



MINUTES OF THE MEETING OF THE EAST LOTHIAN INTEGRATION JOINT BOARD

THURSDAY 26 NOVEMBER 2015
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON

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Voting Members Present:

Councillor S Akhtar
Mr M Ash
Councillor S Currie
Councillor J Goodfellow
Councillor D Grant
Mr A Joyce
Ms A Meiklejohn

Non-voting Members Present:

Ms M Allan
Dr R Fairclough
Dr A Flapan
Mr D King
Ms A MacDonald
Mr K Maloney
Mrs M McKay
Mr T Miller
Mr D Small
Dr J Turvill
Mr A Wilson

Officers Present:

Ms C Lumsden
Ms J McCabe
Mr A Milne
Ms J Ogden-Smith

Clerk:

Miss F Currie

Apologies:

Professor J Iredale
Ms F Duncan
Mr E Stark

Declarations of Interest:

None

1. MINUTES OF THE EAST Lothian INTEGRATION JOINT BOARD MEETING OF 29 OCTOBER 2015 (FOR APPROVAL)

The minutes of the East Lothian Integration Joint Board meeting of 29 October 2015 were approved subject to an amendment to Item 4, requested by Margaret McKay. This related to her question about existing arrangements for service users and carers and Mr Small's confirmation that these would remain in place while the new service model is developed.

2. MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 29 OCTOBER 2015

The following matters arising from the minutes of the meeting of 29 October 2015 were discussed:

Integration Scheme – Mike Ash reminded members that there were a number of actions which were the responsibility of the Health Board and the Council which had to be taken forward by 31 March 2016. He asked if it might be possible to have an analysis of progress against these actions, as well as details of the current financial position, and whether this information could be circulated to IJB members before the next meeting.

David King, Chief Finance Officer of the IJB, pointed out that, at present, the IJB did not have its own budget and to provide details of Health Board and Council budgets would mean including details of functions which were not delegated to the IJB.

David Small, Chief Officer of the IJB, said that end year information for the Health Board and Adult Wellbeing could be provided subject to such a caveat and the Chair agreed that the information should be circulated to members.

3. CHAIR'S REPORT

The Chair reported on the successful 'Big Conversation' event which took place on 31 October 2015 in the Brunton Hall, Musselburgh. He said it had been well-attended and both the debate and feedback had been positive.

Referring to budget proposals for 2016/17, the Chair advised that he and the Vice-Chair, Mr Ash, had recently attended a meeting of NHS Lothian's Finance and Resources Committee. At the meeting a paper had been presented on financial assurance, risk sharing and distribution of budgets but the recommendations it contained had not been accepted and a further paper would be presented at the Committee's next meeting in January 2016. The Chair agreed to keep IJB members updated on progress.

Mr Ash added that the Integration Scheme sets out procedures for distribution of budgets and states that this should be done in conjunction with the IJB. He confirmed that the proposals would cover a one year budget followed by a process of review.

Mr Small explained that each of the proposals for distribution of budgets had pros and cons and Mr King added that, once the budgets had been delegated, it would be for the IJB to decide how best to use them.

4. DELAYED DISCHARGES

A report was submitted by the Chief Officer of the IJB updating members on performance on delayed discharges for East Lothian.

Mr Small presented the report reminding members of the IJB's key strategic objective and performance targets. He provided the figures for October 2015 noting an increase in numbers compared to the recent trend which had been steadily improving. He also outlined some reasons for the increase and the actions being taken to address this.

Members debated at length the factors which had prevented the IJB from reaching its targets and discussed a range of potential solutions including recruitment of care staff, collaborative allocation, better discharge planning through discussions with service users regarding care needs, adopting best practice from other areas, the use of step down facilities, case tracking systems such as ELSIE and a possible reallocation of budgets.

Councillor Currie requested that an 'options paper' be presented to the IJB containing the costs and actions necessary to meet targets. He added that while he appreciated that some factors may be out with their control, the purpose of the IJB was to improve outcomes for patients.

Mr Ash agreed that this would be useful and would also help to inform the IJB when issuing Directions for future actions. Mr Small agreed to provide an update and options report to the next meeting.

