievance Process	Minor improvement required	-	1	3	-
IT Security	Substantial improvement required	-	2	5	-
Property Transaction Monitoring	Effective	-	-	-	-
Management Action Follow Up Q1	N/A	-	-	-	-
Management Action Follow Up Q2	N/A	-	-	-	-

Grading Definition

4. Very high risk exposure - major concerns requiring immediate senior management attention.
3. High risk exposure - absence / failure of key controls.
2. Moderate risk exposure - controls not working effectively and efficiently.
1. Limited risk exposure - controls are working effectively, but could be strengthened

Further detail is provided below where risk rankings are 3 or 4 (High or very High) and where reports may be of relevance to the HSCP.

- 2.2 *IT Security – substantial improvement required* – Whilst good practice was identified relating to the malware protection and internal phishing exercises and associated follow up training some risks were identified. These risks include those in relation to the leavers process, the process and documentation for privileged and generic accounts and to the need for a roadmap to remove legacy infrastructure and unsupported operating systems. Management have given assurances that this area will continue to receive high priority in terms of resources deployed, investment and staff awareness training.

- 2.3 *Grievance Process - minor improvement required* – risks were identified relating to the handling of grievances within appropriate timescales. An action plan has been agreed with NHSGGC Management to address the issue raised.
- 2.4 *Capacity Planning – Delayed Discharges – minor improvement required* – one grade 2 moderate risk was identified, being a difference between the Discharge Policy as written and common discharge practice. An agreed action has been included which will be followed up on by auditors.

Appendix 1 – Summary of Audit Progress against Plan to 31 December 2019

Appendix & Audit Area	Audit Plan Monitoring						
	Annual Plan Days	Year To Date Days		Outputs			
		Actual Days at 31 Dec 19	Days Remaining / (Overspent)	Planned Annual Outputs	Actual Total Year To Date	Actual Work in Progress	Percentage Completion
1 - System	375	348	27	15	10	4	67%
2 - Regularity	180	111	69	10	7	2	70%
3 - Irregularity	60	56	4	2	-	2	0%
4 - Consultancy	130	75	55	5	7	1	140%
5 - ICT	60	34	26	2	1	1	50%
6 - Development	220	157	63	-	-	-	N/A
- Training, Management, Admin	178	129	49				
- Quality Review	15	6	9				
- Performance Monitoring	27	22	5				
Direct Audit Time	1,025	782	76%	34	25	10	74%

**EAST DUNBARTONSHIRE HEALTH & SOCIAL CARE PARTNERSHIP
PERFORMANCE, AUDIT & RISK COMMITTEE**

Date of Meeting	17 March 2020
Subject Title	Interim Follow Up Report 2019/20
Report By	Jean Campbell, Chief Finance & Resources Officer
Contact Officer	Gillian McConnachie, HSCP Chief Internal Auditor, EDC Audit & Risk Manager 0141 574 5642

Purpose of Report	<p>The purpose of this report is to present Members of the Health & Social Care Partnership (H&SCP) Performance, Audit & Risk Committee with the Interim Follow Up Review 19/20, prepared by the Council's Internal Audit team.</p> <p>A copy of the Interim Follow Up Report is included as <i>Appendix 1</i>. The information contained in this report is subject to scrutiny by the council's Audit and Risk Management Committee. Auditors have drawn Council attention to those risks that continue to require management intervention in a number of areas. Of particular relevance to the H&SCP are the outstanding risks relating to Carefirst Testing and Social Work Contract Monitoring. Progress will be followed up and reported on by Internal Audit in the final Follow up for 2019/20. This report provides details of the outstanding risks highlighted by audit, for information, and to allow consideration from the perspective of the H&SCP.</p>
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Recommendations	<p>The Audit Committee is asked to:</p> <p>a) Note the contents of the Interim Follow Up report as it relates to the Health & Social Care Partnership.</p>
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Relevance to HSCP Board Strategic Plan	None directly.
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Implications for Health & Social Care Partnership

Human Resources:	Nil
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Equalities:	Where applicable these are referenced in the body of internal audit reports with associated management actions for improvement.
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Financial:	Internal Audit reports are presented to improve financial controls and aid the safeguarding of physical and intangible assets.
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Legal:	Legal risks are presented in the body of internal audit reports with reference to relevant legislation where appropriate.
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Economic Impact:	Nil
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Sustainability:	Nil
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Risk Implications:	Risks are highlighted to management in audit reports. The risks are addressed through agreed action plans, appended to internal audit reports.
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Implications for East Dunbartonshire Council:	The risks identified in the internal audit reports relevant to East Dunbartonshire Council have been highlighted to the Council's Audit & Risk Management Committee.
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Implications for NHS Greater Glasgow & Clyde:	The risks relevant to the NHS Greater Glasgow & Clyde identified in the internal audit reports have been highlighted to the NHSGGC's Audit & Risk Committee.
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Direction Required to Council, Health Board or Both	Direction To:	
	1.1 No Direction Required	X
	1.2 East Dunbartonshire Council	
	1.3 NHS Greater Glasgow & Clyde	
	1.4 East Dunbartonshire Council and NHS Greater Glasgow and Clyde	

MAIN REPORT

- 1.1 The 2019/20 East Dunbartonshire Council's Internal Audit Plan included provision for the follow-up and evaluation of risks identified in all previously issued Internal Audit reports. This is in line with the established cycle of reporting on outstanding audit issues to the Council's Audit & Risk Management Committee twice a year.
- 1.2 This Interim Follow Up report demonstrates the Council's ongoing commitment to maintain compliance with the Public Sector Internal Audit Standards. These require that the Audit & Risk Manager, as the Chief Audit Executive, 'establish a process to monitor and follow up management actions to ensure that they have been effectively



implemented or that senior management have accepted the risk of not taking action'. As part of this process the following areas have also been considered:

- Where issues have been noted as part of the follow-up process, the Audit & Risk Manager may consider revising the initial overall audit opinion,
- The results of monitoring management actions may be used to inform the risk based planning of future audit work; and,
- The review extends to all aspects of audit work, including consulting engagements.

1.3 The objective of the review is to provide assurance to key stakeholders, including this committee, that management actions have been effectively implemented. Where this is not the case, auditors will establish the reasons for non-compliance, including consideration of the extent to which senior management have accepted the risk of inaction.

1.4 The purpose of this follow-up report is therefore as follows:-

- Provide a summary of outstanding audit issues, focussing on high risk issues. This summary includes detail of areas where significant progress has been made since the last follow-up report,
- Provide a commentary on outstanding reports with a review of progress, outstanding actions and areas where risks have been accepted; and
- Inform the Annual Internal Audit Report and opinion which will be presented to a future committee after the financial year end.

1.5 Some audit areas may be subject to a separate detailed follow up review. This may be beneficial when the original report was issued some time ago and when there have been significant changes in the system controls.

1.6 Our consolidated interim follow up work has identified that 23 total risks remain outstanding across 10 reports. This demonstrates progress from previously reported figures in our final report for 2018/19, when 37 total risks across 13 reports were outstanding. Work is ongoing to manage those previously identified risks to ensure that the risks are fully mitigated.

1.7 Whilst, to some extent, it remains a challenge for officers to agree realistic timescales for completion, auditors are pleased to note continued improvement in the overall outstanding risk figures. Progress should continue to be focussed on closing the remaining seven High risk issues.

1.8 Responding to the requirement of the Public Sector Internal Audit Standards, the Audit and Risk Manager has not revised any opinions previously reported to members. All residual issues will be considered in the 2019/20 final follow up report and will inform future audit work, including the 2020/21 internal audit plan.

AUDIT REPORT

Interim Follow Up Report

2019/20

Prepared by:

Gillian McConnachie
Audit & Risk Manager
Internal Audit
January 2020

1 INTRODUCTION

- 1.1 The 2019/20 Internal Audit Plan included provision for the follow up and evaluation of risks identified in all previously issued Internal Audit reports.
- 1.2 This interim follow up report demonstrates the council's ongoing commitment to maintain compliance with the Public Sector Internal Audit Standards. These require that the Audit Manager, as the Chief Audit Executive, *'establish a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action'*. As part of this process, the following areas have also been considered:
- Where issues have been noted as part of the follow up process the Audit & Risk Manager may consider revising the initial overall audit opinion,
 - The results of monitoring management actions may be used to inform the risk based planning of future audit work; and,
 - The review extends to all aspects of audit work including consulting engagements.

2 SCOPE and OBJECTIVES

- 2.1 The scope of the audit is to review those risks identified during the period April 2012 to the end of December 2019 and establish, through a combination of testing, corroboration and interview, whether the agreed control measures have been adequately implemented, and the associated risks addressed.
- 2.2 The objective of the review is to provide assurance to key stakeholders that management actions have been effectively implemented. Where this is not the case, auditors will establish the reasons for non-compliance, including consideration of the extent to which senior management have accepted the risk of inaction.
- 2.3 It would be impractical for auditors to detail all outstanding report issues. Instead, *Appendix A* provides a summary of all reports with overdue outstanding issues.
- 2.4 The purpose of this follow up report is therefore as follows:-
- Provide a summary of outstanding audit issues, focussing on high risk issues. This includes detail of areas where significant progress has been made since the last follow up report; and
 - Provide a listing of outstanding reports with comments on progress and outstanding actions.
-
- Inform the Annual Internal Audit Report and opinion, which will be presented to this committee following the financial year end.

3 METHODOLOGY

- 3.1 Audit work evaluated the extent to which officers have mitigated individual risks allocated to them. Auditors have tailored their approach to reviewing risks depending on the extent to which outstanding risks are complete.
- Where risks have been fully managed and closed off by management, auditors have sought to validate a sample of these actions and ensure that they mitigate the risk,

with a focus on risks that were classified as 'High'. Where there has been substantial progress in closing off a report that had identified a number of issues, Auditors may schedule a separate follow up review to allow time to consider these issues in detail. This may be beneficial when the original report was issued some time ago and when there have been significant changes in the system controls.

- Where substantial progress has been disclosed on a particular issue, auditors carried out a reasonableness check to establish whether the levels of completeness are reasonable and that tangible progress has been made.
- Where substantial progress has not been made, auditors highlight this as limited progress that requires further attention. A full list of outstanding audit reports is included at *Appendix A*, with commentary describing progress and planned actions.

Table 1 – Classification and Definitions of Follow Up Work

Status Description	Definition
Classified as 'Fully Complete' = 100%	Risk mitigated with control measures having been implemented.
Classified as 'In Progress' = $\geq 50\%$	Progress is substantially being made towards mitigation of risk.
Classified as 'Limited Progress' = $< 50\%$	Substantial progress has not been made. Requires further effort to mitigate risk.
Classified as 'No Progress' = 0%	No progress, or lack of evidence that control measures are in place or being developed.

4 FINDINGS - ALL RISKS DUE FOR COMPLETION

- 4.1 *Table 2* provides a synopsis of the 23 individual risks and improvement actions across the Council that were outstanding for implementation as of December 2019, by risk rating. The risk rating (High/Medium/Low) answers the question, '*in internal audit's professional opinion, what is the risk that the issue identified could impair the achievement of the system's objectives?*'.

Table 2 - Individual Audit Report Action Points by Risk Rating

Risk rating	Total Per Original Reports ¹	Completed Actions	In Progress	Limited Progress	Total Outstanding
All	83	60	14	9	23
High	17	10	7	-	7
Medium	58	43	7	8	15
Low	8	7	-	1	1

¹ There were 83 issues raised in the original reports and 60 issues have since been closed. The figure of 83 relates only to the total number of issues originally raised in reports with outstanding audit actions past their due date. Reports for which all issues raised have been fully completed or which are in progress and not yet past their due date are not included in the figures. This approach allows a focus on outstanding actions that have not been completed within agreed timescales.

4.2 Whilst the number of High outstanding risks has increased from that reported in the Final Follow up 2018/19 report from 6 to 7, the above total of 23 outstanding risks demonstrates overall progress from previously reported figures in our final report for 2018/19, when 37 total risks were outstanding. Progress is more marked when compared to the Interim 2018/19 report, at which point (October 2018) a total of 64 risks were outstanding, of which 14 were High.

4.3 To some extent, it remains a challenge for officers to agree realistic action plan dates. Transformational change, systems development or staff turnover in the relevant teams may add to the complexities in judging what would represent an achievable timeline. However, auditors are pleased to note the overall list of overdue actions decreasing significantly over the last year. In part, this has been due to officers addressing new audit reports on a timely basis before the report falls due. Such reports will not feature in *Appendix A*. There has also been significant progress against reports issued and agreed a number of years ago, such as the Home Care Review. Such progress is acknowledged in section 5.

4.4 Whilst acknowledging the significant and ongoing work, auditors ask for continued prioritised focus in closing off the remaining outstanding High risk issues. Further detail on outstanding actions is provided in *Appendix A*.

5 PROGRESS

5.1 Significant progress against reports is reported in this section, with auditors performing sample testing to confirm that risks have been mitigated.

5.2 *Home Care 2015* – progress has been made, including improvements in management information regarding hospital admissions and discharges. Auditors were also informed that care plan review dates are now being recorded on Carefirst. In addition, the service have developed a schedule of policies and procedures that are reviewed periodically. Per this schedule there are none overdue. The review of the Home Care Service procedures was brought forward to reflect the outcomes of the service review. Two risks remain outstanding - See *Appendix A* for detail.

- 5.3 *Review of Key Payments Controls Audit 2018* – This audit work was carried out at the request of the CFO, following a significant fraud at Dundee City Council, to provide assurances over the controls in the payments process in this council. The actions contained in this report have now been completed, including the establishment of an important control - a system audit trail for changes to bank accounts in the iProc module of Oracle. The completion of this action plan provides additional assurances over the payments process.
- 5.4 *Tenancy Allocations 2017* – Progress has been made as Bed and breakfast accommodation is now paid via iProc. A tender was attempted but due to a lack of interest, the service is continuing with the current provider. The remaining issue related to the holding of homelessness data outwith the Integrated Housing Management system. This is being considered as part of the Transformation project to replace the Integrated Housing Management System (IHMS). Report is considered closed, albeit actions in relation to the IHMS are continuing and will be monitored through Transformation updates.
- 5.5 The following reports have had their actions completed on a timely basis and the reports are now closed:
- a. *Self Approval 2019* – The five actions contained in this report have been completed on a timely basis.
 - b. *Milngavie Business Improvement District 2019* – Management have addressed the four issues raised by auditors and so this report is considered closed.
 - c. *How Good is Our Service 2019* – the five issues highlighted by auditors following audit testing (sign-offs, reporting, rounding, back-up and procedures) have been addressed and the action plan deemed complete.
 - d. *Local Government Benchmarking Framework 2017/18*– the four issues identified in the report on 2017/18 data have been addressed for 2018/19.
 - e. *Procurement Standing Orders 2019* – the issue raised by auditors has been completed.

6.0 CONCLUSION

- 6.1 Our consolidated follow up work has identified that 23 total risks remain outstanding across 10 reports. This demonstrates progress from previously reported figures in our final report for 2018/19, when 37 total risks across 13 reports were outstanding. Work is ongoing to manage those previously identified risks to ensure that the risks are fully mitigated.
- 6.2 Whilst, to some extent, it remains a challenge for officers to agree realistic timescales for completion, auditors are pleased to note continued improvement in the overall outstanding risk figures. Progress should continue to be focussed on closing the remaining seven High risk issues.
- 6.3 Responding to the requirement of the Public Sector Internal Audit Standards, the Audit and Risk Manager has not revised any opinions previously reported to members. All residual issues will be considered in the 2019/20 final follow up and will inform future audit work, including the specification of the 2020/21 internal audit plan.

Appendix A – List of Outstanding Audit Reports

The table below details the number of issues raised in the original Internal Audit reports, the number since closed and the total number of issues remaining open.

Report Name	Original issues	Closed	Remaining Risk			Total Open	Comments	Revised Target Date	Primary Executive Officer/ Senior Officer
			High	Med	Low				
Business Continuity 2014	7	2	2	3	-	5	<p>Further work is required in this area. The High risk issues in progress relate to ICT Disaster Recovery Plans and to Business Continuity Plans. A Business Continuity Plan template has been drafted to incorporate a Strategic Area plan with additional supplementary plans for each service area. This also includes an element of Impact Assessment. The roll out of refreshed plans will be taken forward by the Corporate Risk Advisor.</p> <p>The ICT Disaster Recovery plans documentation has been completed. Testing is primarily reactive at present.</p>	<p>Paperwork to be completed 31 May 2020.</p> <p>Testing to be completed by 31 May 2021</p>	Customer & Digital Services
Payroll 2019	9	3	1	4	1	6	<p>The High risk issue is in the process of being implemented, with a new employee structure in place to facilitate segregation of duties, with separate teams performing the HR and Payroll functions. The segregation will be replicated in the system to further enhance controls – this is being reviewed with a view to establishing revised processes early in 2020. The implementation of some actions from the internal audit report has been delayed due to changes within the team. However, there are now detailed plans in place to address the issues raised in the report and to improve the control environment.</p>	30 Jun 2020	Organisational Transformation

PROTECTED

Report Name	Original issues	Closed	Remaining Risk			Total Open	Comments	Revised Target Date	Primary Executive Officer/ Senior Officer
			High	Med	Low				
Carefirst Testing 2019	9	7	1	1	-	2	A Planning & Service Development review is underway. This is expected to address the two remaining outstanding issues, which relate to clarification of responsibilities (High risk) and retention of back-up to support rates paid.	31 Mar 2020	Chief Finance Officer HSCP
Home Care Review 2015	14	12	1	1	-	2	Progress is noted at 5.2 above Outstanding risks relate to review of care plans (High risk), referrals, assessments and service delivery. The service have a detailed plan in place to address the two outstanding issues and these are expected to be fully mitigated by February 2020 A Home Care follow up internal audit review is proposed for 2020/21 to allow for a detailed review of progress.	29 Feb 2020	Head of Community Health and Care Services
Social Work Contract Monitoring 2014	10	9	1	-	-	1	The outstanding issue relates to the number of providers operating without a contract. Work is continuing with legal and procurement services to review outstanding contracts and develop a pathway to bring these into a formal contracting arrangement. A model contract is also being developed which will improve the process going forward.	31 Dec 2020	Chief Finance Officer HSCP

Report Name	Original issues	Closed	Remaining Risk			Total Open	Comments	Revised Target Date	Primary Executive Officer/ Senior Officer
			High	Med	Low				
Procurement Practices 2018	5	4	1	-	-	1	One action is in progress relating to Contract Monitoring. Internal Audit have a review of Contract Management planned for 2019/20, although this may be delayed due to competing service priorities. Whilst the specific action related to Property Maintenance, the Organisational Transformation Strategic Services Review has considered contract management, with the structure anticipated to go live and fully functioning in the coming months. The review has refreshed the resource profile for the Contract Management functions. In line with continuous improvement, the revised structure will offer opportunity to review existing contract management practice and seek to embed revised governance where this is identified	31 Mar 2020	Organisational Transformation
Review of Shared Services 2016	11	9	-	2	-	2	The two outstanding issues relate to Service Level Agreements and Performance Indicators, which are being taken forward by the recently appointed manager and will both be reviewed by June 2020	30 Jun 2020	Customer & Digital Services
Complaints Management 2016	9	7	-	2	-	2	The current Council complaints procedures is being reviewed in line with the new Scottish Public Services Ombudsman complaints handling procedures.	30 Apr 2020	Customer & Digital Services
Foster Care Payments 2016	6	5	-	1	-	1	Procedures are in draft form and require to be reviewed and formally adopted.	31 Mar 2020	Chief Social Worker

Report Name	Original issues	Closed	Remaining Risk			Total Open	Comments	Revised Target Date	Primary Executive Officer/ Senior Officer
			High	Med	Low				
PCI DSS Compliance 2015	3	2	-	1	-	1	The remaining issue relates to the submission of the self-assessment (SA) and development of the associated action plan. ICT Infrastructure has developed since SA was originally completed and so a review will be performed of the current draft SA and then the revised SA will be submitted.	30 Jun 2020	Customer & Digital Services

Total **83** **60** **7** **15** **1** **23**

Please note: To allow a focus on outstanding actions, the above table does not include reports that have been fully completed or reports that are in progress and not yet past the original due date. Therefore, the total closed issues figure does not give a complete picture of work undertaken across the council to address audit issues raised.

Agenda Item Number: 6

**EAST DUNBARTONSHIRE HEALTH & SOCIAL CARE PARTNERSHIP PERFORMANCE,
AUDIT & RISK COMMITTEE**

Date of Meeting	17 th March 2020
Subject Title	HSCP Transformation Plan 2019/20 Update
Report By	Jean Campbell, Chief Finance & Resources Officer (Tel: 601 3221)
Contact Officer	Alan Cairns, Planning Performance and Quality Manager

Purpose of Report	To update the Committee on the delivery of the Transformation Plan for the HSCP for 2019/20.
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Recommendations	The Performance, Audit & Risk Committee is asked to: a) Note the update to the HSCP Transformation Plan for 2019/20
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Relevance to HSCP Board Strategic Plan	The Strategic Plan sets out the priorities and ambitions to be delivered over the next three years to further improve the opportunities for people to live a long and healthy life. The transformation or annual business plan sets out the priorities which will be delivered during 2019/20 in furtherance of the strategic priorities set out in the Strategic Plan.
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Implications for Health & Social Care Partnership

Human Resources	None
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Equalities:	None
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Financial:	None
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Legal:	None
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Economic Impact:	None.
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Sustainability:	None.
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Risk Implications:	None
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Implications for East Dunbartonshire Council:	None.
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Implications for NHS Greater Glasgow & Clyde:	None.
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Direction Required to Council, Health Board or Both	Direction To:	
	1. No Direction Required	<input type="checkbox"/>
	2. East Dunbartonshire Council	<input type="checkbox"/>
	3. NHS Greater Glasgow & Clyde	<input type="checkbox"/>
	4. East Dunbartonshire Council and NHS Greater Glasgow and Clyde	<input checked="" type="checkbox"/>

1.0 MAIN REPORT

- 1.1 This Transformation Plan sets out the priorities which will be taken forward during 2019/20 in achievement of the outcomes set out in the Strategic Plan 2018/2021 and the service redesign and efficiency measures to be progressed in delivery of financial balance for 19/20.
- 1.2 Each Annual Business Development Plan articulates the expected deliverables within each year of the three-year Strategic Plan to achieve service transformation. The priorities detailed within the business plan fall into the three categories:-
- transformative in nature,
 - aligned to delivery of financial efficiencies, or
 - Arising from the introduction of new national policy or legislation.
- 1.3 A progress summary of the delivery of the Transformation Plan 2019-20 is attached as **Appendix 1**, with a more detailed update at **Appendix 2**.
- 1.4 The HSCP Transformation Board provides oversight of the transformation activity and the savings programme for the partnership in the delivery of a balanced budget for 2019/20. This is further supported by the establishment of an integrated finance & monitoring group in collaboration with Finance and Transformation leads within the partner organisation.
- 1.5 The successful delivery of transformation is dependent on working in partnership with our key partners and a number of work streams are aligned to the processes embedded

within each constituent body and are supported by Council Transformation teams and wider GG&C teams.