The Chair thanked members for a very useful debate on what was a key priority for the IJB.

Decision

The IJB agreed:

- i. To note the performance to October 2015.
- ii. To note and support the actions being taken to improve performance.
- iii. To note the verbal update on performance for November 2015 given at the meeting.
- iv. That performance on delayed discharges should be routinely reported to the IJB until a standard performance report is in place.

5. FINANCIAL ASSURANCE – NEXT STEPS

A report was submitted by the Chief Finance Officer of the IJB to consider how the IJB will complete its financial assurance processes.

Mr King presented the report providing an update on progress with the financial settlements for 2016/17. He referred to the national and local pressures on budgets and outlined the key questions for the IJB in terms of financial assurance and how these would relate to the financial element of the Strategic Plan.

Responding to a question from Councillor Currie on acute services, Mr King confirmed that where a function is delegated to the IJB the appropriate budget would be set aside.

All budgets transferred would be wholly integrated and it would be for the IJB to determine how it could best deliver its outcomes.

Dr Richard Fairclough added that the issue of admissions and readmissions in acute services was complex and the decision to admit a patient was never taken lightly. Dr Jon Turvill said that while it was right to say there were some preventable readmissions, these tended to be cases where there had been no primary assessment. He pointed to the importance of following up patients after they return home as a way of avoiding unnecessary readmissions.

Councillor Currie accepted that the reasons for readmissions were often complex but he said there needed to be a better understanding of the evidence and the IJB needed to be confident that any actions that were identified would result in improvements.

Dr Turvil made further comments regarding the psychological and social factors which could drive readmissions. Keith Maloney suggested that improved independent advocacy services could help address some of these issues.

Decision

The IJB agreed to note the contents of the report.

6. POLICY ON DIRECTIONS

A report was submitted by the Chief Finance Officer of the IJB laying out a proposed policy for the Directions that will be issued by the IJB. These Directions being issued to NHS Lothian and East Lothian Council in order to action the IJB's Strategic Plan.

Mr King presented the report summarising the requirement for and purpose of the Directions which will action the Strategic Plan. He advised that the Directions would set out the financial resources and the actions required to deliver specific functions and that some may be issued jointly with other IJBs where they related to shared responsibilities. The IJB would receive a further report on the details of the Directions and the reporting mechanism when these were completed.

Responding to a question from Alison Meiklejohn, Mr King confirmed that the IJB required sufficient information from its parent organisations in order to make Directions and must ensure that this information could be readily provided.

Mr Ash commented that the Directions should come forward to the IJB's March 2016 meeting and that the report should include proposals for monitoring their delivery.

Decision

The IJB agreed:

- i. To note the contents of the report.
- ii. To adopt the policy on Directions.
- iii. To receive a further report on the details of the Directions and the reporting mechanism when these are completed.

7. INTEGRATED CARE FUND

A report was submitted by the Chief Officer of the IJB providing an update on activity aligned to the Integrated Care Fund (ICF) and a summary of the mid year review submission to Scottish Government.

Carol Lumsden, Transformation and Integration Manager, presented the report providing the background to the ICF budget and details of the three key work streams: prevention and early intervention; care closer to home; and workforce development. She advised members that while no underspend was forecast for this year there may be some financial slippage and, if this was the case, a further report would be submitted to the IJB.

Keith Maloney said it was important to find robust ways of measuring outcomes and to look carefully at the quality of services and whether they meet the needs of service users.

Ms Meiklejohn asked about the timeline for reporting and Councillor Currie sought clarification of the mechanism for evaluating whether outcomes had been achieved.

Ms Lumsden confirmed that service users' views had been taken on board. She said that there would be feedback on the ICF work streams during the first quarter of next year and the performance framework adopted at the last meeting of the IJB would form part of a 6 monthly evaluation process.

The Chair welcomed the report and commented on the importance of the ICF.

Decision

The IJB agreed:

- i. To support the Integrated Care Fund spend and its intentions.
- ii. To note the detail of the 6 month review.
- iii. The recommendations for evaluation and governance.

8. STRATEGIC PLAN

A report was submitted by the Chief Officer of the IJB providing a summary of the second consultation draft of East Lothian Integration Joint Board's Strategic Plan for adult services. It supplemented the reports of 27 August 2015 and 29 October 2015 and identified the process of consultation in line with the Public Bodies (Joint Working) (Scotland) Act 2014.

Ms Lumsden presented the report updating members on progress with the latest draft of the Strategic Plan and outlining proposals for a further public consultation between 1 December 2015 and 26 January 2016. She advised that the final draft would then be brought back to the IJB to allow the Chief Officer to issue Directions.

Mr Ash offered his thanks to Ms Lumsden and her colleagues for their work on the Plan. He also commented on the importance of consulting with both NHS Lothian and East Lothian Council prior to the Plan being finalised.

Mr Small said it was his intention to submit a report to the Council's meeting on 23 February 2016 and that NHS Lothian's Strategic Planning Group would also be providing comments on the draft Plan.

Councillor Currie commended the draft Plan and in particular the 'Case for Change' section which, he said, outlined clearly the reasons for the proposed changes as well as the associated challenges and opportunities.

Margaret McKay asked how it was intended to achieve a meaningful response to the consultation from individuals out with organisations. She also wanted to know how the IJB intended to get the message over to carers, who may not read the full document, and how the IJB could be sure that the draft Plan reflected the comments already received from carers, e.g. the five key things that carers want.

Jane Ogden-Smith, Communications Officer, explained that a lot of the consultation would be done through social media where key questions could be discussed. She also advised that a summary document – easy-read and containing high level information – would be available in addition to the full draft Plan.

Ms Meiklejohn noted that the Area Clinical Forum was missing from the list of consultees and Ms Lumsden said she would add them to it.

Decision

The IJB agreed:

- i. The content and key priorities in the second draft Strategic Plan.
- ii. To note that the second draft Strategic Plan has been agreed by the Strategic Planning Group.
- iii. The recommendations and timeline for a second period of stakeholder consultation.

9. RISK MANAGEMENT APPROACH

A report was submitted by the Chief Officer of the IJB seeking the members' agreement to the proposed approach to risk management.

Mr Small presented the report summarising the main points and indicating that work would begin in January 2016 on creating the IJB's own risk register. This would involve combining risks from both the Health and Adult Wellbeing risk registers and discussions with Management and Risk Officers in both organisations. The work would be overseen by the Audit & Risk Committee who would report back to the IJB.

Mr Maloney commented that access to independent advocacy should be included within the risk register as it was important that service users had the opportunity to raise issues about their care. He said that an Advocacy Plan would also be required and, following recent changes to Scottish mental health law, the Mental Welfare Commission would have a role in monitoring the implementation of the Plan.

Responding to a question from Ms Meiklejohn, Mr Small indicated that managing the risks related to 'hosted services' across the Edinburgh and three Lothian IJBs would be done through the use of Directions.

Decision

The IJB agreed:

- i. Its risk management approach.
- ii. That the Audit and Risk Committee should oversee the development of the risk register and related work and report this to the IJB.

10. IJB IDENTITY (UPDATE)

A report was submitted by the Chief Officer of the IJB updating members on the development of an identity for the East Lothian Integration Joint Board (IJB).

Ms Ogden-Smith presented the report advising members that, following agreement at the meeting on 27 August 2015, the four logo designs had been the subject of consultation with a variety of stakeholders. Most responses were in favour of a full-colour, seven symbol, linear logo and this proved successful when tested out at the 'Big Conversation' event on 30 October 2015. Ms Ogden-Smith sought the IJB's approval to formally adopt this logo and to develop letterheads and literature in the new branding.

Responding to questions from Mr Ash, Ms Odgen-Smith confirmed that consideration would be given to developing a website or portal for the IJB but that this would be as part of the broader communications strategy. At present, information was accessible on both the East Lothian Council and NHS Lothian websites and on social media.

Decision

The IJB agreed:

- i. To note the contents of the report.
- ii. To approve the adoption of the full-colour seven-symbol logo.
- iii. To approve the development of letterheads and literature in the new branding.

Sederunt: Maureen Allan left the meeting.