- 1.6 The Plan aligns to the level of financial investment within each area and where there is expected to be efficiencies delivered from the ongoing review work. An overview of the delivery of the HSCP financial plan for 2019/20 is attached as **Appendix 3**.
- 1.7 There are a total of 54 priorities to be delivered within the transformation plan for 2019/20:-
 - 17 are considered at Blue status - delivered
 - 16 are considered at Green status – on track
 - 11 are considered Amber status – work is underway with some risk or delay to delivery
 - 10 are considered Red status – more significant risks / delays to delivery
- 1.8 The delivery of the transformation plan for 2019/20 is indicating a shortfall of £2.074m at this point in the year.
- 1.9 This means that the HSCP has achieved £1.676m of efficiency and transformation savings during 19/20 which represents 2.54% of the controllable budget.

Transformation Plan: Progress Summary – January 2020

APPENDIX 1

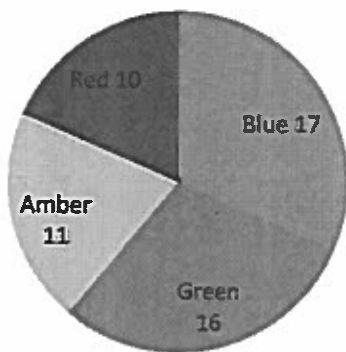
The Overall Numbers:

Area	Completed	In Progress
Children & Criminal Justice	4	7
Adults	7	6
Older People	5	15
Oral Health	0	3
HSCP Wide	1	6
Totals	17	37

Savings Expected 2019-20 (at Jan 20):

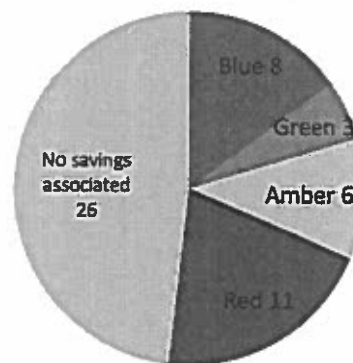
Area	Planned	Expected	Shortfall
Children & Criminal Justice	£412,500	£208,000	£204,000
Adults	£598,500	£361,500	£237,000
Older People	£2,090,000	£467,000	£1,593,000
Oral Health	0	0	0
HSCP Wide	£650,000	£640,000	£10,000
Totals	3,751,000	£1,676,500	£2,074,500

Project Progress – BRAG Rating:



Blue: Project complete
Green: On track
Amber: Some delay
Red: Significant difficulty or delay

Savings Progress – BRAG Rating:



Blue: Full savings delivered
Green: Full savings expected
Amber: Partial savings expected
Red: No savings expected

High Risk Projects (by value):

Project	Planned Savings	Expected Savings
Review of Home Care Services	£825,000	£0
CM2000 for external care at home providers	£300,000	£0
Care Home Placements	£300,000	£0
Review of Children & Families	£150,000	£0
Review of day services (east)	£150,000	£54,000
Review of disability functions	£80,000	£0
Totals	£1,805,000	£54,000

Health & Social Care Partnership
ANNUAL BUSINESS DEVELOPMENT PLAN
(Transformation Plan)

2019/20

January 2020

INTRODUCTION

The Health & Social Care Partnership (HSCP) is operating within a period of complex and significant service change, spanning multiple specialties and across multiple organisations.

This Business Development Plan aims to strengthen the planning processes that underpin the implementation of priorities outlined in the Strategic Plan (2018/21). The purpose is to ensure that:

- business planning processes are aligned with the strategic principles and operational priorities of quality, efficiency, integration and person centeredness;
- each business change proposal is led by the people who deliver the service to ensure ownership,
- sufficient time is factored in to engage with the wide range of stakeholders internally and externally, and
- each change proposal has a robust decision audit trail.

Each Annual Business Development Plan articulates the expected deliverables within each year of the three-year Strategic Plan to achieve service transformation. The priorities detailed within the business plan fall into the three categories:-

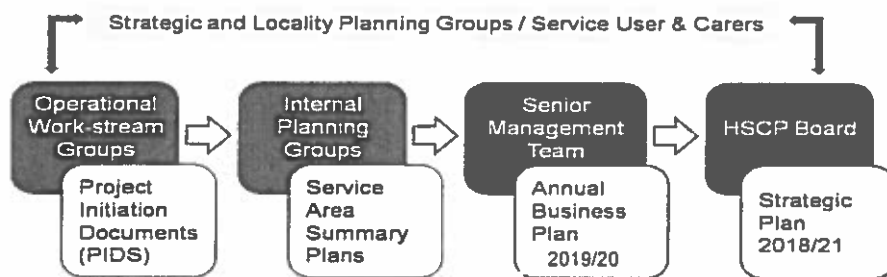
- transformative in nature,
- aligned to delivery of financial efficiencies, or
- Arising from the introduction of new national policy or legislation.

It also supports and/or is aligned with a number of other local and regional strategic plans, for example:

- EDC Business Improvement Plan
- East Dunbartonshire Local Outcome Improvement Plan (LOIP)
- NHSGGC Moving Forward Together Delivery Plan
- NHSGGC Operational Plan (previously LDP)
- Emerging West of Scotland Regional Plan

HSCP PLANNING PROCESSES

The HSCP has developed robust programme management mechanisms to oversee the business planning process and the associated implementation plans and service change delivery. Internal planning groups are being established led by a Head of Service who progresses service area priorities through PIDs developed by operational work-stream groups.



A suite of project management tools have been developed to support work-stream groups in the preparation of Project Initiation Documents. These tools outline the key steps to be considered including:

- making the case for change;
- developing and testing service models;
- undertaking engagement;
- evaluating impact;
- Resource implications;
- securing required decisions
- developing implementation plans; and
- Providing update on progress of priorities.

The priorities have been attributed a BRAG status which at the outset relates to the anticipated difficulty in delivering on these projects. This may be as a result of the timelines for effective engagement, the scales and nature of the proposals which may be the subject of an ongoing formal service review process and /or complexity to deliver.

Project Delivery Status

BLUE	=	Project complete
GREEN	=	On Track / Underway, expected to be delivered in timescale
AMBER	=	Some delay to delivery timescale
RED	=	Significant difficulty or delay with project delivery

Revenue Savings Status (19-20)

BLUE	=	Full savings delivered
GREEN	=	Full savings expected
AMBER	=	Partial savings expected
RED	=	No savings expected

SUMMARY OF PRIORITIES 2019/20

Project Initiative	Project type	Link to Strategic Plan	Description / Deliverables	Timescale for Full Project Delivery	Project Delivery Status	Project update January 2020	Savings update January 2020	Savings Status 19/20	
Children's & Criminal Justice Services Project							£412.5k		
1	Develop sustainable services for school age children in line with national recommendations	National policy development	SP1	To ensure the School Nurse service delivers safe, effective and person-centred care based on the principles of Getting It Right for Every Child (GIRFEC) national practice model to the school age population (0-19yrs).	March 2020	Green	Implementation of this programme is underway. ED HSCP is supporting one HV to undertake the course at University of the West Of Scotland. Workforce planning has commenced.	None planned	N/A
2	Implement the Health Visiting Universal Pathway	National policy development	SP1	Implementation of the universal health visiting programme to promote and safeguard the well being of pre-school children with a targeted needs-based service.	March 2020	Amber	Planning for and implementing a revised pathway is underway, modified due to funding available to deliver on this agenda. The implementation model presents some challenges as it is based on deprivation indices, some risks have been identified. Discussions continue with the programme lead at GGC.	None planned	N/A
3	Review of Fostering	Management Action	SP8	Review of externally purchased foster placements and optimise opportunities for delivery in East Dunbartonshire.	September 2019	Blue	Complete - recruitment campaign is ongoing. Efforts to transition external providers have been exhausted this financial year. Savings have been achieved.	Planned 19/20: £60k Expected 19/20: 0 (however LAAC placement review below overachieved)	

Project Initiative	Project type	Link to Strategic Plan	Description / Deliverables	Timescale for Full Project Delivery	Project Delivery Status	Project update January 2020	Savings update January 2020	Savings Status 19/20	
						through the review of all externally purchased placements			
4	Review of all LAAC Placements	Management Action	SP8	Review of residential placements for looked after and accommodated children to ensure their needs are met and placements provide best value.	September 2019	Blue	Children's Plans are reviewed in accordance with LAAC procedures. A scrutiny panel has been established by the Service Managers to ensure best value. 1 child has transferred from an externally purchased placement to Ferndale.	Planned 19/20: £150k. Delivered 19/20: £208k	Blue
5	Review of Transitions	Service Transformation	SP8 LOIP3	Review of procedures and support arrangements for children transitioning into adult services.	December 2019	Amber	Staff consultation has been undertaken with both Adult and Children's Services. A Review group has been established and the membership extended to include key partners.	None planned in 19/20	N/A
6	Review of Children & Families	Service Transformation	SP8	Service Review – Children & Families	June 2019	Red	Stages 1-4 of the review have been undertaken. HR colleagues have joined for the next stage of the process. Further meetings are scheduled. Some saving have been achieved through the review process and a focus on vacancy management.	Planned 19/20: £150k Expected 19/20: 0	Red
7	Review of Transport Policy	Service Transformation	SP8	Review of eligibility to access support with transport arrangements through Social Work services.	September 2019	Amber	The draft policy was approved by the HSCP Board in January 2020 – there now requires to be a process of review across adult and children's services to	Planned 19/20: £52.5k Expected 19/20: £0	Red

Project Initiative	Project type	Link to Strategic Plan	Description / Deliverables	Timescale for Full Project Delivery	Project Delivery Status	Project update January 2020	Savings update January 2020	Savings Status 19/20	
						implement the policy and the completion of an EQIA.			
8	Review of Out of School provision	Service Transformation	SP8 LOIP3	Review of after school provision for children with support needs to optimise opportunities for local provision.	March 2020	Amber	This work has been started in discussion with education colleagues and is ongoing – options appraisal to be concluded.	None planned in 19/20	N/A
9	Develop and implement a Corporate Parenting Strategy	National policy development	LOIP3	Develop and implement a Corporate Parenting Strategy and Plan to deliver duty to all LAC children. This includes the development of a Champions Board, young apprenticeships and advocacy services	March 2020	Green	The Strategy and Action Plan have been drafted. A governance, performance framework and reporting framework has also been drafted. A Communication Strategy is required.	None planned in 19/20	N/A
10	Purchase and implement Carefirst CJS Module	Management action	SP8	Purchase and implement Carefirst CJS Module to facilitate improved data interrogation and more efficient and effective targeting of resources to identified areas of need	September 2019	Blue	The Carefirst module has been purchased and implemented, data transfer going live by April 2020	None planned in 19/20	N/A
11	Implementation of Management of Offenders Act 2019 - Presumption Against Short Term Prison Sentences)	National policy development	SP4 LOIP4	Respond to the new legislation by increasing robust community based alternatives to create efficient and effective ways to manage increased demand.	March 2020	Blue	The Service Manager and Team Managers are preparing for the impact of this legislation.	None planned in 19/20	N/A
Adult Services							£598.6k		
12	Review of Sleepovers	Management Action	SP8 MFT – Local Care	Review of current sleepover arrangements in order to ensure appropriate service delivery and to maximise	March 2020	Blue	Working group has been established. Representatives from all relevant service teams in place and review	Planned 19/20 £50k Actual to date 19/20: £45k Expected 19/20 £68.5	Green

Project Initiative	Project type	Link to Strategic Plan	Description / Deliverables	Timescale for Full Project Delivery	Project Delivery Status	Project update January 2020	Savings update January 2020	Savings Status 18/20
			opportunities for use of technological solutions.			process has started. Efficiency savings on track and identification of options ongoing.	Full annual recurring cost avoidance >£100k lbc	
13 LD In-house Enhanced Day Services	Management Action	SP2 SP4 SP5 LOIP 6 MFT – Local Care	Review of arrangements for day services provision to support adults with learning disabilities and maximise opportunities for delivery through Kelvinbank.	Five additional day care places at Kelvinbank to be offered commencing 30 Sept 2019	Blue	Five cases have been successfully transitioned.	Efficiency: Planned 19/20: £100k Expected 19/20: £100k Cost avoidance Planned 19/20: 0 Actual to date 19/20: £218,319 Full annual recurring cost avoidance £424k	Blue
14 Fair Access to Community Care Policy	Management Action	SP4 LOIP 6 MFT – Local Care, Mental Health and Older People's Care	Implementation of Fair Access to Community Care policy to ensure resources are fairly distributed to those in need.	Implement from 1 June 2019 Complete 31 May 2022	Amber	Fair Access to Community Care and Eligibility Criteria Policies approved on 21 March 19. Implementation plan in train. Risks/dependencies and risk rating reflect risks to the delivery of the implementation plan due to challenges resourcing the required review processes. Review team now approved and recruitment due to be completed by end Feb 2020.	Planned 19/20: £100K Expected 19/20: £25 (Combined efficiency and cost avoidance of £100k) Efficiency Planned 19/20: £50K Actual to date 19/20: £7.8k Cost avoidance Planned 19/20: £50K Actual to date 19/20: £17.5k Full annual recurring cost avoidance: £35k	Amber
15 Mental Health / Addictions Commissioning	Management Action	SP8 LOIP 6 MFT – Local Care	Review and streamlining of commissioning arrangements across mental health and addiction services based on updated	1 Dec 2019 but dependant on receipt of updated	Amber	The contract for the updated needs assessment has been awarded and the outcome report due in January 2020 is still pending.	Planned 19/20: £30k Expected 19/20: £0 This will be informed by outcome of needs assessment.	

Project Initiative	Project type	Link to Strategic Plan	Description / Deliverables	Timescale for Full Project Delivery	Project Delivery Status	Project update January 2020	Savings update January 2020	Savings Status 19/20
			needs assessment and new national and NHS GGC MH Strategies.	needs assessment.		Amber due to delays in report delivery and no savings expected in year.		
16 Mental Health Officer Agency Spend	Management Action	SP8	Develop a means of financially compensating qualified MHOs for undertaking this additional statutory role, to support recruitment / retention of MHOs and reduce spend on agency MHOs	1 October 2019 but dependent on agreement with ED Council HR re changes to terms & conditions	Amber	A business case has been prepared. Next stage is finalising approval from Trades Unions Amber due to timescale.	Planned 19/20: £0 Expected 19/20: £0 <u>Cost avoidance</u> Planned 19/20: £0 Expected 19/20: £33.8k Full impact is expected to be delivered from 2020/21	Green
17 Review of Ordinary Residence – Mental Health	Management Action	SP8	Review of support arrangements for individuals with a mental health condition to ensure costs are being met appropriately within ED	1 October 19 - dependant on availability of EDC Legal Services and agreement to proceed	Blue	All cases have been reviewed for applicability of Ordinary Residence. Transfer arrangements agreed for the 1 identified case. No further cases in MH service	Planned 19/20: £100k Expected 19/20: £50k achieved to date Full annual recurring cost avoidance: £96k	Amber
18 ASP Training	Management Action	SP8 LOIP 6 MFT – Local Care	Review of delivery mechanism for Adult Support & Protection training across the partnership and wider stakeholders.	1 October 19 - dependent on agreement with EDC HR regarding recruitment	Red	Business Case with HR for consideration. Once approved next step is to develop role profile and recruit. Unlikely to complete in year.	None planned – cost neutral	N/A
19 Review of Rosebank Allotments	Management Action	SP8	Review of allotment provision to support individuals with mental health and addictions.	October 2019.	Blue	Review completed and contract terminated as of 10 June 2019. Amber due to time slippage resulting in part year saving.	Planned 19/20: £88.5k Expected 19/20: £68k	Amber
20 Review of LD Resource Allocation Model	Management Action	SP8	Review of resource capacity to support LD community health function.	April 2019	Blue	Completed	Planned 19/20: £50k Delivered 19/20: £50k	Blue

Project Initiative	Project type	Link to Strategic Plan	Description / Deliverables	Timescale for Full Project Delivery	Project Delivery Status	Project update January 2020	Savings update January 2020	Savings Status 19/20
21 Review of Disabilities function	Service Transformation	SP8 MFT – Local Care	Review of disability functions across the partnership from childcare through adult services to older people to promote effective joined up working.	December 2019	Red	Work has not yet commenced on this review due to the need to wait for the outcome of other review processes prior to starting. Red risk rating due to time slippage resulting in inability to achieve saving in remainder of current year. Efficiency will slip to 20/21. Review will not be rolled forward into next year. Will be reframed around whole structure review.	Planned 19/20: £80k Expected 19/20: £0k	
22 Implement Carers (Scotland) Act 2016	National policy development	SP7 LOIP 6 MFT – Local Care	Comply with requirements of new legislation. Required implementation date is 1 April 2019. Performance against requirements to be monitored 2019 - 2020	April 2019	Blue	Complete - Statutory requirements all completed. Eligibility Criteria, Short Breaks Statement and Carers Strategy. Performance monitoring in place across Adult services. Ongoing development and use of Young Carer Statements and staff training sessions.	None planned in 19/20 SG funded Returns required demonstrating delivery.	N/A
23 Implement The Community Care (Personal Care and Nursing Care) (Scotland) Amendment (No 2) Regulations 2018 (Frank's Law)	National policy development	SP4 LOIP 6 MFT – Local Care	Compliance with new legislation waiving charges for Free Personal Care for people under 65 years of age. Implementation from 1 April 19.	April 2019	Blue	Complete - implementation Group in place. Financial preparation completed and withdrawal of charging undertaken. Particular focus on Learning Disability and Physical Disability teams Now part of business as usual.	None planned in 19/20 Funding provided from SG for implementation. Expected to be achieved within the SG funding levels.	N/A
24 Develop a sustainable approach to services for people with	Service Transformation	SP2 SP6 LOIP 6 MFT – Local	Complete review of Learning Disability Services commenced during 2018 – 2019 progressing through the Council 10 stage	June 2019	Amber	The service review process is proceeding with principles agreed for all aspects. Allander option progressing Work to establish preferred	See savings for enhanced day care at Kelvinbank No additional savings	N/A

Project Initiative	Project type	Link to Strategic Plan	Description / Deliverables	Timescale for Full Project Delivery	Project Delivery Status	Project update January 2020	Savings update January 2020	Savings Status 19/20
Learning Disabilities		Care, Mental Health	process. 2 wokstreams: <ul style="list-style-type: none"> Day care services Accommodation with support 			supported accommodation model underway. Amber due to timescale slippage.	planned for 19/20 Further savings for 2020/2021 to be scoped.	
Older People's Services							£2.090m	
25 Maximising use of Technology Enabled Care	Management Action	SP2 & 5 LOIP6 MFT – Local Care, Planned Care, Unscheduled Care	Review of alternatives for the demonstration of SMART technology Review of options for the use of technology in the delivery of care and support to individuals within the community.	The Technology Enabled Care Strategy is being reviewed and is currently in draft format	Blue	A SMART Flat options paper was presented to SMT and it was agreed to keep the Smart Flat resource – a plan to maximise use is being developed. A Test of change, using SOL Connect Tec has been completed within Mental Health Team. Test of change trial ongoing in CRT with GIRAFFE Healthcare. eCBT with Attend Anywhere system being implemented in CMHT. ARMED test of change for frailty/falls – stage one test completed and Stage 2 to be done when bidding process opened. Returning SHN telecare data collection enabling access to national comparison. Access to PNC Service Manager system enabling more robust in-house analysis of performance -PNC upgrade now complete	Planned 19/20: £15k Expected 19/20: £0k The savings were based on not having the SMART flat, but may be achieved through reductions in external purchasing of training for moving and handling etc in 20/21.	
55 Maximising use of equipment	Management Action	SP2 & 5 LOIP6 MFT – Local Care.	Review efficiency options to support reduction of overall cost of equipment. Analysis HSCP spends and trends to support	Completed by Dec 2019	Green	Joint visits for Equipu have been analysed and will be reduced significantly Further work required to get a figure against the equipment work	Planned 19/20: none Expected 19/20: none	N/A

Project Initiative	Project type	Link to Strategic Plan	Description / Deliverables	Timescale for Full Project Delivery	Project Delivery Status	Project update January 2020	Savings update January 2020	Savings Status 19/20
		Planned Care, Unscheduled Care	practitioners to provide a consistent approach in line with other areas.			stream is focussed on costs avoidance		
26 Review of Day Services East	Management Action	SP 1, 2 & 4 LOIP6 MFT – Local Care	Continued implementation of Older People Day-care Strategy across East locality to include ethnic day-care provision.	Review to conclude Sept 2019 with part year savings	Amber	Options for future of ethnic minority day-care being pursued collaboratively with service users and families Engagement of Ethnic Minority Forum not forthcoming at this point.	Planned 19/20: £150k Expected 19/20: £54k	Amber
27 Review of Respite	Management Action	SP 7 & 1	Review of entitlement to respite provision to ensure parity across older people's services.	Financial efficiencies delivered from Dec 2019	Blue	Completed for new customers. Revised allocation levels being considered at points of review.	Planned 19/20: £10k Expected 19/20: £10k	Blue
28 Review of assessment for Blue Badge	Management Action	SP 8	Review of delivery mechanism for assessment for blue badges with a view to bringing this in house	Reviewed by September 2019 Financial efficiencies delivered from Dec 19	Amber	Planning to reduce by 50% the number of people being sent for independent mobility assessment. This has been done through ensuring more standardised use of the Desk Based Assessment.	Planned 19/20: £36k Expected 19/20: £5K (avoided costs)	Amber
29 HAT / Community Care Agency Spend	Management Action	SP 5	Review of agency spend for older people social work teams with a view to identifying a recurring solution within OP structural arrangements.	Financial savings from July 2019 dependant on agreement with EDC HR re recruitment	Green	Completed. Agency staff ended other than 1 post in OPSW – substantive staff in place across remainder of service in Health and Community Care	Planned 19/20: £0 Expected 19/20: £0 Cost avoidance Planned 19/20: Expected 19/20:	N/A
30 Review of Day Services West	Management Action	SP 1, 2 & 4 LOIP6 MFT – Local Care	Continued implementation of Older People Day Care Strategy across West locality	Implement new service delivery model 20/21		Agreed review of service delivery model / options appraisal. Consider / explore alternative service delivery model(s). Benchmark other similar	Planned 19/20: £26k Expected 19/20: £0k £26k not achievable in year. Scope to reduce costs dependent on	