SUMMARY OF PROCEEDINGS

A private presentation was made by the Chief Officer of the IJB concerning the East Lothian Community Hospital. It was agreed that a further update would be presented to the IJB before approval of the final Business Case.

Signed

Councillor Donald Grant
Chair of the East Lothian Integration Joint Board

REPORT TO: East Lothian Integration Joint Board
MEETING DATE: 28 January 2016
BY: Chief Finance Officer
SUBJECT: Update on Financial Assurance Process

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1 PURPOSE

This paper updates the IJB on the current progress towards the completion of the financial assurance process for the IJB's opening 2016/17 budget

2 RECOMMENDATIONS

2.1 The IJB is asked to note the content of this paper.

3 BACKGROUND

3.1 A report was presented to the IJB's meeting of 26 November 2015 laying out the progress and further timescales of the Financial Assurance process that the IJB will undertake on the financial resources offered to it by both NHS Lothian and East Lothian Council to support the functions that these two bodies have delegated to the IJB.

3.2 Since that time, the Scottish Government has issued its budget for 2016/17 (on December 2016) which lays out a settlement for both the Scottish Health Service and Scottish Local Authorities.

3.3 In summary, this settlement shows:-

- For the Health service an average uplift of c. 5.5%. However, this uplift includes £250m (roughly half of the 5.5%) which is to be directed through the IJBs and is to be used to enhance social care services. There are other elements of the Health Service settlement that will have the effect of reducing the resources available to the Health Boards but this will have a marginal effect of the overall settlement.

- For Councils the revenue support grant has been reduced further than indicated previously and this has meant that East Lothian Council now must find further reductions in budgets, That is, further reductions than had already been built into the financial plan.
- 3.4 NHS Lothian's initial financial estimates for 2016/17 indicate a very significant challenge and even with an (albeit modest) positive uplift available and a range of efficiencies schemes being developed a break-even position will be difficult to achieve across all of its services.
 - 3.5 As was discussed above, an element of the NHS uplift is the £250m fund which is to be directed through IJBs to enhance social care. Further clarification is now required as to how this fund can be utilised and the extent to which this fund can be used to support financial pressures that are currently within the Social Care system.
 - 3.6 The financial assurance process is designed to consider what the proposals for 2016/17 (and beyond) from the Partners will mean for the delivery of the financial plan. Clearly much of this work is to consider previous performance and how the budgetary proposals were arrived at but the final element is, of course, the 16/17 settlements. .
 - 3.7 The previous report to the IJB identified a risk around the timing of these proposals from the Partners not being sufficient to allow the IJB to fully consider and understand the budgetary offers.
 - 3.8 Clearly the issues raised by the SG budget announcement (the further reduction of Council support and the utilisation of the £250m) are impacting on the IJB's financial assurance process in that further clarity is being sought around the allowable usage of these funds to support Social Care pressures within Council services and on some details of the Health settlement.
 - 3.9 NHS Lothian are not currently able to make a formal offer in financial terms but have instead written proposing a model which, if agreed by the IJB, would allow a quick computation of a final offer once the final financial position is clear. This letter is attached to this report as Appendix 1. A reply to this letter is in the process of preparation and the current position on this work will be discussed at this meeting
 - 3.10 No formal offer has currently been received by the IJB from East Lothian Council although the IJB has been briefed through the Chair and the Chief Officer. East Lothian Council will not make a formal offer to the IJB until after it has set its budget in February.
 - 3.11 The financial assurance process cannot be completed until both Partners have made a formal financial offer to the IJB which the IJB can properly consider. It is not currently clear when this information will be received and although much work has already been done and much information is available, the final position for 2016/17 remains unknown at this time.

5 POLICY IMPLICATIONS

- 5.1 The relevant policy issues referred to in this report arise from the Public Bodies (Joint Working) (Scotland) Act 2014.

6 EQUALITIES IMPLICATIONS

- 6.1 There is no direct impact on inequalities arising from this report.

7 RESOURCE IMPLICATIONS

- 7.1 There are no additional resource implications arising from the content of this report.

8 BACKGROUND PAPERS

- 8.1 Reports to the IJB – 26 November 2015.

AUTHOR'S NAME	David King
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DATE	19 January 2016

Circulation : See below

Date 15 January 2016
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Our Ref SG/AWW
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Dear Colleague

RESOURCE ALLOCATION TO THE INTEGRATED JOINT BOARD (IJB) IN RELATION TO FUNCTIONS DELEGATED BY NHS Lothian

The Integration Scheme for each IJB lays out that financial resources to deliver the functions delegated (I have referred to these as 'budgets' below) will be allocated to the IJB. There have been a series of discussions and papers laying out the options for translating existing CHP budgets into IJB budgets and for determining the distribution of the set aside Acute budget. The purpose of this letter is to set out NHS Lothian's formal budget allocation proposal for IJB consideration. The letter also sets out a proposal for 16/17 uplift on these budgets following the Spending Review and current thinking on NRAC.

NHS Lothian are not able to make a final financial proposal at this time as further work is required to fully understand the impact of the Scottish Government's recent budget announcements on the resources available to the Board. For example, the Scottish Government has indicated a 7.5% reduction in the funding for the 'bundles' and we are still establishing how this will impact on your IJB. In addition this proposal is also subject to consideration of the proposals from all our Council partners.

To support this we have developed a set of underlying principles, key of which is the equitable distribution of the financial challenge across the full range of NHS services.

The resultant proposal for apportioning budgets and allocating uplift is summarised in sections 1 to 4 below:

1. Core Services (Specific IJB services and GMS budgets)

The budgets that are held for the services that represent functions delegated to the IJBs by NHS Lothian are held at cost centre level and a detailed model has been developed to allocate these budgets by cost centre to the IJBs. This model will be agreed by the Chief Officers on behalf of the IJB and will be distributed to the Chief Officers separately. These cost centres will be allocated to IJBs based on the historic core budgets held by the CHPs

2. GP Prescribing budgets

It is proposed to allocate the current prescribing budget for NHS Lothian across the 4 IJBs using the Prescribing Budget setting model. The PBSG model is specifically designed for GP Prescribing and is based at GP Practice level. I appreciate that the IJBs may wish to continue with the current risk sharing model but this will be a matter for IJBs.

3. Share of pan-Lothian Services (Hosted and Set Aside)

It is proposed to allocate budgets for services that represent functions delegated to the IJBs by NHS Lothian currently managed on a pan-Lothian basis on a PCNRAC basis with certain exceptions as appropriate. The detail associated with this is attached as an Appendix 1 to this letter.

A summary of the opening budget for 16/17 for each IJB, based on these proposals is attached as Appendix II. These budgets are prior to any uplift for 16/17.

Turning to the proposal for uplift there are 4 elements to this: pay and price uplift, NRAC, Social Care funding, and efficiency savings.

4. 2016/17

1. Pay and Prices - The general uplift of 1.7% available to NHS Lothian in 2016/17 is calculated on NHS Lothian's baseline funding of £1.2bn and therefore equates to circa 1.4% when shared across all budget. It is proposed that this is distributed on a pro rata basis with the exception of GMS which receives a separate nationally determined uplift.
2. NRAC - There are currently 2 options being considered by NHS Lothian for the distribution of the NRAC allocation of £14m. The discussion at our meeting on the 8 January with Chairs, Chief Officers, and section 95 officers concluded that NRAC should be allocated across all Acute budgets. Since then further consideration has been given to the pressure across all drugs budgets and the use of NRAC to partially address this. Given that the NRAC allocation for NHS Lothian is still subject to the final approval of the Spending Review no formal proposal is being made to the IJBs at this stage.

3. Social Care Fund - It is proposed to distribute this Fund as directed by the Scottish Government. In addition the Delayed Discharge step up will be distributed to the IJBs on the same basis as the original allocation.
4. Efficiency Schemes - CHPs have been provided with a summary financial plan for 16/17 which identifies the forecast cost pressures within their services for 16/17. Chief Officers in their capacity as managers of NHS Lothian services have been asked to develop financial recovery plans to demonstrate how financial balance can be achieved for these services. For this reason each IJB has a specific savings target for their service. Once plans are agreed this may result in the reallocation of budgets to reflect the consequent service change. This will be agreed with IJBs.