Project Initiative	Project type	Link to Strategic Plan	Description / Deliverables	Timescale for Full Project Delivery	Project Delivery Status	Project update January 2020	Savings update January 2020	Savings Status 19/20
						services / models Draft Options Paper for building based / outreach day care model	outcome of review, new service delivery model associated costs	
31 Review of Ordinary Residence – Older People	Management Action	SP 1 & 4 MFT – Local Care	Review of support arrangements for older people to ensure costs are being met appropriately within ED	Terms of reference & process of review developed by Sept. Financial savings in 2021 dependant on capacity from EDC Legal.	Blue	As part of scoping exercise, it was highlighted that additional expenditure would be required for legal support. The costs would out way any potential savings. Decision not to progress	None planned for 2019-20	N/A
32 Review of Care Home Placements	Management Action	SP 3 & 8	Review and prioritisation of care home referrals from hospital and the community within a set limit.	To be reviewed by Dec 2019 Part year efficiencies savings	Red	As part of budget challenge process, a Change Lead has been identified to look at securing residential beds and/or the development of a Council Care Home. Initial meeting set up for mid Feb 2020.	Planned 19/20: £300k Expected 9/20: 0	Red
33 Review of Staffing Complement in Older People's Mental Health Team	Management Action	SP 2,3 & 5 MFT – Older People	Review of resource capacity to support delivery of older people's mental health services	Linked to wider review of disabilities (OT) 1 December 2019	Red	Review of OPMH OT resource remains part of HR process.	Planned 19/20: £30k Expected 19/20: 0 (NW Glasgow has indicated no RT)	Red
34 Review of Continuing Care Financial Modelling	Management Action	SP 1,4 & 8 MFT – Older People	Review of resource capacity to support individuals moving on from continuing care settings to supports within their local communities.	Tied to closure of Mearnskirk hospital. NRAC formula used.	Green	Currently utilising Glasgow City Council variation to National Care Home Contract for 10 beds at Fourhills for complex palliative/end of life care to facilitate hospital	Planned 19/20: £260k (one off) Expected 19/20: £260k Delivered 19/20: £260K (one off)	Blue

Project Initiative	Project type	Link to Strategic Plan	Description / Deliverables	Timescale for Full Project Delivery	Project Delivery Status	Project update January 2020	Savings update January 2020	Savings Status 19/20
				Finance to be allocated in June 2019.		discharge. Discussions on going with legal and procurement re nest way forward.		
35 Review of Integrated Care Funding	BP35 Management Action	SP 1 & 8	Review of priorities funded through integrated care funding and mainlining of recurring projects.	Review to be completed by September 2019.	Blue	£100K offered up. Ongoing task to monitor those projects which benefited from funding. This will be done via the Older Peoples Planning group.	Planned 19/20: £100k Expected 19/20: £100k	Blue
36 Implementation of CM2000 for externally provided homecare	Service Transformation	SP 2 LOIP6 MFT – Older People	Implementation of time scheduling for purchased homecare which moves from payment on planned hours to actual service delivery.	Financial efficiencies delivered from Sept 2019.	Red	Implement as part of SXL FA arrangements – currently subject to EDC/SXL discussion/agreement re provision to incorporate within T&C's. Establish contracts post to help support implementation / monitoring of CM/private providers	Planned 19/20: £300k Expected 19/20: 0 No savings generated. Co-dependent on delivery/implementation of CAH contract & new contracts post which is unlikely to take effect in year.	Red
37 Review of Homecare Services	Service Transformation	SP 2 & 8 LOIP6 MFT – Older People	Review of care at home services to identify efficiencies in current service delivery model, review balance of internal / external provision, maximise review function and comply with care inspectorate recommendations.	Financial efficiencies delivered from Sept 2019.	Green	Implementation commenced 27 th Jan 2020. Carer rotas operational. Appointment of two Team Leaders completed. Matching process for HCO's should be completed by mid Feb 2020.	Planned 19/20: £825k Expected 19/20: £0 as service retained financial liability for displaced staff until they exit or move to new posts	Red
38 Review of Charging for Community Alarms	Service Transformation	SP 8	Review of charging levels for community alarms in line with benchmarked average.	Financial efficiencies delivered from June 2019.	Blue	Completed. Delivered and bills issued to customers.	Planned 19/20: £38k Delivered 19/20: £38k	Blue

Project Initiative	Project type	Link to Strategic Plan	Description / Deliverables	Timescale for Full Project Delivery	Project Delivery Status	Project update January 2020	Savings update January 2020	Savings Status 19/20
39 Enhance support to primary care by implementing the new GP Contract	National policy development	SP 1,2,3 & 8 LOIP6 MFT – Local Care	Implement year two of the primary care improvement plan	Completed project time scales is 2021 with financial spend up to end of 2022	Green	Projections on gaps on full delivery of contract have been developed and will be submitted to the Scottish Government as part of a wider report.	(Allocated funding £999k – national funding). This project stands out with the transformational business plan as finance in ring fenced. It is essential to spend carry forward monies to access Scottish Government funding for 2019/2020. Completed project time scales is 2021 with financial spend up to end of 2022.	N/A
40 Achieve prescribing financial balance and improve prescribing efficiency	Service Transformation	SP 8	The Prescribing Team to support each GP practice in the HSCP to make prescribing efficiencies.	Ongoing review of financial efficiencies	Green	The risks to the HSCP are significant and although through the implementation of prescribing initiatives, efficiencies can be achieved, there are other elements which can affect prescribing spend which the HSCP has limited control or influence over such the costs of medicines and problems with short supply	None planned for 19-20 – amber due to unknown impact of EU exit which may have an adverse impact in this area. Financial overspend at October 2019 – £256k (2.31%)	N/A
41 Further develop supports for those with dementia, and their carers	Service Transformation	SP 1,2,3 & 7 LOIP6 MFT – Local Care, Older People	Work in partnership with a range of older peoples mental health services to support the delivery of the strategy	March 2020	Green	Local Dementia Strategy Implementation Group (DSIG) now fully re-established with all co-production partners represented •QI Patient journey process mapping exercise has been completed - supported by SQIN and will inform next tranche of improvement	None planned for 19-20	N/A

Project Initiative	Project type	Link to Strategic Plan	Description / Deliverables	Timescale for Full Project Delivery	Project Delivery Status	Project update January 2020	Savings update January 2020	Savings Status 19/20	
						activity •Service Users/Carers Feedback questionnaire developed for roll out across course of next quarter			
42	Contribute to the national review of Prison Health and Social Care need.	National policy development	SP1 & 2 LOIP6 MFT – Local Care	Review provision and improve accessibility to health and social care services for older people in custody through a test for change to be submitted to SG as a model of health and social care within prisons	March 2020	Green	On track - working in line with emerging Scottish government direction, Participating in GG&C prison healthcare test of change.	None planned for 19-20	N/A
43	Achieve the Ministerial Strategic Group targets for unscheduled care by delivering the 2019-20 East Dunbartonshire Unscheduled care Plan	Management Action	SP3 & 8 MFT – Unscheduled Care	Deliver Unscheduled Care Plan key objectives for 2019 – 2020 focussing on frailty, anticipatory care and intermediate care at home	March 2020		On track – in terms of the delivery of the actions within the unscheduled care plan, however, MSG targets are not being delivered.	None planned for 19-20 Potential link to utilisation of set aside budgets	N/A
Oral Health Services									
44	Further improve dental services for priority groups	Management Action	LOIP3 LOIP6 SP1	Following ED HSCP performance report for dental services, key results areas and recommendations were made which support this project. This links to the national Oral Health Improvement Plan launched in Jan 2018.	March 2020	Green	Ongoing collaboration with education, health improvement and care home liaison team to ensure any recommendations from performance reports are being acted on and followed through. A number of Enhanced Domiciliary Care Dentist now completed	None planned for 19-20	N/A

Project Initiative	Project type	Link to Strategic Plan	Description / Deliverables	Timescale for Full Project Delivery	Project Delivery Status	Project update January 2020	Savings update January 2020	Savings Status 19/20	
						accreditation and signed off by OHD to list in provision of a new model of care to residents in Care Homes. This is now being triangulated with the OHI teams providing Caring for Smiles support to Care Homes to provide assurances these patients and registered with a dentist and receiving regular care.			
45	Review the balance and proportionality of oral health improvement programmes across adult and child services	Management Action	SP1	Ensure resources are targeted to the most appropriate areas in East Dunbartonshire HSCP, addressing health inequalities and ensuring best use of resources available.	March 2020	Green	Additional resources now secured and team in place to move forward with additional FV. Review of available resources and mapping of schools now underway to establish highest level of needs	None planned for 19-20	N/A
46	Develop a Health Board wide premises strategy in relation to PDS services	Service Transformation	SP1	Development of a Health Board wide premises strategy in relation to PDS services, including consolidation and possible reduction and relocation of oral health services in relation to the PDS.	March 2020	Green	PDS review has been approved by NHS GG&C and is implementation commences on the 3 rd Feb 2020.	None planned for 19-20 Any savings from budget require to be returned to SG in this year's allocation to GGC	N/A
HSCP Wide							£650k		
47	Review of Charging for Day Services / Transport	Service Transformation	SP8	Review of charging levels for day Services and transport in line with benchmarked average	June 2019	Blue	Engagement completed with those groups impacted by the new charges and policy now fully implemented.	Planned 19/20 £65k Expected 19/20 £65K Delay in implementing may have an impact, attrition rate to be quantified following implementation	Blue

Project Initiative	Project type	Link to Strategic Plan	Description / Deliverables	Timescale for Full Project Delivery	Project Delivery Status	Project update January 2020	Savings update January 2020	Savings Status 19/20
48 Review of 3 rd Sector Grants	Service Transformation	SP8	Review of payments to 3 rd sector organisations to maximise efficiencies from this sector.	June 2019	Green	Review completed and revised payments in line with reductions agreed across the sector. A number of savings reliant on conclusion of tendering exercises to fully deliver saving in 20/21.	Planned 19/20: £185k Expected 19/20: £175k	Amber
49 Review of Integrated Structures	Service Transformation	SP8	Review and maximise opportunities for integrated management structures across the HSCP.	Ongoing	Amber	Partially delivered through interim structure – intention to undertake full review across all HSCP management and leadership in 20/21	None planned for 19-20	N/A
50 Vacancy Resourcing	Management Action	SP8	Review of vacancies across the partnership.	June 2019	Green	Vacancy management processes in place across the partnership. Ongoing monitoring of payroll budgets to ensure continued delivery.	Planned 19/20: £400k Expected 19/20: £400k	Green
51 Develop a Health & Care Centre within the west locality	Service Transformation	SP8 MFT – Local Care	Develop a business case for a new building in the West Locality	March 2020	Red	Identification of capacity to take project forward underway. Role profile for Service Redesign Officer developed and consideration required on location and progress to recruitment.	None planned for 19-20	N/A
52 Remodelling of KHCC/Southbank	Service Transformation	SP8	Remodel accommodation to support smart working	March 2020	Green	Project underway, the hot-desk area is now completed. Contractors working on the car park. Engagement session with Team Leaders arranged to fine tune the car park guidance.	No financial savings planned	N/A
54 Development of ICT Strategy	Service Transformation	SP8	Development of a strategy which support integrated working and supports modern, fit for purpose service delivery models.	September 2019	Red	Workshop progressed to identify local partnership priorities, review of partner agency strategies underway which will impact on HSCP. Links to be established to	None planned for 19/20	N/A

Project Initiative	Project type	Link to Strategic Plan	Description / Deliverables	Timescale for Full Project Delivery	Project Delivery Status	Project update January 2020	Savings update January 2020	Savings Status 19/20
						wider Digital Agenda – original timescales not met – awaiting commencement of Corporate Business Mgr.		

Business Plan Ref	Action / Status	Team	2018/19 Saving Identified CM	Responsible Officer	2018/19 Saving Estimated Am 2018 FTE	2019/20 Shortfall	Reason for Shortfall
18 20 BP3	Review of	1847000 (Internal Rev)	300.0	Caroline/Stephen	-	300.0	Timing - delays to re-tendering of the care at home businesses - expected July 2020
19 20 BP11	Business Case	Day Care / Transport Charges	65.0	Joan	65.0	0.0	
19 20 BP12	Business Case	Transport Policy	52.3	Carole/David	52.3	0.0	Timing - delays in progressing consultation and implementation of policy
19 20 BP13	Business Case	Review of Out of School provision for children with disabilities	3.0	Carole	3.0	0.0	
19 20 BP22	Business Case	1st Sector Grants	165.0	Joan	175.0	10.0	Timing - delays in progressing service reviews / tenders for Advocacy, Take Control, CARAM, IM, Achievements
19 20 BP25	Business Case	Charging Policies	38.0	Joan	38.0	0.0	
19 20 BP1	Mgt Action	Transport	50.0	Caroline/David	66.5	116.5	Over delivered
19 20 BP4	Mgt Action	1:1 in home (enhanced Day Care)	100.0	Caroline/ Alan C	100.0	0.0	
19 20 BP7	Mgt Action	Review of Estimating	80.0	Carole	-	80.0	Reviewed and not achievable
19 20 BP9	Mgt Action	Smart Star / TIC	15.0	Derrick/Stephen	-	15.0	Reviewed and not achievable
19 20 BP10	Mgt Action	Review of Day Care East	150.0	Derrick/Stephen	54.0	96.0	Double running costs linked to transition of placements to new provider
19 20 BP11	Mgt Action	Fast Start in CC	100.0	Caroline/Alan C	25.0	75.0	Timing - delays in establishing review function to progress implementation of policy
19 20 BP14	Mgt Action	Review of Ranges	10.0	Derrick/Stephen	10.0	0.0	
19 20 BP15	Mgt Action	Blue Badges in House	18.0	Derrick	3.0	11.0	Reviewed and not achievable
19 20 BP17	Mgt Action	MHO Agency Spend	0.0	Caroline	-	0.0	
19 20 BP18	Mgt Action	NAT / Community Care Agency Spend	0.0	Derrick	-	0.0	
19 20 BP19	Mgt Action	Wash Day Care Rationalisation	26.0	Derrick	-	26.0	Reviewed and not achievable under current scope - to be revised and considered for 2020
19 20 BP21	Mgt Action	Maximising Use of Equipment	0.0	Derrick	-	0.0	
19 20 BP23	Mgt Action	Ordinary Residence Act	50.0	Caroline	50.0	0.0	Timing - dependency on legal advice
19 20 BP24	Mgt Action	Ordinary Residence Act	0.0	Derrick	-	0.0	
19 20 BP26	Mgt Action	Care Home Placements	100.0	Derrick	-	100.0	Reviewed and considerable risk in context of current demand pressures and cost implications elsewhere in the system - not achievable
19 20 BP18	Mgt Action	Review of All AAC Residential Placements	150.0	Carole	208.0	158.0	Over delivered
19 20 BP7	Mgt Action	ASP Training	0.0	Caroline	-	0.0	
19 20 BP11	Mgt Action	Adaptation	58.3	Caroline	68.0	10.5	Timing - engagement with care provider and service users
19 20 BP11	Mgt Action	OT Panel Review Term / vacancy mtg	80.0	Derrick	-	80.0	Reviewed and not achievable within current scope - to be revised and considered for 2020
19 20 BP11	Mgt Action	Review of LD RAM	50.0	Caroline	50.0	0.0	
19 20 BP11	Mgt Action	MS / Assistants health check/immunising	30.0	Caroline	30.0	0.0	
19 20 BP11	Mgt Action	Vaccines Immunising	400.0	Joan	400.0	0.0	Timing - dependent on outcome of needs assessment currently underway
19 20 BP11	Mgt Action	Coaching Care (one off)	280.0	Derrick	280.0	0.0	
19 20 BP11	Mgt Action	Maintain ICF	100.0	Derrick	100.0	0.0	
19 20 BP3	Service Review	Disabilities Transition (Transitions)	80.0	Carole /Caroline	-	80.0	Timing - awaiting outcome of Transitions Review
19 20 BP1	Service Review	Review of Transitions	0.0	Carole	-	0.0	
19 20 BP6	Service Review	Homecare Review	215.0	Derrick/Stephen	-	215.0	Reviewed and outcome did not match initial assumptions driving financial target, implementation of new model from mid January, however costs of disarmed staff will require to be met in year
19 20 BP6	Service Review	Review of Children & Families Staffing Structure	150.0	Carole	-	150.0	Timing - delay in progressing review
19 20 BP7	Service Review	Integrated Structure Review	0.0	Joan	-	0.0	
TOTAL £			2781.0		1,876.5	2,076.5	
Range of programmes achieved					45%		
Range of efficiencies achieved in year (against controlled budget)					2.54%		

Agenda Item Number: 7

**EAST DUNBARTONSHIRE HEALTH & SOCIAL CARE PARTNERSHIP PERFORMANCE,
AUDIT & RISK COMMITTEE**

Date of Meeting	17 th March 2020
Subject Title	Audit Scotland Report - Local Government in Scotland: Financial Overview 2018/19
Report By	Jean Campbell, Chief Finance & Resources Officer
Contact Officer	Jean Campbell, Chief Finance & Resources Officer (Tel: 601 3221) Alan Cairns, Planning Performance and Quality Manager

Purpose of Report	To update the Committee on the publication of the Audit Scotland report on Local Government in Scotland: Financial Overview 2018/19.
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Recommendations	The Performance, Audit & Risk Committee is asked to: a) Note the contents of the Audit Scotland report and the implications for East Dunbartonshire HSCP.
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Relevance to HSCP Board Strategic Plan	The Strategic Plan sets out the priorities and ambitions to be delivered over the three year period to 2021. This includes a financial outlook aligned to the delivery of these priorities which needs to be further developed to support medium to longer term financial planning and ensure sustainability for the HSCP to support the delivery of our strategic priorities.
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Implications for Health & Social Care Partnership

Human Resources	None
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Equalities:	None
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Financial:	The Audit Scotland report highlights a number of relevant areas for East Dunbartonshire HSCP in relation to sustainability and the need for the development of robust medium and longer-term financial plans to address anticipated funding gaps. This is currently under development for East Dunbartonshire with a focus extending beyond the timeframe of the strategic plan
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Legal:	None
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Economic Impact:	None.
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Sustainability:	None.
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Risk Implications:	None
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Implications for East Dunbartonshire Council:	None.
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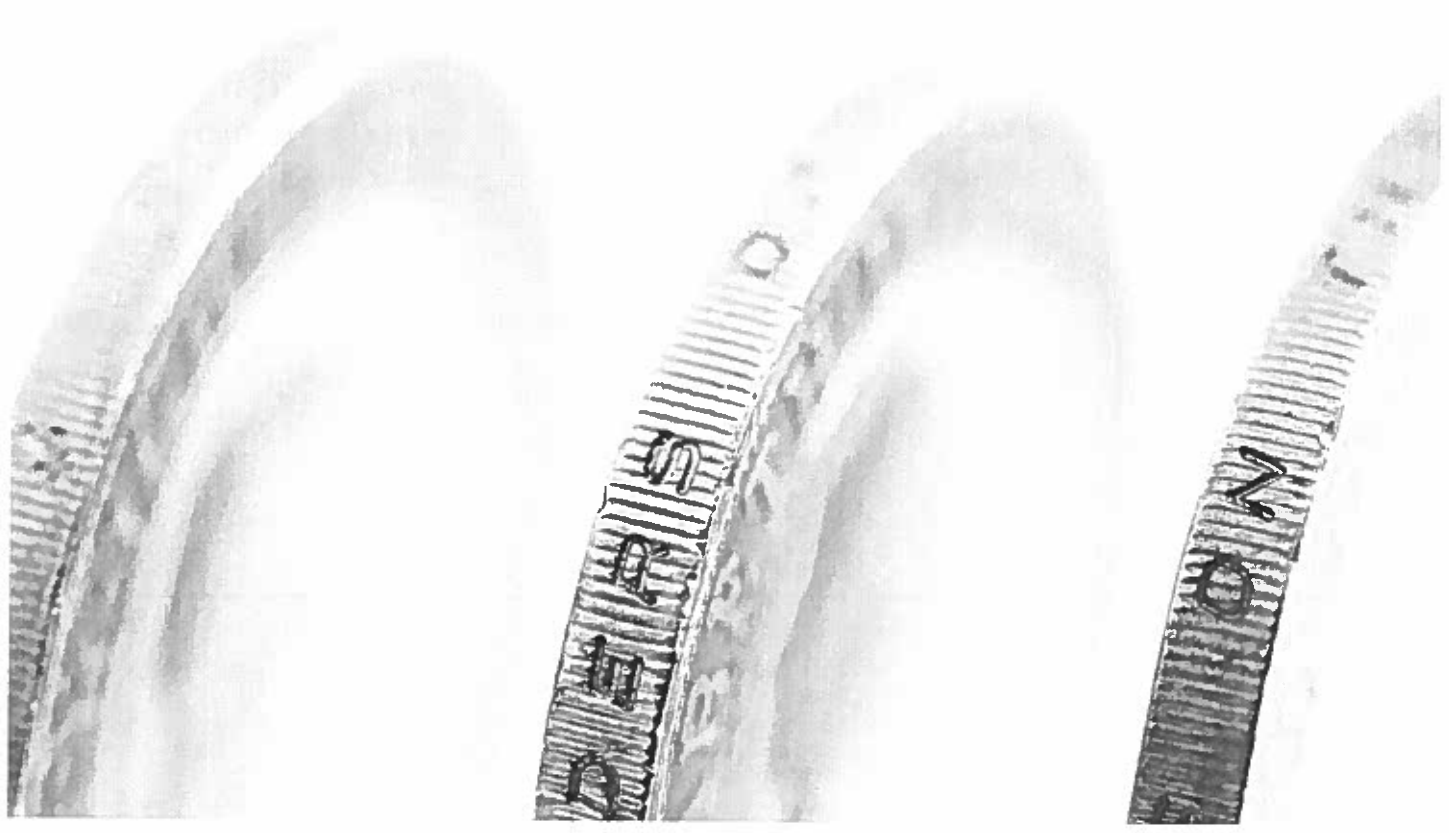
Implications for NHS Greater Glasgow & Clyde:	None.
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Direction Required to Council, Health Board or Both	Direction To:	
	1. No Direction Required	<input type="checkbox"/>
	2. East Dunbartonshire Council	<input type="checkbox"/>
	3. NHS Greater Glasgow & Clyde	<input type="checkbox"/>
	4. East Dunbartonshire Council and NHS Greater Glasgow and Clyde	<input checked="" type="checkbox"/>

1.0 MAIN REPORT
<p>1.1 Audit Scotland published its 2018/19 overview of Scottish local government finance in December 2019. A copy of the report is attached at Appendix 1.</p> <p>1.2 The report provides an independent assessment of how effectively Scottish local government is managing public money and responding to the financial challenges it faces.</p> <p>1.3 The report outlines some key messages, with more detail provided in four parts covering:</p> <ul style="list-style-type: none"> • Councils' income in 2018/19; • Councils' financial position in 2018/19; • Councils' financial outlook; and • Integration Joint Boards' overview 2018/19. Councils' income in 2018/19; <p>1.4 The key findings of Audit Scotland are highlighted on page 7 of the Audit Scotland report. These 'Key Messages', along with the associated East Dunbartonshire HSCP position, are attached for information at Appendix 2</p>

Local government in Scotland

Financial overview 2018/19



ACCOUNTS COMMISSION 

Prepared by Audit Scotland
December 2019

The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

You can find out more about the work of the Accounts Commission on our website: www.audit-scotland.gov.uk/about-us/accounts-commission 

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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Links

-  PDF download
-  Web link

-  Information box

Exhibit data

When viewing this report online, you can access background data by clicking on the graph icon. The data file will open in a new window.