The NHS Lothian Board will be considering the draft Financial Plan at its Board Meeting on 3 February and so a response to this proposal prior to then is required. Of course I am happy to meet and discuss this proposal.

I am copying this letter to my Council partners and would be grateful for details on their proposals to the IJB.

Yours sincerely

Susan Goldsmith
Director of Finance

Circulation :

To Chairs of East Lothian, Midlothian, Edinburgh and West Lothian Integration Joint Boards

Copies to Chief Officers and Chief Financial officers of East Lothian, Midlothian, Edinburgh and West Lothian Integration Joint Boards

Area	Description	Allocation Split	East Lothian %	Edinburgh %	Mid Lothian %	West Lothian %	Acute Non Delegated %
Core Services							
The share of the core services is 100% to the specific IJB with the following exceptions:							
Exceptions:							
	Lothian Memory Treatment Clinic	PC NRAC (Traditional)	12.64	56.04	10.44	20.88	0.00
	E And M School Nurses/HPV Inoculation	East and Mid Split	50.00	0.00	50.00	0.00	0.00
	Community Equipment Store and Continence Service	Edinburgh, East and Mid	15.19	72.15	12.66	0.00	0.00
	Prescribing	PBSG	13.00	54.00	11.10	21.90	0.00
Hosted							
The share of the hosted services based on PCNRAC(Traditional) with the following exceptions							
Exceptions:							
	Edinburgh Mental Health and Psychology Services	All in Edinburgh	0.00	100.00	0.00	0.00	0.00
	West Lothian Mental Health and Psychology Services	All in West	0.00	0.00	0.00	100.00	0.00
	East & Mid Psychology Services	East and Mid Split	50.00	0.00	50.00	0.00	0.00
	Liberton Hospital	Liberton	4.40	71.20	22.40	2.00	0.00
	REH - Adult Psy beds	REH - Adult Psy beds	10.00	80.00	10.00	0.00	0.00
	VO - Children And young People	East and Mid Split	50.00	0.00	50.00	0.00	0.00
	Change Fund reserve	ICF	12.36	57.52	10.11	20.01	0.00
Acute - Set Aside							
The share of the hosted services based on PCNRAC(Traditional) with the following exceptions							
Exceptions:							
	Cardiology and Respiratory	Cardiology (non Lothian)	8.00	37.80	6.60	13.90	33.70
	RIE Emergency Department	ED @ RIE	14.80	57.50	15.70	2.50	9.50
	St John's Emergency Department	ED @ St. John's	0.30	7.20	0.30	85.00	7.20
	Adult Therapy Service	Edinburgh, East and Mid	15.19	72.15	12.66	0.00	0.00
	RIE & WGH Metabolic Diseases	Endocrinology (non Lothian)	8.90	42.20	7.40	15.60	25.90
	WGH Infection Diseases	Infectious Diseases (non Lothian)	11.00	52.00	9.10	19.20	8.70
	Liberton Hospital	Liberton	4.40	71.20	22.40	2.00	0.00
	WGH ARAU	WGH ARAU	20.60	62.90	16.50	0.00	0.00
Note:		PC NRAC (Traditional)	12.64	56.04	10.44	20.88	0.00

	Total £'000	East Lothian IJB £'000	Edinburgh IJB £'000	Mid Lothian IJB £'000	West Lothian IJB £'000	Not Delegated	
						Acute Budget £'000	Other Budget £'000
Delegated							
Core	423,047	67,777	218,820	49,974	86,476		
Hosted	90,248	9,783	57,592	8,718	14,155		
Set Aside	153,773	19,011	88,169	17,738	28,855		
Total Delegated	667,068	96,571	364,581	76,430	129,486		
Non Delegated							
Hosted	5,030						5,030
CHP	36,057						36,057
Acute	463,042					463,042	
Corporate	299,303						299,303
Total Non Delegated	803,432					463,042	340,390
Total Potential Budget	1,470,500	96,571	364,581	76,430	129,486	463,042	340,390

REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 28 January 2016

BY: Chief Officer

SUBJECT: Changes to the Standing Orders of the East Lothian Integration Joint Board

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1 PURPOSE

- 1.1 To seek the approval of proposed changes to the East Lothian Integration Joint Board (the 'IJB') Standing Orders to include the terms of reference for the newly created Audit & Risk Committee.

2 RECOMMENDATIONS

- 2.1 The IJB is asked to approve the changes to the Standing Orders as outlined in paragraph 3.3 of the report.

3 BACKGROUND

- 3.1 In terms of The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 ('the Order'), Integration Joint Boards must make standing orders to regulate its business. The Standing Orders for the East Lothian Integration Joint Board were approved at the IJB's meeting on 1 July 2015.
- 3.2 Arrangements for the creation of the Audit & Risk Committee were outlined in a report to the IJB which was considered at its meeting on 29 October 2015. The membership and terms of reference for the Committee were approved by the IJB as part of its Financial Regulations. The first meeting of the Audit & Risk Committee took place on 21 January 2016 and further meetings are planned for 10 February and 31 March.
- 3.3 While the Standing Orders of the IJB allow for the appointment of such committees and working groups as it thinks fit, changes are required to

include a Scheme of Administration outlining the terms of reference for each committee of the IJB. The proposed changes are tracked on the IJB's current Standing Orders which are attached as Appendix 1 to this report.

4 POLICY IMPLICATIONS

4.1 There are no policy implications arising from this report.

5 EQUALITIES IMPLICATIONS

5.1 There are no equalities issues arising from this report.

6 RESOURCE IMPLICATIONS

6.1 There are no resource implications arising from this report.

7 BACKGROUND PAPERS

7.1 'Governance of the East Lothian Integration Joint Board' – report to the IJB meeting on 1 July 2015.

7.2 'Financial Regulations for the IJB and Creation of Audit & Risk Committee' – report to the IJB meeting on 29 October 2015.

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DATE	18 January 2016

**STANDING ORDERS
EAST LoTHIAN INTEGRATION JOINT BOARD**

1 General

- 1.1 These Standing Orders regulate the conduct and proceedings of the East Lothian Integration Joint Board. The Integration Joint Board is the governing body for what is commonly referred to as the East Lothian Health & Social Care Partnership. These Standing Orders are made under the Public Bodies (Joint Working) (Scotland) Act 2014 and the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 (No 285) (“the Order”). The Integration Joint Board approved these Standing Orders on 1 July 2015.

Membership of the Integration Joint Board

- 1.2 The Integration Joint Board shall have two categories of members:
- (i) Voting Members; and
 - (ii) Non-Voting Members
- 1.3 East Lothian Council and Lothian NHS Board have elected to nominate 4 members each to the Integration Joint Board, who shall be the voting members.
- 1.4 The Order prescribes a list of non-voting members who are to be included in the membership, and these members shall be appointed as described by the Order. The Integration Joint Board may appoint additional non-voting members as it sees fit.
- 1.5 East Lothian Council and the Lothian NHS Board shall also attend to any issues relating to the resignation, removal and disqualification of members in line with the Order. If and when a voting member ceases to be a councillor or a member of the NHS Board for any reason, either on a permanent or temporary basis, then that individual ceases to be a member of the Integration Joint Board.
- 1.6 If a voting member is unable to attend a meeting of the Integration Joint Board, the relevant constituent authority is to use its best endeavours to arrange for a suitably experienced substitute, who is either a councillor, or as the case may be, a member of the health board. The substitute voting member may vote on decisions put to that meeting, but may not preside over the meeting. If a non-voting member is unable to attend a meeting of the Integration Joint Board, that member may arrange for a suitably experienced substitute to attend the meeting subject to prior agreement with the Chair.

2 Varying, Revoking or Suspending Standing Orders

- 2.1 Any statutory provision, regulation or direction by Scottish Ministers shall have precedence if they are in conflict with these Standing Orders.
- 2.2 Any one or more of these Standing Orders may be varied, suspended or revoked at a meeting of the Integration Joint Board following a motion moved and seconded and with the consent of the majority of voting members present and voting, provided the notice for the meeting at which the proposal is to be considered clearly indicates that there is a proposal to amend the standing orders, and the proposal itself does not result in the Integration Joint Board not complying with any statutory provision or regulation.