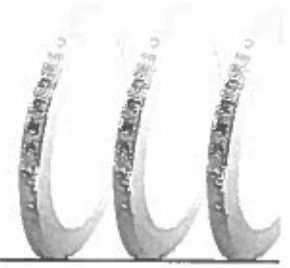


These question mark icons appear throughout this report and represent scrutiny questions for councillors.

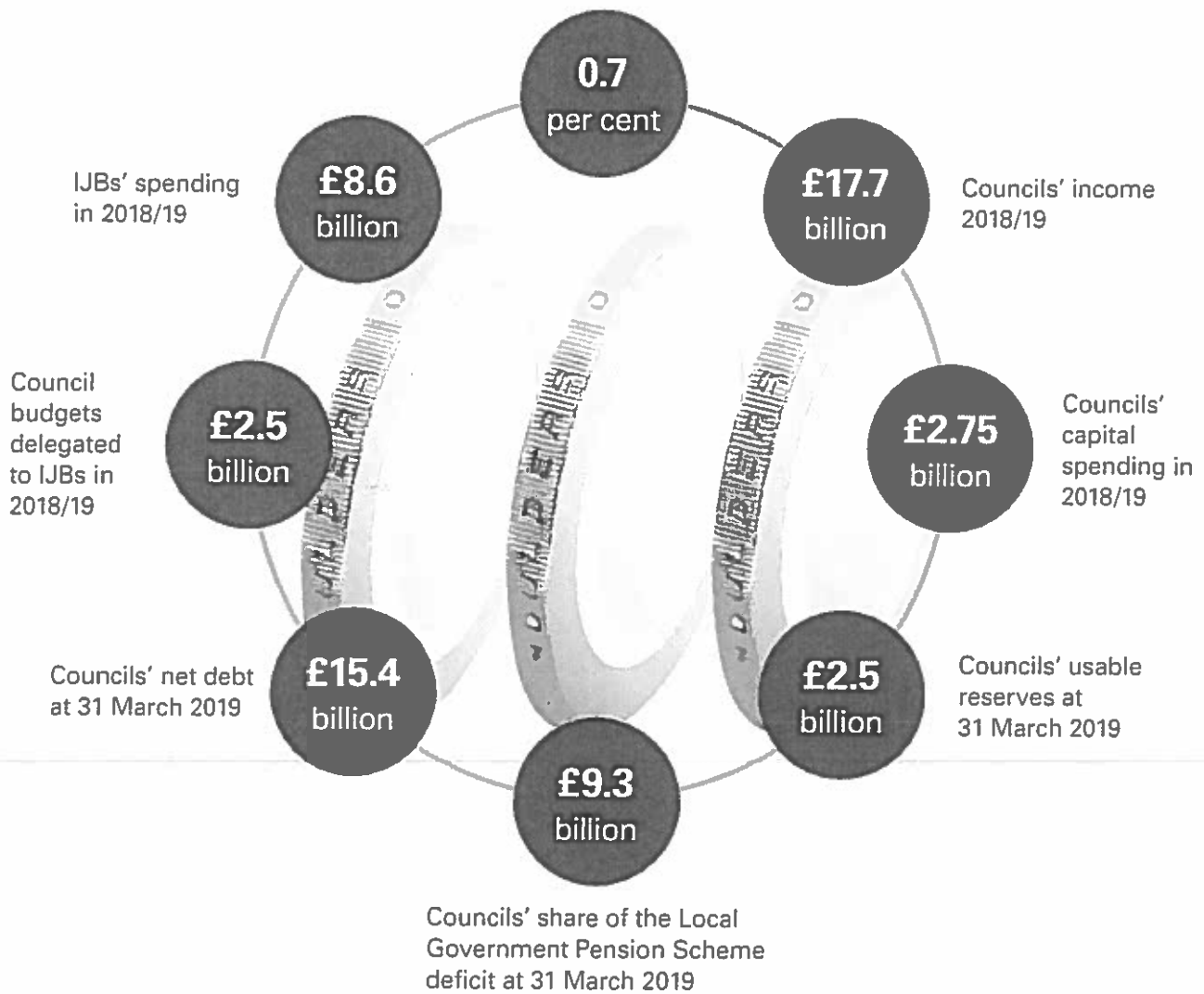
Audit team

The core audit team consisted of: Kathrine Sibbald, Lisa Duthie, Chris Lewis and Lucy Ross, with support from other colleagues and under the direction of Brian Howarth.

Key facts



Real terms reduction in
Scottish Government revenue
funding 2017/18 to 2018/19



Chair's introduction



This report, the Accounts Commission's overview of the 2018/19 financial year, provides an independent, public assessment of how effectively Scottish local government is managing public money and responding to the financial challenges it faces. I believe our overview reports are an important tool to highlight to councillors, officers and the public the issues we are most concerned about.

Of particular note for us this year, Integration Joint Boards (IJBs) continue to face very significant challenges and they need to do much more to address their financial sustainability. The pace of progress with integration has been too slow and we have yet to see evidence of a significant shift in spending and services from hospitals to community and social care. I continue to be concerned about the significant turnover in senior staff in IJBs. This instability inevitably impacts on leadership capacity and the pace of progress. The Commission has a strong interest in the performance and development of IJBs and we are planning arrangements to review their progress in delivering Best Value for their communities.

Our report also sets out that councils face the increasing challenge of meeting changing and growing demands on their services, but their income is straining to keep pace. Although Scottish Government funding to councils has been relatively stable this year, since 2013/14 it has fallen in real terms. Funding is forecast to fall further in the medium term against a backdrop of increasing volatility in public finances. The Commission also notes that two-thirds of councils have reduced their general fund reserves over the last three years rather than maintaining or building their reserves. The signs of a trend in reducing reserves may be emerging. I have previously commented that ongoing use of reserves to manage funding gaps is not sustainable.

After several years of tightening budgets, we recognise councils have already made savings through restructuring and efficiencies, but transformation in terms of service redesign is required to deal with the further reductions forecast. The Commission will continue to have a close interest in how councils and IJBs are redesigning services to meet the needs of their communities.

I also encourage councils and IJBs to continue to do all they can to improve and develop their approaches to medium- and long-term financial planning. This is not easy, but it is a fundamental tool to support councillors and officers to make well-considered decisions and effectively manage the continuing challenges ahead. The Scottish Government has committed to providing three-year indicative budgets in the future, which the Commission welcomes, as this will support improved medium-term financial planning in councils and IJBs.

Finally, we note that again there has been some improvement with the quality of reporting on financial matters in councils. I encourage councils and IJBs to continue to improve the transparency and clarity of management commentaries and wider financial information provided to councillors and the public.

I hope you find this overview useful and would welcome any feedback you may have.

Graham Sharp
Chair of the Accounts Commission 

Summary



Key messages




Councils:

- 1** In 2018/19, Scottish council revenue income totalled £17.7 billion, an increase from 2017/18 (£17.3 billion).
- 2** Scottish Government revenue funding remains the most significant source of income and this increased by 1.1 per cent in cash terms in 2018/19, a 0.7 per cent decrease in real terms. Since 2013/14, Scottish Government funding to councils has reduced by 7.6 per cent in real terms.
- 3** In 2018/19, the funding gap was three per cent of total budget. Councils planned to manage this primarily through savings, though a shortfall in savings achieved meant that more of the funding gap was met from reserves than planned.
- 4** Councils are increasingly drawing on their revenue reserves. The net draw on revenue reserves in 2018/19 was £45 million. Twenty-three councils have reduced their general fund reserves over the last three years.
- 5** Capital expenditure increased by £62 million (2.3 per cent) to £2.75 billion, with more spent on housing and less on education.
- 6** All councils have medium-term financial planning covering three years or more. Long-term financial planning has not improved since last year and more progress is needed.
- 7** Councils have made preparations for EU withdrawal but there are many potential implications that cannot be anticipated in financial planning.

Integration Joint Boards (IJBs):

- 8** A majority of IJBs struggled to achieve break-even in 2018/19, either recording a deficit or relying on additional funding from partners.
 - 9** Around a third of the IJBs failed to agree a budget with their partners for the start of the 2019/20 financial year.
 - 10** Medium-term financial planning is improving but no IJB had a financial plan that extended for more than five years. A focus on developing longer-term financial planning is required by IJBs.
 - 11** Over a third of IJB senior staff have changed during 2018/19.
-

About this report

1. This report provides a high-level independent analysis of the financial performance of councils during 2018/19 and their financial position at the end of that year. It also looks ahead and comments on the financial outlook for councils. It is one of two overview reports that the Accounts Commission publishes each year. The second report comments on the wider challenges and performance of councils. It will be published in April 2020.
 2. Our primary sources of information for the financial overview are councils' 2018/19 audited accounts, including management commentaries and the 2018/19 external annual audit reports for each council. We have supplemented this with data submitted by councils through local audit teams and to the Scottish Government through the Capital Provisional Outturn and Budget Estimates (CPOBE).
 3. We refer to 'real-terms' changes in this report. This means we are showing financial information from past and future years at 2018/19 prices, adjusted for inflation so that they are comparable. Similarly, where 2019/20 comparisons are made we have adjusted for inflation to 2019/20 prices. We also refer to figures in 'cash terms'. This means we are showing the actual cash or money paid or received.
 4. Throughout the report, we identify examples of questions that councillors may wish to consider, to help with understanding their council's financial position and to scrutinise financial performance. The Accounts Commission encourages councillors to use an appropriate level of challenge in scrutiny and ensure they receive sufficient information to answer their questions fully. The example questions are also available on our website in [Supplement 1: Scrutiny tool for councillors](#) .
 5. Accompanying this report, and to facilitate insight and comparisons across the sector, we have provided additional financial information on our [website](#) . We have also produced a separate document [Supplement 2: Local Government Pension Scheme 2018/19](#) . We hope the data and LGPS supplement will be useful for senior council finance officers, their staff and other interested stakeholders.
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Part 1

Councils' income in 2018/19



Key messages

- In 2018/19, Scottish council revenue income totalled £17.7 billion, an increase from 2017/18 (£17.3 billion).
- Scottish Government revenue funding remains the most significant source of income and this increased by 1.1 per cent in cash terms in 2018/19 (0.7 per cent decrease in real terms).
- Since 2013/14, Scottish Government revenue funding to councils has reduced by 7.6 per cent.
- A growing proportion of Scottish Government revenue funding to councils is committed to national policy initiatives.

In 2018/19, Scottish council revenue income totalled £17.7 billion

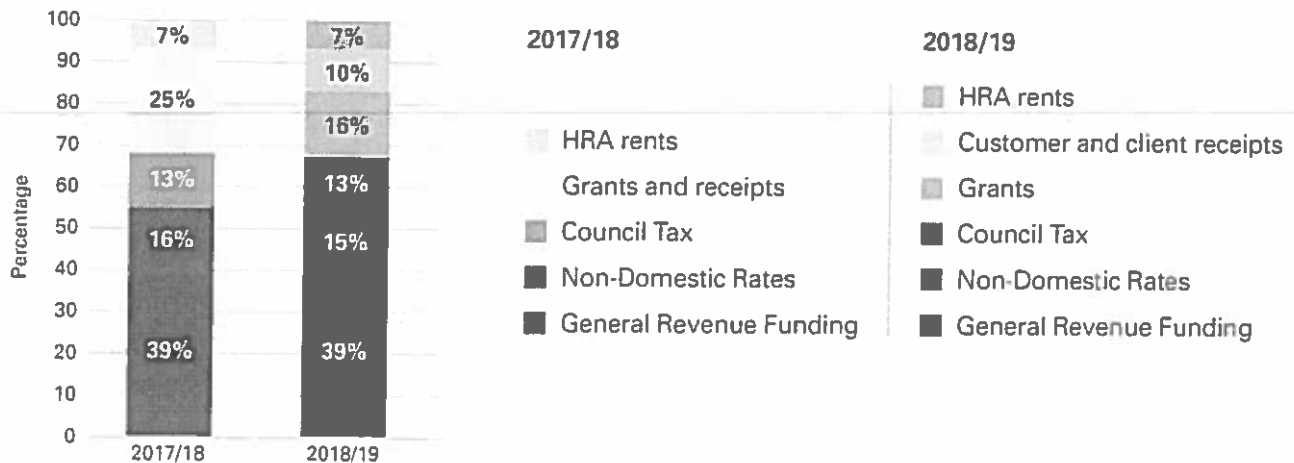
Councils' annual income increased slightly in 2018/19

6. Scottish councils get their annual funding and income from a range of sources (Exhibit 1). In 2018/19, these totalled £17.7 billion, which is an increase from 2017/18 (£17.3 billion). The main source of funding is the Scottish Government. In 2018/19, the Scottish Government provided £9.8 billion (compared to £9.7 billion in 2017/18).

Exhibit 1

Sources of council revenue income, 2018/19

Funding and income increased from last year to £17.7 billion.



Note: In the 2017/18 data, customer and client receipts are included in grants and receipts.
Source: Audited financial statements 2018/19 and 2017/18

Scottish Government funding

Scottish Government revenue funding fell by 0.7 per cent in real terms in 2018/19

7. In 2018/19, the **total revenue funding** ⁱ from the Scottish Government increased by 1.1 per cent in cash terms and decreased by 0.7 per cent in real terms (Exhibit 2). The total revenue funding of £9.8 billion consists of the general revenue grant funding of £6.9 billion (70 per cent); Non-Domestic Rates (NDR) £2.6 billion (27 per cent); and specific grants making up the remaining £0.3 billion (3 per cent).

Exhibit 2

Changes in Scottish Government revenue funding in 2018/19

Scottish Government revenue funding reduced by 0.7 per cent in real terms in 2018/19.

	2017/18 £m	2018/19 £m	Cash %	Real %
Revenue Grant	7,019	7,159	2.0 ▲	0.2 ▲
NDR	2,666	2,636	-1.1 ▼	-2.9 ▼
Total revenue funding	9,685	9,795	1.1 ▲	-0.7 ▼
Health and Social Care funding via NHS	355	355		
	10,040	10,150	1.1 ▲	-0.7 ▼

Note: On 28 March 2018, the Scottish Government paid £34.5 million of additional funding to councils. This is included in the 2017/18 column above.

Source: Finance Circulars 4/2018 and 2/2019, and Scottish Government budget documents

Since 2013/14, Scottish Government revenue funding to councils has reduced more than to other areas

8. Funding from the Scottish Government to local government between 2013/14 and 2018/19 decreased by 7.6 per cent over these six years, in real terms (Exhibit 3, page 11). Scottish Government revenue funding across other areas decreased by 0.4 per cent over the same period, demonstrating that local government funding has undergone a more significant reduction than the rest of the Scottish Government budget over this period.

9. However, the gap between local government revenue funding and the rest of the Scottish Government revenue budget narrowed in the last year (between 2017/18 and 2018/19) to 7.2 per cent.

How Scottish Government funding is distributed is to become more transparent

10. Grant-aided Expenditure (GAE) is the main distributing methodology for determining Scottish Government revenue funding provided to councils. The remaining Scottish Government revenue funding is determined by a range of other separate non-GAE methodologies agreed by the Scottish Government and COSLA.¹ Over time, the proportion of the non-GAE element of funding has grown and in 2019/20 represents a third of the total funding.



Total revenue funding

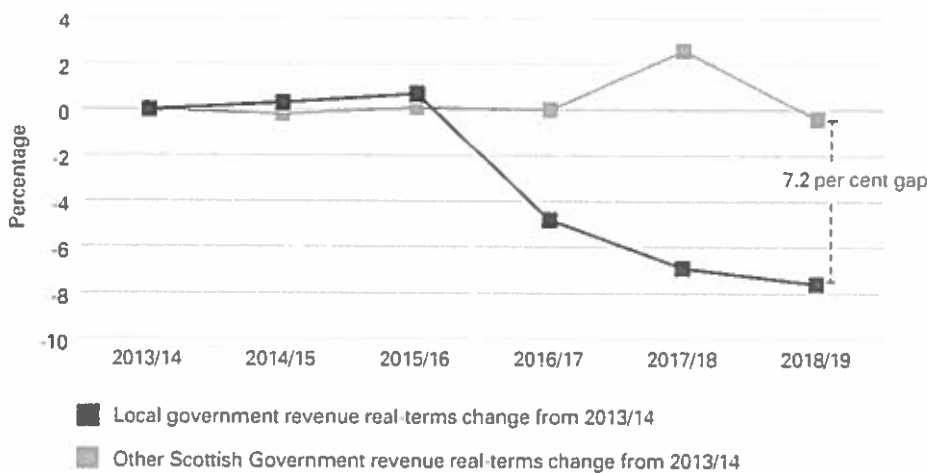
This consists of general resource grants, specific revenue grants (together known as revenue grants) and Non-Domestic Rates income (NDR).

It does not include health and social care funding paid to local government via the NHS.


Exhibit 3

A comparison of real-terms changes in local government and other Scottish Government revenue funding


Over the last six years local government revenue funding from the Scottish Government fell by 7.6 per cent, while other Scottish Government revenue funding fell by 0.4 per cent.



Source: Scottish Government budget documents and financial circulars

11. In our [financial overview report in 2017/18](#) , we reported on the lack of transparency of the calculations for the non-GAE distributions to individual councils. The Scottish Government has now provided this information to the Local Government and Communities Committee of the Parliament, SPICe² and COSLA. It is also planning to include the methodologies used for the specific revenue grants and other non-GAE funding within their annual Grant Aided Expenditure [Green Book](#)  publication from 2020/21.

A growing proportion of funding is committed to national policy initiatives

12. The Commission commented in its report [Challenges and performance 2019](#)  that an increasing proportion of council budgets is committed to national policy initiatives. This reduces the flexibility councils have for deciding how they plan and prioritise the use of funding to respond to local priorities. There are different approaches to describing the scope of this flexibility by stakeholders; different figures and language complicate this.

13. Within the £9.8 billion Scottish Government revenue funding, a relatively small, but growing, element is identified by the Scottish Government as specific revenue grants, set out in the annual settlement to councils. This money is ring-fenced to fund identified policies, such as the Pupil Equity Fund, Criminal Justice and Early Years Expansion. These grants totalled £0.3 billion in 2018/19 (£0.5 billion in 2019/20). The Scottish Government's view is that other funding is not ring-fenced and it is therefore at the discretion of councils how they deliver commitments and services with these funds.

An increasing proportion of council budgets is committed to national policy initiatives. This reduces the flexibility councils have for deciding how they plan and prioritise the use of funding to respond to local priorities

14. In addition to specific revenue grants, funding for other national policy initiatives is set out in the annual settlement but not formally ring-fenced. These are mainly initiatives linked to education and social care. Collectively, ring-fenced and funding linked to other national policy initiatives, increased from £0.6 billion to £1 billion, between 2018/19 and 2019/20. This is around 10 per cent of Scottish Government funding to councils. The Commission has previously highlighted that education and social care represent over two-thirds of councils' spending and, 'although it is possible to make savings in these areas, national priorities, statutory obligations and demand for services make this challenging'.³

COSLA identifies reducing flexibility based on estimated expenditure


15. COSLA has also described its position on the flexibility of councils' budgets. It has taken a different and wider approach to this. It focuses on estimated expenditure. It identifies expenditure areas that have been ring-fenced or are protected through obligations created by current and past Scottish Government policy initiatives, demand pressures, or fixed obligations such as loan charges. For 2019/20, the most significant areas that COSLA identified included:

- primary and secondary teacher staff costs (£2.5 billion)
- all adult social work costs devolved to IJBs (£2.7 billion)
- loan charges (including PPP costs) (£0.7 billion)
- and other areas such as Council Tax Reduction Scheme (£0.4 billion) and Early Learning (£0.4 billion).

16. In its response to the Local Government and Communities Committee on the 2019/20 budget, COSLA's view is that Scottish Government policies and fixed commitments represented 58 per cent of local government revenue expenditure budgets in 2018/19; 60 per cent in 2019/20.

Other income

Council tax increases of three per cent increased total income slightly

17. As identified in our report *Challenges and performance 2019*  all councils increased council tax rates by the maximum allowable three per cent in 2018/19. With increases in the number of properties, total council tax increased by £97 million (4.2 per cent increase) in 2018/19. As only 10 to 19 per cent of funding and income is raised through council tax, this only produces an increase of around 0.5 per cent.


Councils rely on a significant element of grant and NHS income

18. This year, for the first time, we have used financial statements and information collected from auditors, to provide an insight into the extent of grant income received by councils. In a small number of councils this was hampered by a lack of clarity in the accounts about grant income credited to services. Our analysis shows that £3.0 billion (16 per cent) of income was revenue grant income received by Scottish councils (and credited as income to services) in 2018/19.



How dependent is your council on the various sources of income compared to other councils, including: Scottish Government funding, grants, council tax and receipts from customers/clients?



Challenges and performance 2019
March 2019 

19. The major components of this grant income include:

- Housing benefit grants from the Department of Work and Pensions totalling £1.4 billion.
- NHS income, £0.7 billion, including resource transfer and integration fund transfers.
- Scottish Government ring-fenced and other non-government grants of £0.9 billion (including criminal justice, pupil equity and attainment funding and early learning grants).

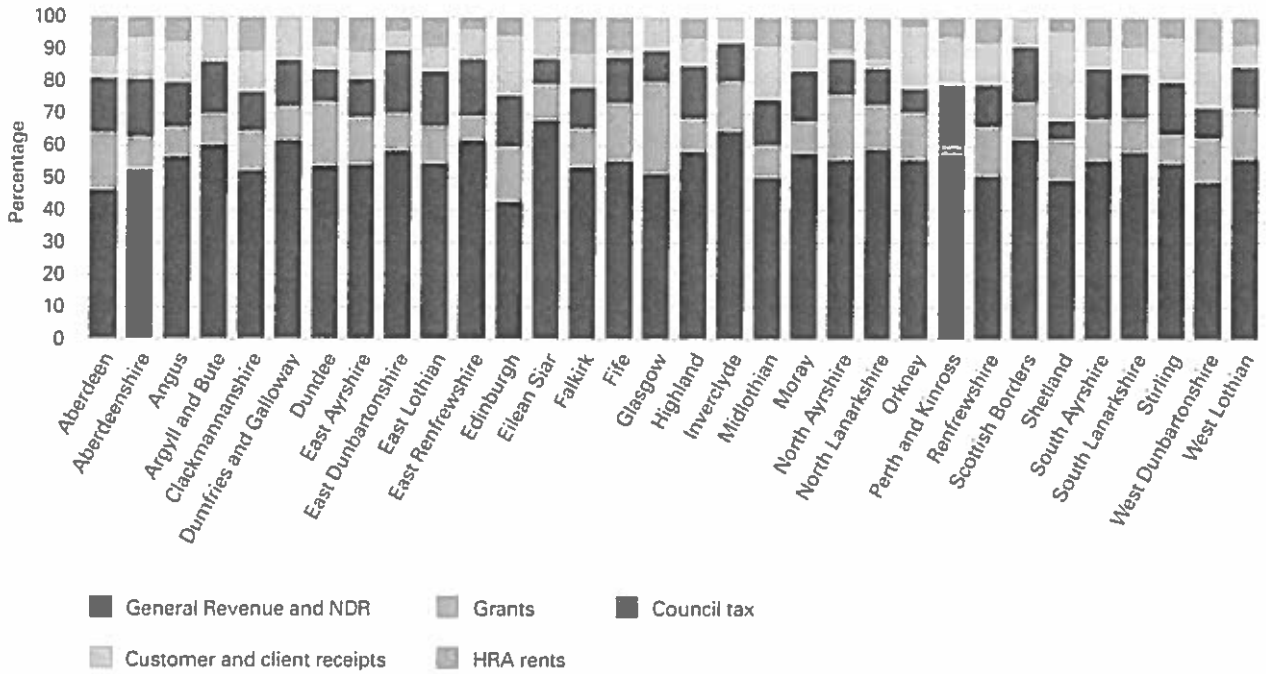
The proportion of income from each main source varies significantly across councils

20. There are major differences between councils in the nature and scale of income (**Exhibit 4, page 14**). The most obvious of these is house rents, where six councils are not registered social housing providers, and so do not generate income from housing rents. However, there are other major differences between councils when looking at other sources of income:

- Some councils are less reliant on general revenue funding from the Scottish Government and NDR than others. This ranges from City of Edinburgh Council (43 per cent) to Eilean Siar (68 per cent).
- The other two islands authorities, Orkney and Shetland, have significant harbour activities which generate locally significant income streams of £15 million and £30 million, respectively.
- Some councils have relatively low income from fees and charges for services. There may be local policy reasons for this.
- Some councils generate relatively higher levels of income from council tax. East Dunbartonshire and Perth and Kinross councils rely on council tax to provide 19 per cent of their total income and funding (excluding HRA). In comparison, all three island authorities (Shetland, Orkney and Eilean Siar) realise less than 10 per cent of their total income from council tax.
- Some councils receive a greater proportion of income from grants and NHS funding. The most significant of these is Glasgow City Council which has 29 per cent (£680 million) of its total income from this source. This includes £329 million of housing benefit subsidy, £148 million from the NHS and £58 million of ring-fenced grants from the Scottish Government.

Exhibit 4

The proportion of income from each source for each council
 Some sources of income are more important to each council.



Source: Audited financial statement 2018/19

Part 2

Councils' financial position in 2018/19



Key messages

- The 2018/19 funding gap of three per cent was less than the previous year (four per cent). Councils planned to manage this primarily through savings, though a shortfall in savings achieved meant that a higher proportion of the funding gap was met from reserves than planned.
- Across Scotland councils increased their use of revenue reserves. The net draw on revenue reserves in 2018/19 was £45 million. Over the past five years the position has changed, with councils increasingly drawing on their revenue reserves.
- Twenty-three councils have reduced their general fund reserves over the last three years. No council has a position where this rate of depletion would eliminate the total general fund within three years.
- Capital expenditure increased by £62 million or 2.3 per cent in 2018/19 to £2.75 billion, with more spent on housing and economic development and less on education.
- The value of pension liabilities in councils increased by £0.5 billion to reflect the impact of the McCloud case.
- Councils should continue to improve the transparency of the management commentary.

Council budgets and outturn 2018/19

The 2018/19 three per cent funding gap was less than the previous year

21. Councils' 2018/19 budgets identified total final net expenditure of £12.2 billion. These were not fully met by budgeted income. The funding gap was £0.4 billion (three per cent). In 2017/18, the shortfall was £0.5 billion (four per cent).

22. Councils planned to manage funding gaps through savings. On average, councils delivered 87 per cent of planned savings. However, there was significant variation in how individual councils performed against their savings targets:



How big is the funding gap for your council relative to the total budget?

- Moray Council, which planned to deliver savings of £6.3 million, achieved savings of £7.2 million or 114 per cent of its target. Inverclyde, North Ayrshire and West Lothian councils also performed well against their savings targets.
- Shetland Islands Council, which planned to deliver savings of £1.9 million, achieved savings of £0.4 million or just 21 per cent of its target.

A higher proportion of the funding gap was met from reserves than planned

23. Some councils planned to use reserves to present balanced budgets. An analysis of data from a sample of 18 councils shows that planned use of reserves for 2018/19 was £52 million. The combined total funding gap for these councils was £272 million, of which planned use of reserves represented 19 per cent. The actual use of reserves by the sample of 18 councils was higher than planned at £71 million.

Usable reserves

24. All councils hold reserves but there is variation in the nature and value of these reserves. Reserves play an important role in good financial management of councils. They may be used to invest in a major project, transform services or respond to unexpected events. Reserves are a one-off resource so councils need to plan carefully for their use. **Exhibit 5 (page 17)** shows the nature and value of usable reserves in 2018/19. Over 77 per cent of the total balance is made up of revenue reserves which include the general fund, housing revenue account, insurance, repairs and renewals funds and other specific funds, eg harbour. The remainder relates to capital reserves which are used to support the costs associated with capital investment projects.

In 2018/19, 16 councils ended the year with a lower level of usable reserves

25. Across all councils there was a net decrease in usable reserves of £6 million to £2.5 billion. Sixteen councils ended the year with a lower level of usable reserves in 2018/19, which is relatively consistent with 2017/18 (18 councils).

26. Examples of councils with notable reductions in usable reserves in 2018/19 include:

- West Dunbartonshire reduced usable reserves by £6 million (or 28 per cent), which mostly related to the housing revenue account balance being used to fund capital expenditure.
- South Ayrshire used £7 million (or 17 per cent) of its reserves. This relates to a draw on its committed general fund in line with its budget plans.
- Moray drew down £4 million (or 16 per cent) from reserves, using its uncommitted general fund to support the 2018/19 financial position. This was part of the approved budget plan.



What are your council's plans for meeting the current and future funding gaps – savings plans, efficiencies, reduction in services, or transformation, increased charges, use of reserves?

Are there significant elements of unidentified savings in the agreed budget or are all planned savings actions clearly identified?

How well are you kept informed about progress against savings plans?

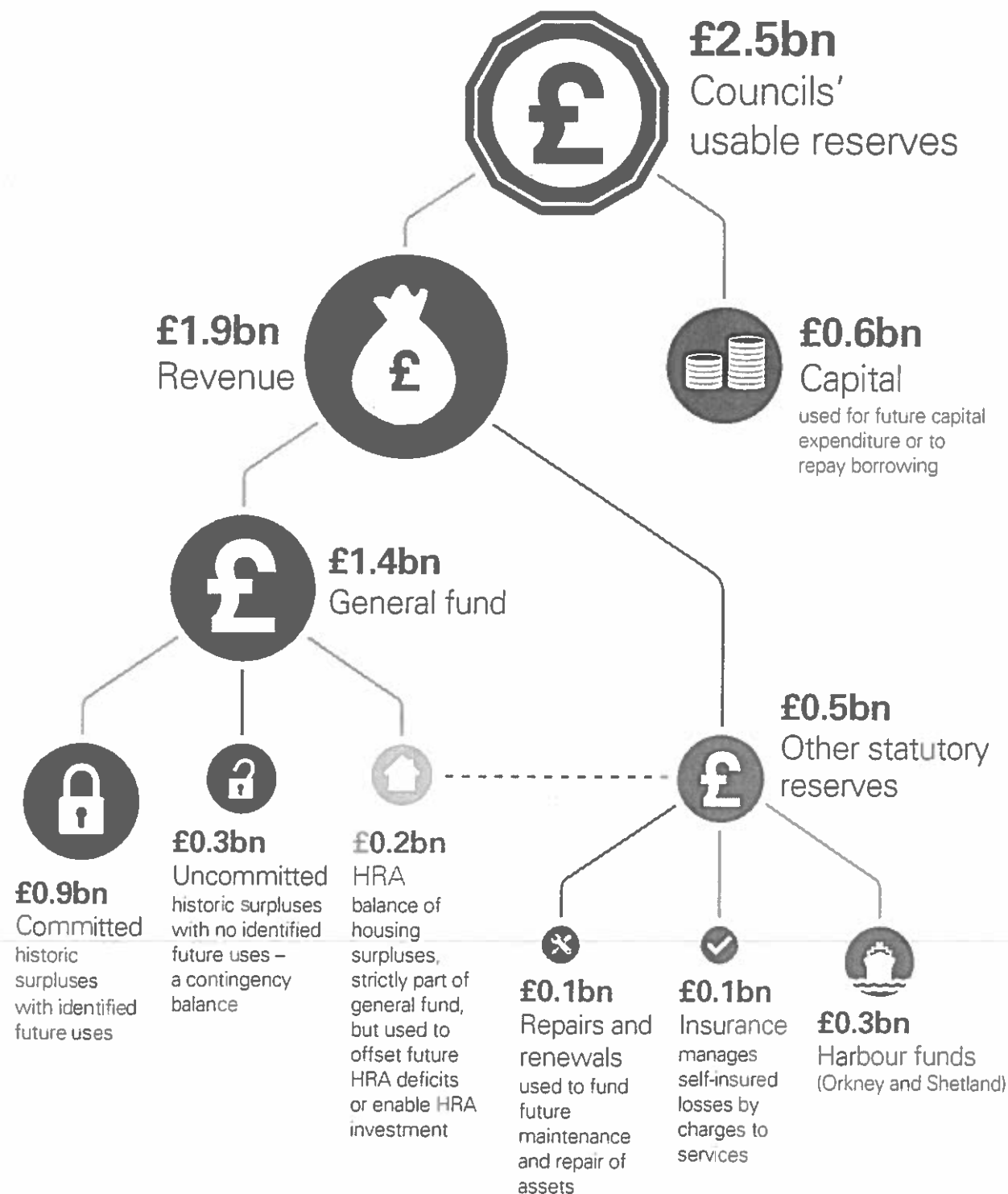
Does your council have a transformation plan? Does it clearly set out the aims and objectives and how and when these will be achieved?

How effectively are you engaged and informed about the council's transformation programme and kept informed about progress?

Exhibit 5

The relative size and nature of councils' usable reserves

In 2018/19, usable reserves held by councils totalled £2.5 billion.



Revenue reserves

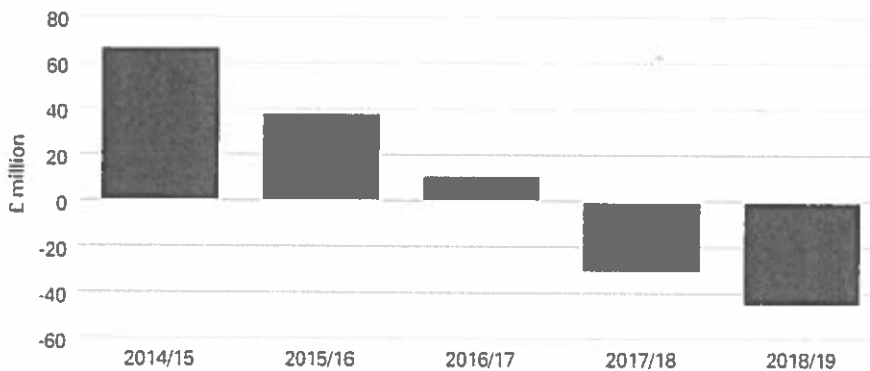
Across Scotland councils increased their use of revenue reserves

27. In recent years, councils have been increasingly turning to reserves to address funding gaps or apply to identified earmarked expenditure. The net draw on revenue reserves in 2018/19 was £45 million. Over the past five years the position has changed from councils adding to revenue reserves to an increasing draw on their revenue reserves (Exhibit 6).

Exhibit 6

The movement in usable revenue reserves

Councils have been increasing their use of (rather than adding to) revenue reserves over the last two years.



Source: Audited financial statements 2014/15–2018/19

General fund reserves

Councils have committed varying proportions of their general fund reserves

28. The total revenue reserve position includes a general fund reserve and councils can commit to using general fund balances for specific purposes in future years or maintain some as uncommitted. In last year's report, we highlighted the importance of councillors understanding the purpose of committed (or earmarked) reserves. We found that nearly all councils set out the purpose of their earmarked reserves, but the intended timing of this expenditure is not always clear. Knowing when the expenditure is likely to be incurred is an important part of understanding the need for these reserves.

29. The uncommitted element is used to provide against unforeseen circumstances and mitigate the financial impact of these. Councils have different strategies for managing the level at which they maintain an uncommitted balance (Exhibit 7, page 19). Most have a reserves policy that sets out a minimum level of uncommitted general fund to be maintained. This typically varies from one per cent to four per cent of expenditure across councils. Some councils, including North Lanarkshire and West Lothian, take a risk-based approach to identify an appropriate level for the uncommitted general fund each year. For both these councils this approach has led to a relatively low level of uncommitted general fund.

Across Scotland councils increased their use of revenue reserves. The net draw on revenue reserves in 2018/19 was £45 million.



What is your council's reserves policy?

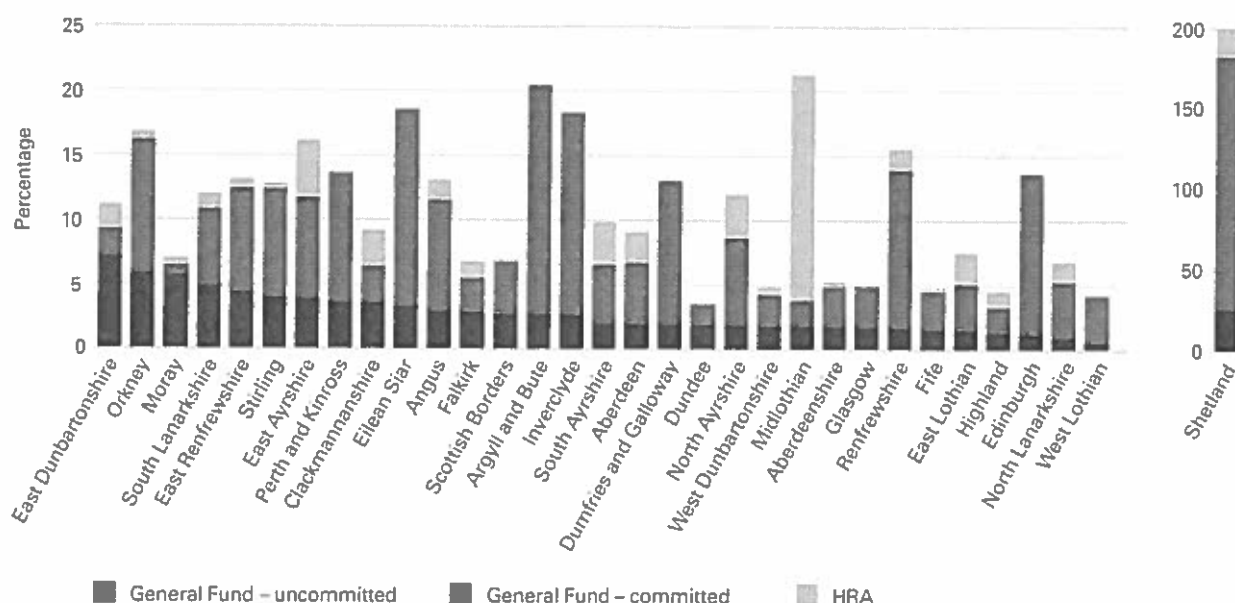
Do committed/ earmarked/specific reserves have clear purpose and projected cashflows or are they part of the general contingency or uncommitted general fund?

30. The Best Value Assurance Reports for North Lanarkshire and West Lothian both comment on the low level of uncommitted general fund but recognise that it has been set at a desired level and successfully maintained over several years. However, councils with a low level of uncommitted general fund are more exposed to the risk of an unexpected change in circumstances.

Exhibit 7

General fund as a proportion of net annual revenue split between committed, uncommitted and HRA

All councils hold an uncommitted general fund to protect against unforeseen financial pressures.



Note: Orkney and Shetland also have significant harbour funds which are not included above.
 Source: Audited financial statements 2018/19

Twenty-three councils have reduced their general fund reserves over the last three years

31. In recent years, there is significant variation in whether councils have added to, or drawn on, their general fund reserve (including the housing revenue balance). Exhibit 8 (page 20) shows the average annual movement on the general fund over the last three years (as a percentage of the total remaining balance at 31 March 2019). Shetland has experienced a relative increase in its general fund of 24 per cent while Moray has experienced a similar relative reduction.

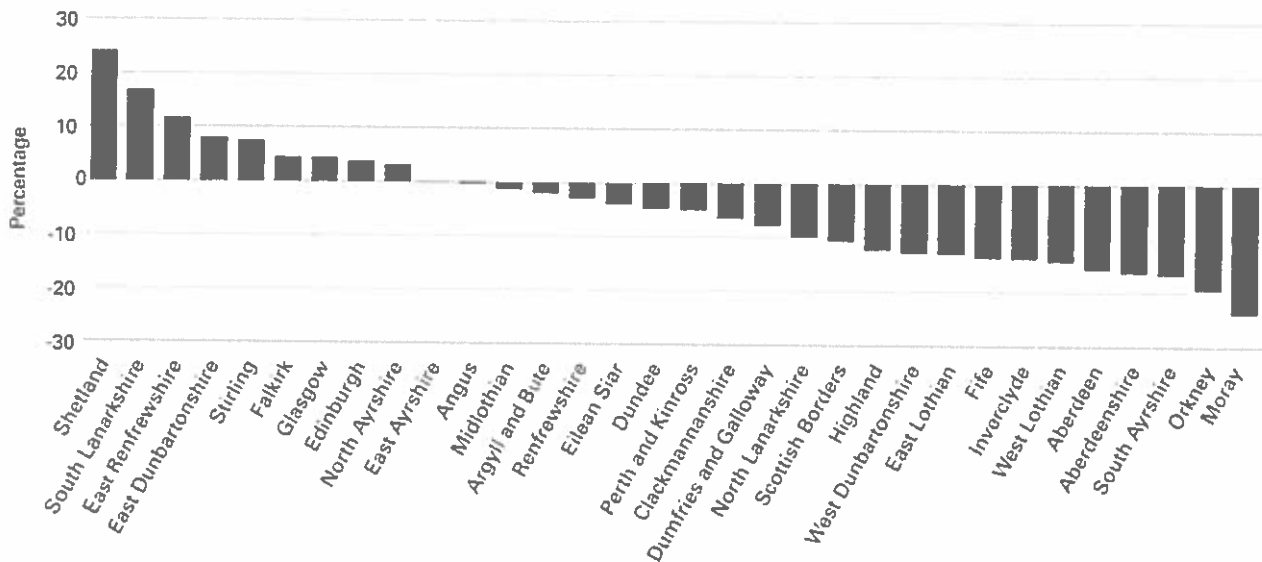
32. Although no council has a position where this rate of depletion would eliminate the total general fund within three years, one council (Moray) would deplete its general fund within five years. The total general fund reserve is £14 million and Moray Council has identified that a further £3.7 million draw on reserves will be required to balance the 2019/20 budget (compared to £4.6 million in 2018/19 and an average of £3.6 million over each of the past three years). The council's budget papers clearly recognise that this approach to financial management is not sustainable and that funding gaps over the medium term will need to be funded from savings, which have not yet been identified.



Is the council using up its reserves and is it likely to deplete these over the medium or long term (within 5 or within 10 years)?

Exhibit 8

Average annual movement in general fund over the last three years
Some councils are reducing general fund reserves by significant amounts.



Source: Audited financial statements 2015/16–2018/19

Capital

Total capital spending was £2.75 billion with more spent on housing and economic development and less on education

33. Capital expenditure increased by £62 million or 2.3 per cent in 2018/19 to £2.75 billion. A larger proportion was spent on housing and economic development than in the previous year ([Exhibit 9, page 21](#)). These two areas now account for 44 per cent of total capital expenditure (39 per cent in 2017/18). The proportion of capital expenditure on education has fallen from 27 per cent in 2017/18 to 20 per cent in 2018/19.

34. Some of the major new investments include:

- East Ayrshire Council – Barony Campus. This is the biggest capital investment project ever undertaken by East Ayrshire Council with an estimated total cost of £68 million. On the outskirts of Cumnock, the campus consolidates five schools into one campus.
- City of Edinburgh Council – Additional investment in educational properties, roads and social housing through the housing development fund with over 700 new homes under construction and a further 3,000 homes in design and development stages. The council is also providing funding for homes for mid-market rent from private developers through the National Housing Trust and through the Edinburgh Living LLP.



What are your council's medium-term and long-term plans for capital spending?

How well are you kept informed about progress against capital plans?

How well do you understand the reasons for any underspend against the annual capital budget?

- Midlothian Council – Newbattle Community Campus. A £38 million hub project opened in May 2018 as the council's first 'centre of excellence in digital technology' providing enhanced education and leisure facilities for Newtongrange, Mayfield, Gorebridge and the surrounding communities.

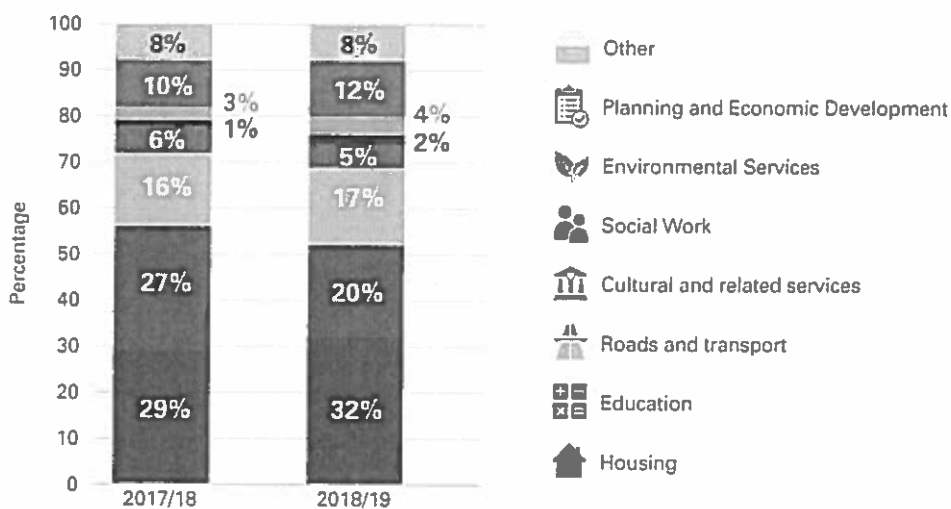
Investment has led to an increase in the number of council houses

35. Across Scotland, social housing is provided by a mix of housing associations and councils. Twenty-six councils in Scotland provide social housing. Fife and North Lanarkshire have the most housing stock (in excess of 30,000 properties each).

Exhibit 9

Capital expenditure by service area 2018/19 and 2017/18

A larger proportion was spent on housing and economic development and less on education in 2018/19.



Source: Scottish government CPOBE – capital provisional outturn (and budget expenditure)

36. We are now seeing the effect of housing investment and the end of the right-to-buy scheme leading to an increase in social housing stock. The total number of houses at 31 March 2019 has increased by 1,950 to 315,649. Edinburgh increased its housing stock by four per cent (719 properties) and West Lothian increased its housing stock by three per cent (434 properties). Falkirk, Highland, North Lanarkshire, Renfrewshire and South Lanarkshire have also increased their housing stock, each by more than 100 homes. East Ayrshire has experienced the biggest decrease, reducing its house numbers by 264.


Government grants and money from councils' revenue budget continue to be the main sources of funding for capital expenditure

37. The sources of capital expenditure funding in 2018/19 are mostly consistent with 2017/18 and include:

- £1.1 billion of government grants (£60 million or six per cent higher than 2017/18).
- £0.9 billion taken from council revenue (capital financed from current revenue and loans fund charges).
- £0.6 billion increase in the underlying need for councils to borrow.

Auditors reported underspends in annual capital budgets at a number of councils

38. A number of the local auditors in their annual audit reports identified that councils had significant underspends against their annual capital budgets:

- Aberdeen City's 37 per cent underspend is in part due to the reprofiling of four proposed new primary schools, delays with the Union Terrace Gardens Project and in settling land claims for the Aberdeen bypass.
- West Dunbartonshire underspent by 41 per cent. We reported in the *Best Value Assurance Report*  (June 2018) that there has been a trend of significant levels of capital slippage at the council over a number of years and recommended that the council review its project management processes and consider performing self-assessments to identify areas for improvement.
- Orkney Islands' 50 per cent underspend is due to weaknesses in forward planning arrangements and the auditor reported a history of capital slippage. Capital projects which experienced slippage in 2018/19 include £3 million for the Scapa Flow Visitor Centre and Museum and £4 million for a new tug.

39. There can be local reasons for underspends against annual capital budgets that reflect the phasing of projects over a number of years. The key issue is that councillors understand whether annual underspends of budget are symptomatic of delays in overall capital project delivery and encourage officers to address these or refine the overall capital aspirations.

Debt

There is variation in the relative underlying borrowing position of councils

40. The underlying borrowing position of councils varies across Scotland from 58 per cent of net annual revenue in Renfrewshire and Orkney to 237 per cent in Aberdeen City ([Exhibit 10, page 23](#)). Overall gross debt levels have grown by £0.7 billion (or four per cent) in the last year. Councils with higher borrowing levels usually incur higher annual costs of servicing the debt and may have less headroom for further affordable borrowing.

41. The underlying borrowing position consists of the net debt of the councils at 31 March 2019 (total debt less investments and cash) adjusted for total usable reserves. This is because a council with significant reserves that are not cash-backed would need to borrow more in the future to realise these reserves.

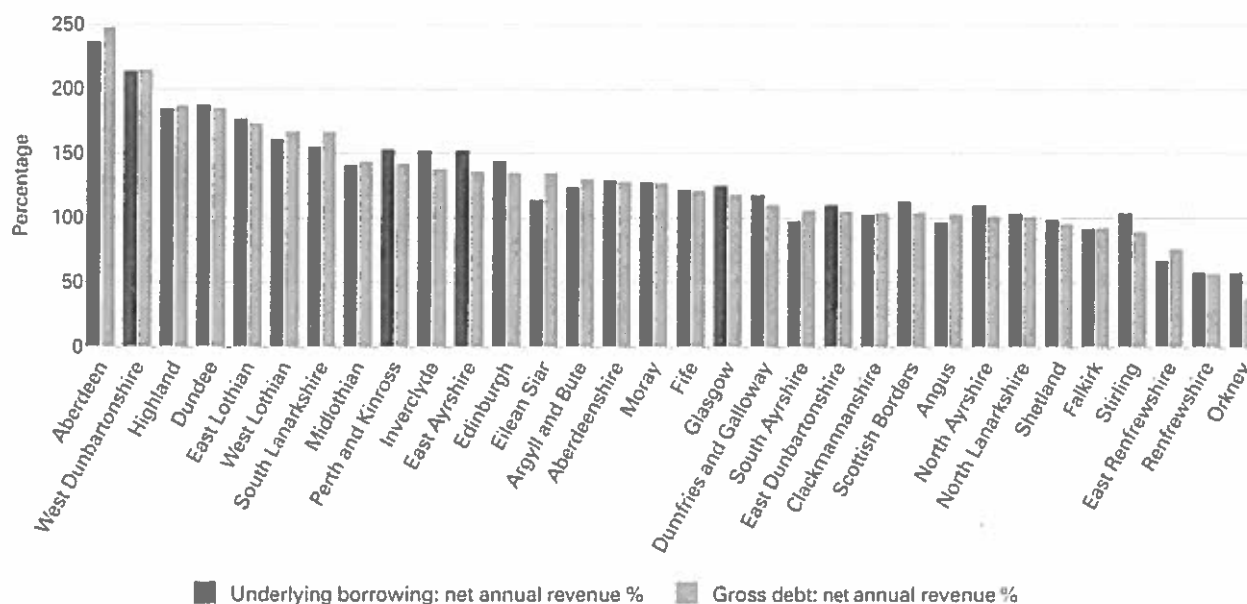


What is your council's current debt position relative to its annual revenue?

Exhibit 10

Underlying borrowing and gross debt as a proportion of net annual revenue

The underlying borrowing position of councils varies from 58 per cent to 237 per cent of net annual revenue.



Source: Audited financial statements 2018/19

Total net debt across councils has increased by £0.3 billion, mainly due to three councils

42. The different sources of debt held by councils comprises:

- The Public Works Loans Board (PWLB), a UK Government agency that issues loans to local authorities and other specified bodies (56 per cent).
- Other market loans (27 per cent).
- Other long-term liabilities from assets acquired through public private partnerships including Private Finance Initiative (PFI), Public Private Partnership (PPP) and Non-Profit Distributing (NPD) models (17 per cent).

43. Total net debt has increased by £0.3 billion (2.3 per cent), from £15.1 billion in 2017/18 to £15.4 billion in 2018/19. Three councils account for most of the movement in net debt this year:

- Aberdeen City Council – an increase of £203 million (21 per cent) due to an increase in PPP liabilities and short term borrowing from other local authorities to fund capital investment.
- East Ayrshire Council – increase of £67 million (20 per cent) due to an increase in finance lease liabilities for an NDP schools project that the council occupied in the year.
- Dundee City Council – increase of £66 million (10 per cent) due to an increase in borrowing to fund the council's capital programme, including £12.4 million for council housing.

The overall cost of servicing debt is unchanged but councils incur different levels of spend on their annual revenue

44. Total interest costs remain consistent year-on-year at £0.8 billion. In 2018/19, these payments varied from 10 per cent of net annual revenue in Aberdeen to two per cent in Orkney with 19 councils spending more than six per cent of their net annual revenue on debt interest. Higher interest costs can reflect the extent, type and age of debt held.

Most debt is fixed interest, but PFI/PPP/NPD schemes are variable interest

45. Most council borrowing comes from the PWLB and this is usually issued at a fixed interest rate. Our analysis from auditors found that fixed interest payments made up around 65 per cent of total interest payments in 2018/19. In October 2019, the UK Treasury announced that interest rates on new PWLB loans would rise from 1.81 per cent to 2.81 per cent. This will make new PWLB borrowing or refinancing of debt for councils more expensive.

46. The remainder relates to interest payments on PFI/PPP/NPD agreements (30 per cent), where unitary charges are typically linked to RPI and variable interest loans (five per cent). Aberdeen City Council issued index-linked bonds in November 2016, raising £415 million to support its capital investment programme. This is also linked to RPI and the income generated by the new Aberdeen Exhibition and Conference Centre is expected to contribute to the cost of servicing the bond each year.

Provisions and equal pay

Glasgow City Council agreed to settle equal pay claims at a cost of £0.5 billion

47. In last year's report, we highlighted that the impact of equal pay claims on Glasgow City Council's financial planning could be significant. In May 2019, the council agreed to settle outstanding equal pay claims at a total cost of £0.5 billion. The council has developed a funding strategy that will spread the cost of settlement over several years and this has been built into the council's baseline budget from 2019/20 onwards. The funding strategy includes one of the council's arm's-length external organisations (ALEOs) refinancing an existing loan with Barclays Bank and remitting this to the council as a member contribution. The second element involves a sale and leaseback arrangement of property with the same ALEO. The local auditor assessed the overarching governance arrangements of the equal pay project, along with the controls in place around the calculation and payment of settlements and considered them to be appropriate.

48. The settlement does not fully extinguish the council's equal pay liability. The council is currently working towards implementation of a new pay and grading system by April 2021, and a liability may remain until the new system is in place.

Pensions and severance

Employer pension liabilities increased as a result of the McCloud case

49. Councils' share of the Local Government Pension Scheme (LGPS) net liability at 31 March 2019 increased by 41 per cent to £9.3 billion, compared to £6.6 billion at 31 March 2018.



How much of the council's budget is used to pay interest and debt repayments?



Are you given clear and sufficient information to understand risks and support decisions about future borrowing?

50. In 2015, the government introduced reforms to public sector pensions. In December 2018, the Court of Appeal ruled, in the McCloud case, that the transitional protection offered to some members of the judicial and fire fighters' schemes as part of the reforms amounted to unlawful discrimination – www.judiciary.uk/. As all care schemes introduced in 2015 contained transitional protection, all schemes are likely to be unlawful. This includes the local government pension funds. On 27 June 2019, the Supreme Court denied the UK Government leave to appeal and the UK Government conceded that the protections in place were discriminatory on grounds of age. In accordance with accounting standards, this was regarded as an adjusting event after the balance sheet and councils were advised to adjust their unaudited financial statements.

51. In June, the Government Actuary's Department (GAD) provided actuarial firms with a methodology for estimating the likely impact of the rulings on pension liabilities. Local government pension fund actuaries were requested to apply the GAD assumptions which generally resulted in an increase in the net pension liabilities.

52. The impact of McCloud on council finances will become clearer at the next triennial revaluation of pension funds at 31 March 2020, when contribution rates are redetermined. There may be a funding pressure, with councils having to make additional future employer contributions to cover the increased liabilities.

Other issues affected revised pension liabilities

53. While the impact of McCloud was the main element in the revised figures, there were other factors involved including Guaranteed Minimum Pension (GMP) equalisation (due to contracting out of the state earnings related pension scheme (SERPS) in April 1978). This provided for reduced employer and employee National Insurance contributions in return for members receiving a GMP from an occupational pension scheme. GMPs are discriminatory in various ways. For example, they are payable at 60 for female members and 65 for male members and they have built up at different rates, reflecting the earlier payment age for women. An interim method of calculating the cost of persons retiring between April 2016 and April 2021 has been agreed by HM Treasury.

54. In a few other cases, there were specific issues which were updated in the revised actuarial valuations. For example, in Aberdeenshire, the actuary had not reflected the impact of the backdated pay award, and in Aberdeen City, Stirling and Dumfries and Galloway, the initial calculations were based on the estimated investment position for the year end and this was revised to actual data in the audited statements.

55. The total impact of the above issues on councils' pension liabilities was £0.5 billion (or 5.5 per cent).

Local auditors reported some issues with severance cases

56. Some auditors reported that business-case calculations of the cost and benefits of severance were not taking into account all costs that they would expect to see. Auditors also found that some councils were using longer than expected payback periods: this is the length of time it would take the council to recoup the cost of the severance through expected savings in salary costs. The Scottish Government recommends this be no longer than two years, but auditors found examples of this being up to five years.

57. These severance cases often came as the result of restructuring at senior levels, with the intention of making future cost savings. Councils need to ensure that a robust business case is prepared for severance or early retirement that considers the long-term financial commitment of these decisions.



Does the council prepare business cases for severance proposals and are these reported to councillors?

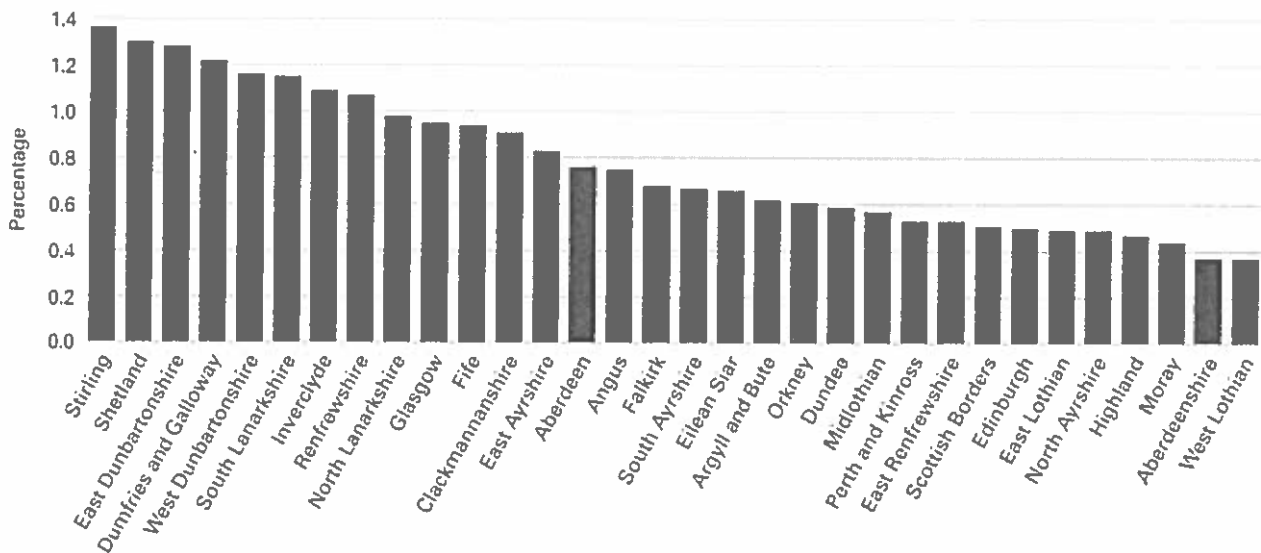
All councils have ongoing commitments in respect of unfunded pension liabilities, but the extent of these costs vary

58. Unfunded liabilities are pension amounts that are not met by the pension schemes, but by the individual employer. These can occur when an employer approves an early retirement, without actuarial reduction and with enhanced pension. All councils have ongoing commitments arising from past decisions on early retirements. Exhibit 11 shows that for some councils this ongoing cost represents more than one per cent of their annual net operating expenditure.

Exhibit 11


Annual cost of unfunded benefits as a percentage of net operating expenditure

Annual payments for historic early retirements vary significantly.



Source: Audited financial statements 2018/19 and IAS19 valuation reports by actuaries

Financial management and transparency

Management commentaries  do not always explain the link between budget outturn and the financial performance in the accounts or achievement of planned savings targets

59. In last year's report, we highlighted three key aspects to an assessment of whether financial reporting is transparent in the management commentaries:

- Is the outturn against budget position for the year clearly shown with the reasons for significant variances obvious?
- Is the outturn reported in the narrative reconciled to the movement in the general fund contained in the financial statements and major differences explained?
- Is progress against agreed savings reported?

60. Our review of 2018/19 management commentaries found that:

- Both Comhairle Nan Eilean Siar and The Highland Council included these key aspects of transparency in their management commentaries.
- Nearly all councils reported their year-end outturn, but five councils did not provide explanations for significant variances from budget.
- Nine councils reported the outturn in the management commentary but this was not reconciled to the financial performance in the accounts. This narrative is critical to the understanding of a council's performance against budget and how this translates into the movement on the general fund reported in the accounts.
- Only ten councils reported progress against agreed savings.



Management commentaries

A management commentary is a report by the council, set out with its annual accounts. It should provide information on the council's strategic priorities and key risks, as well as a balanced analysis of the financial and wider performance of the council in the year.



Does the management commentary of the council (and of the IJB accounts) show the outturn against budget reconciled to movement in the general fund and progress against agreed savings plans?

Part 3

Councils' financial outlook



Key messages

- Scottish Government revenue funding to local government in 2019/20 increased by 2.9 per cent in cash terms (0.9 per cent in real terms).
- In 2019/20, the Scottish Government increased the cap on council tax increases. Twelve councils decided to increase council tax by the full amount (4.8 per cent).
- Many councils are also seeking other ways to increase income, including increasing fees and some have introduced new charges in 2019/20. Some councils also continue to pursue new local taxes.
- Councils' 2019/20 financial plans identified a total funding gap of £0.5 billion (three per cent of income). This continues the increasing pressure on councils to find further cost savings, redesign services, reduce services, increase income or use reserves. These decisions are likely to become increasingly difficult for councillors. Councils planned to manage their funding gaps mainly through identified cost savings.
- All councils have medium-term financial planning covering three years or more. Long-term financial planning has not progressed since last year.
- The Scottish Government has made a commitment to set out multi-year budgets, which will assist councils with financial planning.
- Councils have made preparations for EU withdrawal but there are many potential implications that cannot be anticipated in financial planning.

2019/20 funding settlement

Scottish Government revenue funding to local government in 2019/20 increased by 0.9 per cent in real terms

61. The Local Government revenue settlement from the Scottish Government in 2019/20 increased by 2.9 per cent (cash terms) from 2018/19 to £10.1 billion. This was a real-terms increase of 0.9 per cent. Over 80 per cent of the increase is due to growth in specific revenue grant funding.

Medium- and long-term financial planning

The Scottish Government has made a commitment to set out multi-year budgets, which will assist councils with financial planning

62. The funding settlement to councils continues to be provided on an annual basis. This makes it challenging for councils to plan and budget effectively for the medium term. The Scottish Government planned to publish indicative multi-year revenue budgets in December 2019 covering a three-year period,⁴ and to then publish a three-year indicative capital budget in the summer of 2020. However, it is unlikely to produce these this year. The Commission views this commitment to multi-year budgets as a positive step and will monitor and report on progress and the impact on council planning in future overview reports.

63. The Scottish budget is becoming increasingly complex. It is subject to greater uncertainty and volatility than when the majority of its funding was relatively fixed through the block grant from the UK Government. The way the Scottish economy performs relative to the rest of the UK now has a greater influence on public finances than ever before. Given Scottish Government funding remains the most significant source of income for councils, this volatility in the Scottish budget holds uncertainty and risks for funding to councils. This adds to the complexity and challenges for councils in planning for the medium and long term.

64. On 30 May 2019, the Scottish Government published its second medium-term financial strategy.⁵ Income tax forecasts in the strategy suggest that the Scottish Government may need to budget for a significant revenue shortfall in each of the next three years, because forecasts have fallen since budgets were set. This shortfall could total £1 billion over the three years covered by the strategy.

65. The strategy continues to lack detail of proposed spending priorities or plans or how these might address the budgetary challenge. It does set out principles which will be used in a future spending review, although the timing of this remains uncertain. In September 2019, the Auditor General reported⁶ that the strategy 'does not reflect all the basic components of a medium-term financial plan. It does not include indicative spending plans or priorities, or links to outcomes. There is no detail on how the Scottish Government would address a possible £1 billion shortfall due to forecast errors'.

All councils have medium-term financial planning, but the content could be improved

66. In 2019/20, all councils had financial plans that covered at least three years.

67. Medium-term financial plans should be at the core of strategic planning and decision-making. In order to ensure these decisions are made with the most current and accurate information, medium-term financial plans should be reviewed and refreshed annually and maintained as a rolling three- to five-year plan.

68. Local auditors reported that the content of medium-term financial plans varied:

- 28 (or 90 per cent) included estimates for Scottish Government funding
- 25 (or 81 per cent) included a total projection for net expenditure
- 18 (or 58 per cent) included projections of net expenditure at service level



Audit Scotland published a briefing in October 2019, *Scotland's new financial powers: Operation of the Fiscal Framework 2018/19* 

This sets out an overview of how the Scottish budget operated during 2018/19, how the Fiscal Framework operated, provides an update of the main risks that affect the Scottish budget and what these mean for the management of the Scottish public finances.



The 2018/19 audit of the Scottish Government Consolidated Accounts September 2019 

- 17 (or 55 per cent) included projections for service income
- 21 (or 68 per cent) included projections for the costs of borrowing.

69. There is scope for the content of financial planning to improve to include the elements in **paragraph 68 (page 29)** and assist members and other stakeholders in determining which services are likely to experience the biggest budget pressures, how service income is expected to contribute to the overall position and the extent to which relatively **fixed costs** ⓘ such as borrowing and unfunded pension liabilities affect the budget position.

A third of councils have financial plans that cover more than five years

70. Long-term financial planning has not progressed since last year. Financial planning, covering more than five years, was identified in just ten councils. Last year we reported 16 councils, but further work indicates some of these have not been updated and now refer to less than five years or are limited to capital expenditure plans.

71. Long-term financial planning is particularly important in the context of increasing financial challenges and wider demands on services, in order to manage financial challenges and to make well-informed decisions, which are aligned to council priorities.

Financial pressures in 2019/20 budgets

72. Councils' 2019/20 budget papers set out some common themes in the pressures that councils identified:

- Changes to staff-related costs generated significant pressure on budgets. For example, the local government pay offer made by COSLA and accepted by the Scottish Joint Council (SJC), which led to a pay increase of 9.5 per cent over the three-year period from 2018 to 2021.
- Demand pressures, particularly the expected population growth in some council areas, the increasing proportion of the population that is over 65 and over 75 years and other demographic changes.

Councils' identify a total funding gap of three per cent in 2019/20 budgets

73. Councils' 2019/20 financial plans identified a total funding gap of £0.5 billion (three per cent). This is consistent with the three per cent gap in 2018/19. This continues the increasing pressure on councils to find cost savings, reduce services, increase income and/or use reserves and these decisions are likely to become increasingly difficult for councillors.

74. The basis and timing of the reported gap can vary from council to council. For example, two councils stated their funding gap after including a council tax increase, but the majority included council tax as one of their measures to close an identified gap. Councils could be more consistent in their presentation of the funding gap.

75. Funding gaps identified in 2019/20 budgets ranged from one to seven per cent across councils. Councils most frequently reported a gap of between two and four per cent. Aberdeen City and Clackmannanshire councils identified the largest funding gaps, relative to the councils' total funding and income (excluding HRA), of between six and seven per cent.



Fixed costs

Fixed costs remain unchanged in the short term over a wide range of activity. Their presence magnifies the effect of overall budget reductions or demand increases on the remaining budget.



Does your council have medium- and long-term financial plans and do they include a range of potential funding and financial scenarios?

Does the medium-term plan provide sufficient information on estimated Scottish Government funding, projected net expenditure (in total and for each service), projections for service income, projections for cost of borrowing?

Councils managed their funding gaps mainly through identifying planned savings

76. Exhibit 12 sets out the proposed measures to address the funding gap across councils. Savings plans were the most common action, contributing £352 million (66 per cent) to the identified funding gap. This will include plans for cost reduction and service redesign. Of these savings **i**, 96 per cent were 'recurrent', with only 4 per cent 'non-recurrent'.

77. Council tax increases provided a further £89 million (17 per cent) of income to bridge the gap. Increase to fees and charges for services made a minor contribution too (three per cent). The planned use of reserves made up the shortfall in the funding gap of £73 million (13 per cent) with 17 councils planning to use reserves to bridge the funding gap.

i

Savings

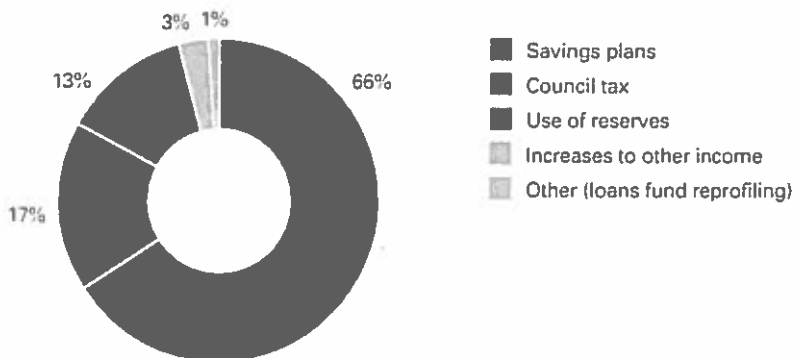
Recurring savings are savings, that once achieved, recur year-on-year from that date.

Non-recurring savings are one-off savings that apply to one financial year and do not result in ongoing savings in future years.

Exhibit 12

Planned savings were the most common way of addressing funding gaps

66 per cent of the funding gap in 2019/20 is to be met through planned savings measures.



Source: Local auditor returns and council budget papers 2019/20

78. The position is unique to each individual council, for example East Renfrewshire Council identified a funding gap of £15.3 million, or five per cent of its funding and income (excluding HRA). The agreed budget identified that the gap was to be met through:

- Planned savings – £9.33 million (61 per cent)
- Use of reserves – £4.31 million (28 per cent)
- Three per cent council tax increase – £1.63 million (11 per cent).

Fees, charges and local taxation

Many councils have been increasing fees and some have introduced new charges

79. Charges for services vary across councils. For example, some councils do not charge for music instruction but the majority have an annual charge. This varies significantly from £117 in Inverclyde Council to £524 in Clackmannanshire Council.⁷

80. Many councils are increasing charges for services. An analysis of 18 types of charges indicates that two of the largest increases from 2018/19 to 2019/20 were applied to:

- Community alarms, 22 councils provided information on this charge and the average increase was 19 per cent.
- Bulky waste uplift, where 27 councils reported an average increase of eight per cent.

81. Some councils continue to introduce new fees and charges. These include:

- garden waste uplift
- the expansion of parking charges
- new charges associated with funerals (for example, use of multi-media)
- licensing (for example, new licences for public entertainment)
- planning services (for example, pre-application meeting charges).

Greater council tax increases were deployed in 2019/20 than in previous years

82. In 2019/20, the Scottish Government increased the cap on council tax increases to 4.8 per cent in cash terms (3.0 per cent in real terms). Twelve councils decided to increase council tax by the full amount (4.8 per cent). Thirteen councils increased it by three per cent and the other seven by between 3.9 and 4.5 per cent.

Councils continue to pursue new local taxes

83. As we reported in our report *Local government in Scotland: Challenges and Performance 2019* , local authorities are exploring new ways in which to raise tax locally.

84. The City of Edinburgh Council has endorsed a proposal for an Edinburgh transient visitor levy or 'tourist tax'. This would be based on a charge of £2 per room per night applying all year round for all accommodation types within the council boundary, except for campsites, for a maximum of seven consecutive nights. This scheme is expected to raise up to £14.6 million a year. Implementation of this will require legislation to be passed by the Scottish Parliament. The government has included a Transient Visitor Levy Bill in their 2019/20 programme for Scotland (*Protecting Scotland's Future: the Government's Programme for Scotland 2019–2020*). The Bill aims to provide local authorities with discretionary powers to apply the charge with the income being used to fund local authority expenditure on tourism.

85. In October 2019, the Transport Act was passed. The Scottish Government supported amendments to the Bill at stage two of the legislative process, which provide local authorities with the discretionary power to apply a workplace parking levy.

EU withdrawal

86. EU withdrawal has the potential to exacerbate the existing financial pressures faced by councils. The risk of increased cost of goods and services from the EU is one of the more immediate concerns. Longer term, councils are concerned about the wider economic implications for public finances and the impact on their local areas. For example, increases in interest rates, reduction in business investment or an increase in unemployment and poverty are all risks to councils' communities and therefore to councils' financial planning.

87. The Scottish Government has allocated £1.6 million (£50k per council) to support ongoing work in councils to coordinate preparations for leaving the EU. It has also approved £7 million for a Rapid Poverty Mitigation Fund, to enable councils to respond to anticipated increased demand in the event of a no-deal exit. This includes scaling-up existing measures such as the Scottish Welfare Fund and Discretionary Housing Payments and supporting people in food or fuel poverty.



In December 2019, we plan to publish a briefing on how the public sector in Scotland has responded to EU withdrawal. This will be available on the [Audit Scotland website](#) .

Part 4

Integration Joint Boards overview 2018/19



Key messages

- The pace of health and social care integration has been too slow and there is limited evidence to suggest any significant shift in spending from health to social care.
- Overall, IJB budgets increased by three per cent in 2018/19.
- The identified budget gap reduced from £248 million (2.9 per cent of total income) in 2018/19 to £208 million (2.5 per cent of total income for 2019/20).
- A majority of IJBs struggled to achieve break-even and 19 would have recorded a deficit without additional funding from partners at the year end.
- Around a third of the IJBs failed to agree a budget with their partners for the start of the 2019/20 financial year. For several IJBs, although the budget was set on time, it still had an element of unidentified savings which meant it was unbalanced at the start of the year.
- A focus on long-term financial planning is required by IJBs to assist effective decision making that will support long-term financial sustainability.
- Over a third of IJB senior staff have changed during 2018/19.

Funding and expenditure

Overall, IJB budgets increased by three per cent in 2018/19

88. Overall total IJB funding increased by three per cent in 2018/19 and this was reflected in a three per cent increase in total expenditure of £0.3 billion to £8.6 billion. The total contributions from councils increased from £2.4 to £2.5 billion and NHS contributions from £5.9 to £6.1 billion.

The pace of progress with integration has been too slow

89. The average proportion of NHS and council funding to IJBs (71 per cent/ 29 per cent) and expenditure incurred (64 per cent/ 36 per cent) remains consistent with the previous two years. This does not indicate any significant shift in health and social care spend between partners and this finding is consistent with the Scottish Government's spending and performance update [\[1\]](#).

90. As a result of concerns about the pace of health and social care integration, the Cabinet Secretary for Health and Sport commissioned a review of progress. This was conducted in late 2018. The Ministerial Strategic Group for Health and Community Care (MSG) published its findings in February 2019 and set out proposals for ensuring the success of integration. Following publication of its review, the MSG issued a self-evaluation template. This aimed to evaluate the current position on the findings of the review. This exercise will be repeated to demonstrate any progress made.



NHS in Scotland 2019
October 2019

91. The Auditor General commented in *NHS in Scotland 2019* , October 2019, in relation to health and social care reform that the pace of change has been too slow. She recommended that the Scottish Government in partnership with NHS boards and integration authorities should 'develop a new national health and social care strategy to run from 2020 that supports large-scale, system-wide reform, with clear priorities that identify the improvement activities most likely to achieve the reform needed'.

More IJBs now hold reserves, but this varies significantly

92. A further £34 million was added to IJB reserves in 2018/19, which now total £158 million or 1.8 per cent of total expenditure (1.5 per cent in 2017/18). Some of this increase in reserves is as a result of IJBs holding unspent earmarked funding from the NHS, including those associated with Primary Care Improvement Fund and the Mental Health Strategy. More IJBs now hold some level of reserve (26 in 2018/19 compared to 22 in 2017/18) (Exhibit 13, page 36). The IJBs without any reserve include Fife, Scottish Borders and South Ayrshire. One IJB, North Ayrshire, continues to hold a negative reserve of -£4.9 million. In 2018/19, the IJB started to repay this debt to the council and the remainder will be repaid in future years. This expectation of future 'repayment' of historic overspends is also identified as an issue in Argyll and Bute.

93. Of those IJBs with reserves, the position varies from Argyll and Bute with 0.1 per cent of total annual expenditure held as reserve (£0.3 million) to Eilean Siar with 9.8 per cent (£5.8 million).

2018/19 financial position

The majority of IJBs struggled to achieve break-even

94. In 2018/19, 20 IJBs reported a surplus, two reported break-even and eight reported a deficit. The overall position was an underspend of £34 million. A number of IJBs failed to deliver all of their planned savings in the year and many have struggled to achieve financial balance, requiring additional funding from partners. Without this additional funding, 19 would have recorded a total deficit of £58 million.

Recruitment challenges present a risk to service sustainability

95. Some IJBs have indicated that staffing issues have contributed to either overspends or underspends against budgets.

96. In the case of Eilean Siar, recruitment difficulties contribute to underspends against the IJB budget. The apparent healthy financial position masks issues of service sustainability, which are stated in the IJB's management commentary: 'Recruiting staff is already proving difficult for both nursing and social care staff and is expected to worsen as the available workforce on the islands decreases.'

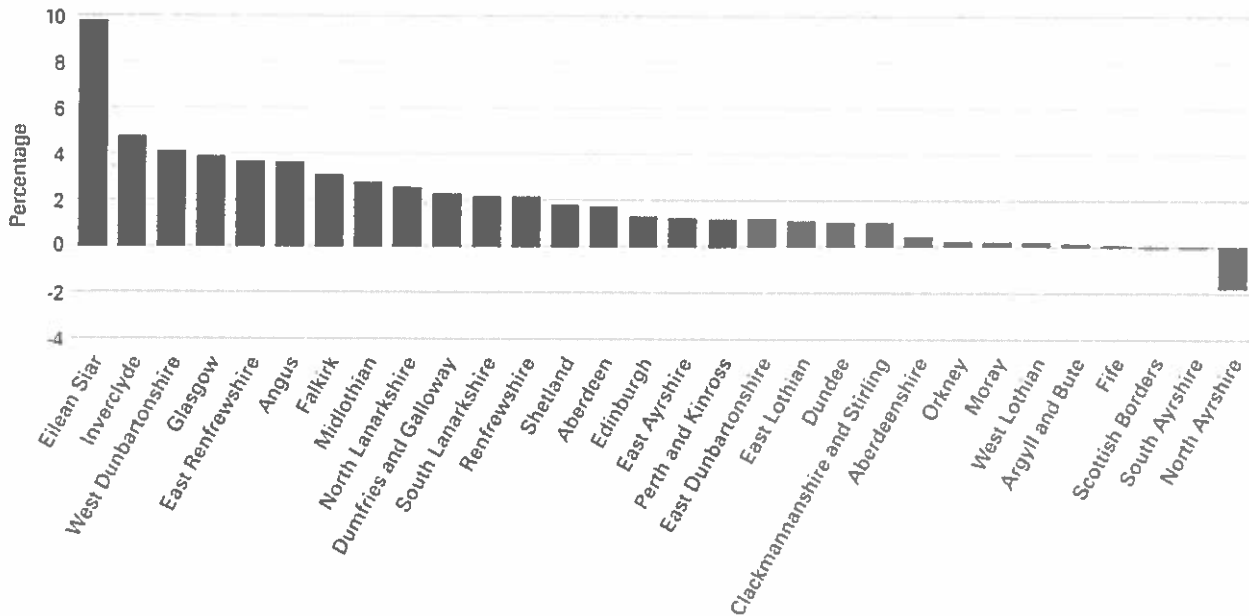


What is your IJB's reserve policy?

Are the commitments made reviewed annually to ensure they reflect the best use of the IJB's reserves?


Exhibit 13

Integration Joint Board reserves as a percentage of total spend, 2018/19
 More IJBs (26) now hold a reserve, but this varies significantly.




Source: Audited financial statements 2018/19

97. Other IJBs have highlighted the risks that recruitment difficulties could present for the sustainability of services in the future. In Dumfries and Galloway, consultant vacancy rates have averaged around 20 per cent over the last two years and there has been a seven per cent increase in the use of agency staff. Edinburgh has reported that 45 per cent of their workforce are aged over 50, which could cause capacity and supply issues in the future.

98. Audit Scotland’s report, *NHS workforce planning – part 2* , highlights pressures on the primary care workforce linked to recruitment and retention. The Scottish Government acknowledges the pressures on the workforce but has not estimated the impact they will have on primary care services. Integration Joint Boards are responsible for planning, designing and commissioning services and need to think differently about how these services can be delivered with the resources available.



NHS workforce planning – part 2
 August 2019 

Financial planning

Budgets were not always agreed by 1 April and budgets included unidentified savings plans



99. Having clear, complete and detailed agreed budgets is a fundamental business and governance tool. Fourteen IJBs failed to agree a budget with their partners for the start of the 2018/19 financial year. This position improved for 2019/20, with 11 encountering a delay that meant the budget was not formally agreed by 1 April 2019.



Is a budget agreed by the IJB before the start of the financial year? If not, why not?

100. Just under half of IJBs had budgets that included some unidentified savings. This meant the budgets were not balanced at the start of the year.

101. Our review of annual audit reports found that several IJBs, including Fife and Shetland, failed to deliver planned savings in year. This will have contributed to the financial pressures incurred.

102. The results from the national self-assessment tool developed in response to the Auditor General and Accounts Commission's report, *Health and social care integration: update on progress* , and the *Review of Progress with Integration of Health and Social Care*  report by the Ministerial Strategic Group for Health and Community Care indicate that IJBs recognise the timely agreement of budgets is an area for improvement. Eighteen IJBs assessed this area as either 'not established' or only 'partly established'.

Financial outlook

Medium-term financial planning is improving

103. Last year we reported that only a third of IJBs had a medium-term financial plan in place and that there was no evidence of longer-term financial planning. Since then, the position on medium-term financial planning has improved with auditors reporting that over two-thirds of IJBs have a medium-term financial plan. Over half of these covered a three-year period, with the remainder covering a longer period of between four and five years. Two thirds of the IJBs with medium-term financial plans reviewed them on an annual basis.

104. The plans typically included projections of net expenditure, income and projected funding gaps. Where estimates were included on pay growth, non-pay costs, demand and changes in government funding the estimated rates were found to vary significantly.

105. No IJBs had a financial plan that extended for more than five years. A focus on longer-term financial planning is required by IJBs as changes under integration are only likely to be achieved in the longer term.

The projected funding gap is £208 million for 2019/20

106. Auditors identified a total estimated funding gap of £208 million for 2019/20, representing 2.5 per cent of total income. This is an improvement in comparison to 2018/19 (£248 million or 2.9% of total income). The 2019/20 funding gap as a proportion of total income varied between zero and 7.6 per cent.

107. Exhibit 14 (page 38) shows how IJBs propose to bridge the 2019/20 funding gap. Of the £208 million, 59 per cent was anticipated to be met by identified savings and 30 per cent by unidentified savings plans. Seven IJBs planned to cover part of the estimated funding gap from reserves.



Does the medium-term plan provide sufficient information on host partner funding, projected net expenditure, projections for income, projections for cost of borrowing?

Does the IJB have a transformation plan?

Does it clearly set out the aims and objectives and how and when these will be achieved?

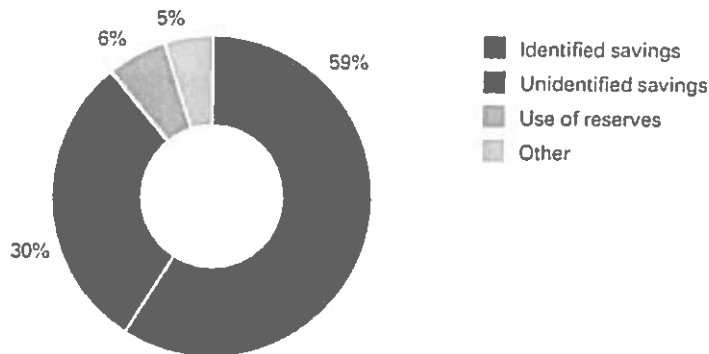


How big is the funding gap for your IJB relative to the total budget?

Exhibit 14

Plans to address 2019/20 funding gap


Savings had not been identified for 30 per cent of the 2019/20 funding gap.



Source: Auditor returns and IJB board papers

Wider governance issues

Over a third of IJB senior staff have changed during 2018/19

108. Based on data returns from auditors we found that over a third of IJBs have experienced turnover in their chief officer or chief finance officer in the year. In some cases, both these postholders have changed. Our report *Health and social care integration*  highlighted the risk of leadership changes and capacity to the transformation of services and successful integration.

109. The annual audit report for Argyll and Bute notes that the turnover in key staff led to weaknesses in financial reporting and a reduced focus on the delivery of approved savings. The chief officer changed, and two chief finance officers left the IJB in an eight-month period. Interim cover on a part-time basis was provided by the council's section 95 officer from December 2018 to June 2019, when a permanent appointment was made to the new role of head of finance and transformation.





Health and social care integration: update on progress


November 2018 


Endnotes



- 1 Convention of Scottish Local Authorities.
- 2 Scottish Parliament Information Centre.
- 3 *Local government in Scotland: Challenges and performance 2019* , Accounts Commission, March 2019.
- 4 SPICe briefing on the Scottish Government's Medium-term Financial Strategy, May 2019.
- 5 *Scotland's Fiscal Outlook*, Scottish Government, May 2019.
- 6 *The 2018/19 audit of the Scottish Government Consolidated Accounts* , Auditor General, September 2019.
- 7 *Instrumental Music Services: Results from the IMS Survey May-July 2018*, Improvement Service, 2018

Local government in Scotland Financial overview 2018/19

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along with a podcast summary at:
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Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
T: 0131 625 1500 E: info@audit-scotland.gov.uk 
www.audit-scotland.gov.uk 

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APPENDIX 2

Report Reference	Key Message	East Dunbartonshire HSCP Position
8	A majority of IJBs struggled to achieve break-even in 2018/19, either recording a deficit or relying on additional funding from partners	East Dunbartonshire IJB delivered a deficit on budget of £3m for 2018/19 (after adjusting for ear marked funding). In order to set a balanced budget for 18/19 there was a planned use of £2.04m of general reserves, however given the additional pressures during 18/19, a further £0.8m of reserves was required. This left the partnership with a small balance on general reserves going forward (£46k) and it is likely that the HSCP will have to rely on additional partnership contributions to balance the budget for 2019/20.
9	Around a third of the IJBs failed to agree a budget with their partners for the start of the 2019/20 financial year.	The IJB had agreed its budget with both partners ahead of the 2019/20 financial year.
10	Medium-term financial planning is improving but no IJB had a financial plan that extended for more than five years. A focus on developing longer-term financial planning is required by IJBs.	The IJB is developing longer term financial planning arrangements which support longer term transformation programme activities to fundamentally change the way health and social care services are delivered within East Dunbartonshire and ensure financial sustainability going forward in the context of significant funding constraints and demographic and cost pressures.
11	Over a third of IJB senior staff have changed during 2018/19	While there have been changes to senior staff and the role of Chief Officer in previous years, there has been a period of relative stability during 2018/19 with the Chief Social Work Officer leaving the service due to ill health requiring interim arrangements to cover these duties. In the last quarter of 19/20, the Chief Officer is currently on secondment and a number of interim arrangements are currently in place to support this change.

**EAST DUNBARTONSHIRE HEALTH & SOCIAL CARE PERFORMANCE, AUDIT & RISK
COMMITTEE**

Date of Meeting	17 th March 2020
Subject Title	Community Support Team: Care Inspectorate Report
Report By	Claire Carthy
Contact Officer	Claire Carthy

Purpose of Report	The purpose of this report is to inform the Committee about the outcome of the recent inspection of The Community Support Team.
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Recommendations	The Performance Audit & Risk Committee is asked to: a) Note the content of The Care Inspectorate Report on The Community Support Team.
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Relevance to HSCP Board Strategic Plan	Local Outcome 3: Our Children Are Safe, Healthy and Ready To Learn. HSCP Strategic Plan: Outcome 1 and Outcome 5
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Implications for Health & Social Care Partnership

Human Resources:	N/A
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Equalities:	N/A
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Financial:	N/A
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Legal:	N/A
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Economic Impact:	N/A
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Sustainability:	N/A
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Risk Implications:	There are no risks associated with this report.
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Implications for East Dunbartonshire Council:	Positive implications in regards outcomes for children, young people and families who require support to prevent escalation through the statutory system and recovery from traumatic events. Positive for HSCP, EDC and NHS GG&C.
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Implications for NHS Greater Glasgow & Clyde:	Positive.
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Direction Required to Council, Health Board or Both	Direction To:	
	1. No Direction Required	x
	2. East Dunbartonshire Council	
	3. NHS Greater Glasgow & Clyde	
	4. East Dunbartonshire Council and NHS Greater Glasgow and Clyde	

<p>MAIN REPORT</p> <p><u>Detailed evaluations</u></p> <p>Quality of care and support 5 - Very Good</p> <p>Quality of management and leadership 6 - Excellent</p> <p><u>Please refer to the full Care Inspectorate Report attached.</u></p>

East Dunbartonshire Council: Community Support Team Support Service

Broomhill Industrial Estate
Kilsyth Road
Kirkintilloch
Glasgow
G66 1TF

Telephone: 0141 777 3000

Type of inspection:

Unannounced

Completed on:

17 January 2020

Service provided by:

East Dunbartonshire Council

Service provider number:

SP2003003380

Service no:

CS2012308199

About the service

East Dunbartonshire Council Community Support Team provide a support service to children and their families who are normally resident within the local authority area.

The stated aims of the service include:

- To provide a support service which improves the outcomes for vulnerable children, young people and families within the principles of Getting it right for every child and to help them meet their potential in a safe, healthy environment.
- To work with families and other professionals to make positive change, using early intervention to make a significant difference in helping children and young people achieve better outcomes and reach their full potential.

The service operates with a team manager, an organiser and a team of front line staff made up of social work assistants and family support workers. At the time of inspection, the service was providing care to around 100 children and young people and their families. The community support team offers flexible support seven days per week from 08:00 to 21:00.

What people told us

During this inspection, we spoke with four families by telephone and received a further 14 completed care standards questionnaires. This was a high response rate and the feedback we received was overwhelmingly positive with many families commenting on the quality of relationships with their workers, the responsiveness of the service and the lack of judgement from staff. Comments included:

"The support I receive from XXXX [member of staff] is very helpful and needed."

"Our safety has always been a priority. We have been supported above and beyond our needs."

"I have a comfortable relationship with XXXX [member of staff] where I feel I can be open and honest."

"I feel the support has had a very positive outcome within our family."

"I have known many of the staff for years."

"I have developed good relationships with staff."

"I found XXXX [member of staff] to be very helpful. He has been respectful and helped us understand what the service could do to support us. He has been very patient with my son and it is clear he is listening to his needs and wishes."

"I have never had a bad thing to say about the service or the workers who visit me."

"They develop good relationships with children."

"There is nothing they could do better."

"I don't want the service to stop."

"They gave me a lot of help to get me back into my own accommodation, they helped with the day of moving"

"I am confident that they will stay with me until I feel I don't need them any more."

Self assessment

There was no self assessment requested for this inspection year.

From this inspection we graded this service as:

Quality of care and support	5 - Very Good
Quality of staffing	not assessed
Quality of management and leadership	6 - Excellent

Quality of care and support

Findings from the inspection

We found that the service was promoting positive relationships with families which were supporting a range of positive outcomes. Staff presented as knowledgeable and were developing strong and nurturing relationships with families and young people. We were told that families were being supported to keep safe.

From initial referral stage, there was evidence of full involvement of families in the development of care plans and a high level of multi-disciplinary collaboration ensured that there was detailed information available to support the development of care plans. Very good care planning arrangements meant that care and support was carried out in a manner best suited to the individuals and families told us that support was respectful and non-judgemental. We saw the safety of families being improved through the use of robust risk assessments.

Records we sampled were detailed and paperwork was based on the SHANARRI (safe, healthy, achieving, nurtured, active, responsible, respected and included) wellbeing indicators from Getting it right for every child (GIRFEC).

We heard from staff that there was consideration on the matching of families to workers and that the skill base of staff was used to best effect. This matching was further discussed in staff supervision and development opportunities were provided to enable staff to develop professionally.

Staff had a very good understanding of how to protect young people and families from harm and were aware of best practice in relation to child protection and adult protection. Families and young people were encouraged to develop the skills and knowledge to understand risk and make informed decisions to make their lives as safe as possible.

We were pleased to see that the commitment and ethos in service user participation continued and we saw the service consistently seeking feedback on all aspects of the service. The voice of the families was being used to shape the service especially in the development of new office premises.

Since the last inspection, the service had continued to develop a range of supports and we saw that young people had been involved in some group activities which had improved resilience, respect and safety. We heard that people being supported had a voice within the service.

Requirements

Number of requirements: 0

Recommendations

Number of recommendations: 0

Grade: 5 - very good

Quality of staffing

This quality theme was not assessed.

Quality of management and leadership

Findings from the inspection

During this inspection, we saw an extremely stable, knowledgeable and committed management team who had a strong vision for the service. The management team had continued to be extremely aspirational in their development of the service. Creative and innovative new initiatives such as community based groups and specific groups for young people had been developed. These were achieving a range of excellent outcomes.

Staff told us that the management team was approachable and knowledgeable. They were seen as strong role models who were providing a cohesive and consultative approach to the service development. Staff received regular, supportive supervision which was used to discuss individuals' workloads as well as to identify any professional development issues or areas of training need. Support was seen to be both formal and informal, and shared premises with local authority colleagues was seen as a positive feature of the shared knowledge and learning of the team. Training provided to the team was of an exceptionally high level and all staff will be supported to proceed through SVQ training to further enhance their professional skill base.

There were regular team meetings and development days and we could see from records, and from what staff told us, that many of the developments within the service had come from practice discussions within these settings. Staff told us their views were valued and respected and the team as a whole had been innovative in its consideration of how to further improve outcomes for families through continued development of their service provision. Extremely effective review and quality assurance processes meant that very positive outcomes were consistently being achieved for families and young people.

The service continued to use a superb process for managing change with small tests supporting high quality and ongoing improvement and ensuring that the voice of staff, families and stakeholders were all taken into consideration.

We were confident that the ethos and culture of the service will continue to encourage creative contributions and collaboration from staff and people using the service.

Requirements

Number of requirements: 0

Recommendations

Number of recommendations: 0

Grade: 6 - excellent

What the service has done to meet any requirements we made at or since the last inspection

Previous requirements

There are no outstanding requirements.

What the service has done to meet any recommendations we made at or since the last inspection

Previous recommendations

There are no outstanding recommendations.

Complaints

There have been no complaints upheld since the last inspection. Details of any older upheld complaints are published at www.careinspectorate.com

Enforcement

No enforcement action has been taken against this care service since the last inspection.

Inspection and grading history

Date	Type	Gradings
19 Mar 2019	Unannounced	Care and support 5 - Very good Environment Not assessed Staffing 5 - Very good Management and leadership Not assessed
12 Mar 2018	Unannounced	Care and support 5 - Very good Environment Not assessed Staffing Not assessed Management and leadership 6 - Excellent
28 Mar 2017	Unannounced	Care and support 5 - Very good Environment Not assessed Staffing 5 - Very good Management and leadership Not assessed
28 Jan 2016	Announced (short notice)	Care and support 5 - Very good Environment Not assessed Staffing 5 - Very good Management and leadership 5 - Very good
23 Dec 2014	Unannounced	Care and support 5 - Very good Environment Not assessed Staffing 4 - Good Management and leadership 5 - Very good

Date	Type	Gradings	
21 Nov 2013	Unannounced	Care and support	4 - Good
		Environment	Not assessed
		Staffing	4 - Good
		Management and leadership	4 - Good

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Contact us

Care Inspectorate
Compass House
11 Riverside Drive
Dundee
DD1 4NY

enquiries@careinspectorate.com

0345 600 9527

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অনুরোধনাপেক্ষে এই প্রকাশনাটি অন্য করন্যাট এবং অন্যান্য ভাষায় পাওয়া যায়।

یہ اشاعت درخواست کرنے پر دیگر شکلوں اور دیگر زبانوں میں فراہم کی جاسکتی ہے۔

ਬਿਨਤੀ 'ਤੇ ਇਹ ਪ੍ਰਕਾਸ਼ਨ ਹੋਰ ਰੂਪਾਂ ਅਤੇ ਹੋਰਨਾਂ ਭਾਸ਼ਾਵਾਂ ਵਿਚ ਉਪਲਬਧ ਹੈ।

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**EAST DUNBARTONSHIRE HEALTH & SOCIAL CARE PERFORMANCE, AUDIT & RISK
COMMITTEE**

Date of Meeting	17 March 2020
Subject Title	Adult Residential Services Inspection Reports
Report By	David Aitken, Interim Head of Adult Services, 0141 232 8218
Contact Officer	David Aitken, Interim Head of Adult Services, 0141 232 8218

Purpose of Report	The purpose of this report is to advise Members of the recent unannounced inspections within John Street and Meiklehill / Pineview residential services for adults with learning disabilities by the Care Inspectorate completed in December 2019 and January 2020.
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Recommendations	The Performance Audit & Risk Committee is asked to: Note the Inspection Reports for internal adult residential services.
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Relevance to HSCP Board Strategic Plan	The delivery of high quality and effective adult residential services is critical to supporting some of our most vulnerable citizens within East Dunbartonshire providing high quality care and support to adults with learning disabilities.
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Implications for Health & Social Care Partnership

Human Resources:	None
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Equalities:	None
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Financial:	None
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Legal:	None
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Economic Impact:	None
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Sustainability:	None
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Risk Implications:	None
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Implications for East Dunbartonshire Council:	The staffing employed within our internal adult residential services are Council employees and subject to the terms and conditions of the Council including requirements for statutory/mandatory
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	training to ensure safe practice and compliance with Care Inspectorate registration.
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Implications for NHS Greater Glasgow & Clyde:	None
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Direction Required to Council, Health Board or Both	Direction To:	
	1. No Direction Required	
	2. East Dunbartonshire Council	x
	3. NHS Greater Glasgow & Clyde	
	4. East Dunbartonshire Council and NHS Greater Glasgow and Clyde	

MAIN REPORT

1.0 Inspection Outcomes

- 1.1 The Care Inspectorate undertook unannounced inspections in both of East Dunbartonshire Council/HSCP residential services for adults with learning disabilities within John Street Care Home Service in December 2019, and Meiklehill / Pineview Housing Support Service in January 2020.
- 1.2 The John Street Care Home Service was inspected on the 18th December 2019. The inspection looked at two quality themes and the finalised report was published in January 2020. The published grades are as follows:
- How Well do we Support People's Wellbeing - Grade 5 (Very Good)
 - How Well is our Care and Support Planned – Grade 5 (Very Good)
- 1.3 The John Street service has maintained Grade 5 (Very Good) against all themes inspected and whilst we continue to seek to improve and it is encouraging to note that the Care Inspectorate recognised the quality of staffing and involvement of residents and focus upon person centred planning within the John Street service.
- 1.4 Grade 5 (Very Good) grades have been maintained across the service since the last inspection in 2018. There were no formal requirements or recommendations. The full report is included at Appendix 1.
- 1.5 The Meiklehill / Pine View Housing Service was inspected on the 9th January 2020. Similarly, the inspection looked at two themes within the Meiklehill / Pineview service, and the finalised report published in February 2020. The published grades are as follows:
- Quality of Care and Support – Grade 5 (Very Good)
 - Quality of Management and Leadership – Grade 5 (Very Good)

- 1.6 Meiklehill / Pineview grades have significantly improved since the Pineview service required being lead and managed by council / HSCP staff following the withdrawal of the National Autistic Society from the service. Within the Inspection report very positive views were expressed as to the quality of care and support provided to family members and additionally positive comments in respect of leadership are noted.
- 1.7 Grade 5 (Very Good) grades have been consistently maintained since the last inspection in 2018. In common with the John Street service there are no formal recommendations or requirements. The full report is included at **Appendix 2**.
- 1.8 Recommendation: The Committee is asked to note the Inspection Reports and Grade 5 (Very Good) inspection outcomes.

1.9 Appendices:

Appendix 1



John Street -
Inspection Report -

Appendix 2



Meiklehill Pineview
- Inspection Report

**EAST DUNBARTONSHIRE HEALTH & SOCIAL CARE PARTNERSHIP PERFORMANCE
AUDIT & RISK COMMITTEE**

Date of Meeting	17 th March 2020
Subject Title	Progress Update - Audit Scotland 2017/18 East Dunbartonshire IJB Annual Audit Action Plan
Report By	Jean Campbell, Chief Finance & Resources Officer
Contact Officer	Jean Campbell, Chief Finance & Resources Officer (0141 777 3311 Ext 3221)

Purpose of Report	The purpose of this report is to update the committee and provide assurances that the HSCP is discharging its responsibilities for delivering best value.
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Recommendations	The Performance, Audit & Risk Committee is asked to: a) Approve the Best Value Framework for the HSCP.
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Relevance to HSCP Board Strategic Plan	The annual audit report sets out a number of areas for improvement in financial governance, management, sustainability and assurance on value for money across the HSCP financial landscape. This ensures the partnership delivers on these key aspects which in turn supports the continued delivery of priorities set out within the strategic plan.
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Implications for Health & Social Care Partnership

Human Resources:	Nil
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Equalities:	Nil
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Financial:	The Annual Audit report provides an opinion on the annual accounts for the partnership and considers the wider audit dimensions that frame the scope of public sector audit requirements including value for money.
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Legal:	Nil
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Economic Impact:	Nil
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Sustainability:	Nil
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Risk Implications:	The report sets out the key risks for the partnership and an action plan which mitigates these risks.
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Implications for East Dunbartonshire Council:	None directly.
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Implications for NHS Greater Glasgow & Clyde:	None directly.
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Direction Required to Council, Health Board or Both	Direction To:	
	1. No Direction Required	X
	2. East Dunbartonshire Council	
	3. NHS Greater Glasgow & Clyde	
	4. East Dunbartonshire Council and NHS Greater Glasgow and Clyde	

MAIN REPORT

- 1.1 The Scottish Government have developed a best value framework to support public bodies in considering their responsibilities to secure best value and this has been completed for ED HSCP. A copy of the completed framework is attached as **Appendix 1**.
- 1.2 This framework provides a focus for demonstrating that the IJB is delivering its duties under best value. It is the duty of the IJB to secure BV as prescribed in Part 1 of the Local Government in Scotland Act 2003. This will be reviewed on an annual basis and presented to the board for assurances that this is being appropriately considered and delivered across the HSCP.

		HSCP Review as at March 2020
1.	Who do you consider to be accountable for securing Best Value in the IJB	<p>Integration Joint Board Integration Joint Board Performance, Audit & Risk Committee HSCP Chief Officer HSCP Chief Finance & Resources Officer Senior Management Team Extended Senior Management Team Parent Organisations around support services, assets and all staff who are involved in commissioning and procurement.</p>
2.	How do you receive assurance that the services supporting the delivery of strategic plans are securing Best Value	<p>Performance management reporting on a quarterly basis to IJB Explicit links between financial and service planning through Transformation Board updates Application of HSCP Performance Reporting and Quality Management Frameworks Monthly Performance Reports Annual Performance Report Audit and Inspection Reports Integration Joint Board Meetings – consideration of wide range of reports in furtherance of strategic planning priorities. Transformation Board scrutiny Finance and Planning Group (across partner organisations) Performance, Audit & Risk Committee scrutiny Clinical & Care Governance Group Strategic Planning Group Senior Management Team scrutiny (HSCP) Corporate Management Teams of the Health Board and Council Service specific performance updates to SMT on a monthly basis.</p>

		<p>HSCP Review as at March 2020</p> <p>Operational Performance Review: biennial scrutiny by CEOs of Council and Health Board Integrated Social Work Services Forum Business Improvement Planning (BIP) and How Good is our Service (HGIOS) reports to Council, including Local Government Benchmarking Framework analysis.</p> <p>The IJB also places reliance on the controls and procedures of our partner organisations in terms of Best Value delivery.</p>
3.	Do you consider there to be a sufficient buy-in to the IJB's longer term vision from partner officers and members	<p>Yes, the IJB has approved the 3 year Financial Plan aligned to its Strategic Plan which clearly sets out the direction of travel, work is about to commence on the next iteration of the Strategic Plan. There are challenges planning for the longer term because of annual budget settlements, however the HSCP is working to finalise a longer term financial plan supported by transformational activity to ensure sustainability going forward.</p> <p>The IJB has good joint working arrangements in place and has benefited from ongoing support, particularly in support of service redesign and transformation, from members and officers within our partner organisations over the past 12 months in order to deliver the IJBs longer term vision. Finance and Planning Group with partner organisation involvement to focus on budget performance, financial planning in support of delivery of strategic priorities. Regular meetings with respective partner organisation Chief Executives, Finance Leads and Chief Officer to focus on the HSCP financial position during 19/20. Quarterly OPR meetings with partner agency Chief Executives to focus on performance and good practice and any support required to progress initiatives.</p>
4.	How is value for money demonstrated in the decisions made by the IJB	<p>Monthly budget reports at service level and regular budget meetings with managers across the HSCP. IJB development sessions</p>

		<p>HSCP Review as at March 2020</p> <p>Chief Finance & Resources Officer Budget Monitoring Reports to the IJB</p> <p>Review of current commissioning arrangements across the HSCP to ensure compliance with Procurement rules through Parent Organisation processes in support of service delivery.</p> <p>All IJB papers carry a section that clearly outlines the financial implications of each proposal as well as other implications in terms of legal, HR, equality and diversity and linkage to the IJBs strategic objectives.</p> <p>The IJB engages in healthy debate and discussions around any proposed investment decisions and savings proposals, many of which are supported by additional IJB development sessions.</p> <p>In addition IJB directions to the Health Board and Council require them to deliver our services in line with our strategic priorities and Best Value principles – 'Optimise efficiency, effectiveness and flexibility'. This is in the process of being enhanced in light of the final strategic guidance on directions.</p>
5.	Do you consider here to be a culture of continuous improvement?	<p>The HSCP has an overarching Quality Management Framework that establishes a cultural and operational commitment to continuous improvement.</p> <p>The HSCP Clinical & Care Governance Group provides strategic leadership in developing a culture of continuous improvement with representation across all professional disciplines with a focus on improving the quality of services delivered throughout the partnership. There is a range of activity in this area:</p> <ul style="list-style-type: none"> • A number of HSCP service areas now have service improvement plans in place and a focused approach to quality/continuous improvement (QI). Examples of these

		<p>HSCP Review as at March 2020</p> <p>improvements are captured and reported through the Clinical & Care Governance Group and reported to the IJB.</p> <ul style="list-style-type: none"> • The Public Service User and Carers group has been involved developing improvement activity on areas highlighted through engagement events. • In addition, a number of service review and redesign work strands are underway/or planned to maximise effectiveness, resources and improve the patient/service users journey across East Dunbartonshire. • The HSCP Transformation Plan is focussed on proactively developing our health and social care services in line with national direction and statutory requirements, optimising the opportunities joint and integrated working offers; and ensuring any service redesign is informed by a strategic planning and commissioning approach (subject to regular IJB reports). • HSCP Organisational Development and Training, Learning and Education resources support services in undertaking improvement activity. • A wide range of stakeholder consultation and engagement exercises, to evaluate the quality of customer experience and outcomes. • Regular service audits, both internal and arms length. • An extensive range of self-evaluation activity, for example case-file assessment against quality standards. • There are opportunities for teams to be involved in Quality Improvement development, which includes ongoing support and coaching for their improvement activity through our organisational development lead. • Workforce planning and OD/service improvement (SI) activity is planned, monitored and evaluated through our Workforce People and Change leads.
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		<p>HSCP Review as at March 2020</p> <ul style="list-style-type: none"> • A Quality and Improvement Framework has been developed to support continuous improvement within the in-house Hoine Care Service. • A number of improvement actions are in place in response to the Strategic Services Inspection (2019) and the MSG self assessment framework as to where partnership are in delivery of integrated health and social care services.
6.	<p>Have there been any service reviews undertaken since establishment – have improvements in services and/or reductions in pressures as a result of joint working?</p>	<p>A robust process for progressing service reviews is in place with support from the Council's transformation team. A number of reviews have been undertaken including:</p> <ul style="list-style-type: none"> • Review of Integrated senior management structures – re focus of capacity within older people, adult and children's services to progress work to deliver on strategic priorities. Interim arrangement in place to support more effective scrutiny and oversight of service provision across these areas including development of a resource bureau model. • Homecare Review – concluded during 19/20 to undertake an objective and focused review of care at home services to identify improvements in service delivery and the sustainability of the service into the longer term. Initial service improvements made to support more effective discharge from and prevention of admission to hospital in line with strategic priorities, move to locality model, informed care at home framework requirements, roll out of CM2000 for externally purchased homecare to ensure best value on investment – revised model implemented in January 2020. • Review of Learning Disability Services - Whole System Review of services to support individuals with a learning disability including daycare provision and supported accommodation. Overarching Adult Learning Disability Strategy established that sets out redesign priorities. Fair access and resource allocation policy approved to manage current and future

		<p>HSCP Review as at March 2020</p> <p>demand on a sustainable basis and to achieve Best Value Day service element concluded with accommodation identified within the Allander development. Work underway to progress improvements and developments across LD in house and commissioned supported accommodation. Continued improvements in enhanced local daycare provision to negate need for expensive out of authority placements, review of alternative to sleepover arrangements through the use of technology, implementation of Fair Access to Community Care Policy.</p> <ul style="list-style-type: none"> • Review of Fostering Placements – continued review of balance of externally purchased fostering placements resulted in an increase in ED foster carers and efficiencies on budget for this area. • Review of Planning and Commissioning function to focus on a strategic commissioning approach and deliver improvements in commissioning and contracting practices in line with procurement and legislative requirements. <p>The HSCP is also participating in a number of reviews in collaboration with NHS GGC such as</p> <ul style="list-style-type: none"> • Un scheduled Care Review • Mental Health Review and 5 year Strategy <ul style="list-style-type: none"> • There are a number of planned service reviews to commence in support of service redesign and efficiencies as part of the transformation plan for 2020/21.
7.	Have identified improvement actions been prioritised in terms of those likely to have the greatest impact.	The oversight for any improvement activity identified through service review, inspection reports, incident reporting or complaints learning is through the Clinical and Care Governance Group. This is reported through the SMT, the Performance, Audit & Risk Committee and

		<p>HSCP Review as at March 2020</p> <p>the IJB to ensure priority is afforded to progress areas of high risk with scope for most improvement.</p> <p>The Transformation Board has a role to consider and oversee service redesign and transformation which will deliver service improvement including robust business cases and progress reporting to ensure effective delivery in line with strategic planning priorities and quality care governance and professional standards</p>
8.	What steps are taken to ensure that quality of care and service provided is not compromised as a result of cost saving measures.	<p>All savings proposals are subject to a full assessment which includes:</p> <ul style="list-style-type: none"> • Alignment to Strategic Plan • Alignment to quality care governance and professional standards including risk assessment by Professional Lead • Equalities impact assessed • Risk assessment by responsible Heads of Service and mitigating actions introduced • Stakeholder engagement as appropriate <p>Where possible, the HSCP look to take evidence based approaches or tests of change to ensure anticipated benefits are realised and there is no compromise to care.</p>
9.	Is performance information reported to the board of sufficient detail to enable value of money to be assessed	<p>Regular budget and performance monitoring reports to the IJB give oversight of performance against agreed targets with narrative covering rationale, situational analysis and improvement actions for areas where performance is off target. These reports are presented quarterly as well as the detailed Annual Performance Report. Financial performance reported every cycle to IJB. Plans to revise format of performance report to include finance narrative to provide linkages of impact of performance on the partnership financial position.</p> <p>The Transformation Plan aligns key priorities for service redesign and transformation to the delivery of efficiency savings which are</p>

		<p>HSCP Review as at March 2020</p> <p>regularly reported through the Financial monitoring reports to the IJB and regular scrutiny of the transformation plan through the Performance, Audit and risk committee.</p>
10.	<p>How does the IJB ensure that management of resources (finances, workforce etc.) is effective and sustainable</p>	<p>Workforce and Organisational Development plan linked to strategic plan. Oversight through Staff Partnership Forum and reporting through the IJB.</p> <p>Service review process involves staff partnership representation for consideration of workforce issues.</p> <p>Regular budget and performance monitoring reports to the IJB give oversight of this performance.</p> <p>Financial planning updates to the IJB on budget setting for the partnership highlighting areas for service redesign, impact and key risks. Regular review and update on reserves positions as a means of providing contingency to manage any in year unplanned events.</p> <p>All IJB reports contain a section outlining the financial implications of each paper for consideration.</p>