3 Chair

- 3.1 The Chair of the Integration Joint Board will be appointed in line with the terms agreed within the Integration Scheme and the Order. The Chair will preside at every meeting of the Integration Joint Board that he or she attends.
- 3.2 If both the Chair and Vice Chair are absent, the voting members present at the meeting shall choose a voting Integration Joint Board member to preside.

4 Vice-Chair

- 4.1 The Vice-Chair of the Integration Joint Board will be appointed in line with the terms agreed within the Integration Scheme and the Order.
- 4.2 In the absence of the Chair the Vice-Chair shall preside at the meeting of the Integration Joint Board.

5 Calling and Notice of Integration Joint Board Meetings

- 5.1 The first meeting of an Integration Joint Board is to be convened at a time and place determined by the Chair.
- 5.2 The Chair may call a meeting of the Integration Joint Board at any time. The Integration Joint Board shall meet at least six times in the year and will annually approve a forward schedule of meeting dates.
- 5.3 A request for an Integration Joint Board meeting to be called may be made in the form of a requisition specifying the business to be transacted, and signed by at least two thirds of the number of voting members, and presented to the chair. If the Chair refuses to call a meeting, or does not do so within 7 days of receiving the requisition, the members who signed the requisition may call a meeting. They

must also sign the notice calling the meeting. However no business shall be transacted at the meeting other than that specified in the requisition.

5.4 Before each meeting of the Integration Joint Board, a notice of the meeting (in the form of an agenda), specifying the date, time, place and business to be transacted and approved by the Chair, or by a member authorised by the Chair to approve on that person’s behalf, shall be delivered electronically to every member (e.g. sent by email) or sent by post to the members’ usual place of residence so as to be available to them at least five clear days before the meeting. The notice shall be distributed along with any papers for the meeting that are available at that point.

5.5 With regard to calculating clear days for the purpose of notice:

Delivery of the Notice	<p>Days excluded from the calculation of clear days:</p> <ul style="list-style-type: none"> ✓ The day the notice is sent ✓ The day of the meeting ✓ Weekends ✓ Public holidays <p>Example: If a meeting is to be held on a Tuesday, the notice must be sent on the preceding Monday. The clear days will be Tuesday, Wednesday, Thursday, Friday, and Monday. If the notice is sent by post it must be sent out a day earlier.</p>
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5.6 Lack of service of the notice on any member shall not affect the validity of a meeting.

5.7 Integration Joint Board meetings shall be held in public. The Chief Officer shall place a public notice of the time and place of the meeting at the designated office of the Integration Joint Board at least five clear days before the meeting is held. The designated office of the East Lothian Integration Joint Board is John Muir House, Haddington.

5.8 While the meeting is in public the Integration Joint Board may not exclude members of the public and the press (for the purpose of reporting the proceedings) from attending the meeting.

5.9 The Integration Joint Board may pass a resolution to meet in private in order to consider certain items of business, and may decide to do so for the following reasons:

- 5.9.1 The Integration Joint Board is still in the process of developing proposals or its position on certain matters, and needs time for private deliberation.
- 5.9.2 The business relates to the commercial interests of any person and confidentiality is required, e.g. when there is an ongoing tendering process or contract negotiation.
- 5.9.3 The business necessarily involves reference to personal information, and requires to be discussed in private in order to uphold the Data Protection Principles.
- 5.9.4 The business necessarily involves reference to exempt information, as determined by Schedule 7A of the Local Government (Scotland) Act 1973.
- 5.9.5 The Integration Joint Board is otherwise legally obliged to respect the confidentiality of the information being discussed.
- 5.10 The minutes of the meeting will reflect the reason(s) why the Integration Joint Board resolved to meet in private.
- 5.11 A member may be regarded as being present at a meeting of the Integration Joint Board if he or she is able to participate from a remote location by a video link or other communication link. A member participating in a meeting in this way will be counted for the purposes of deciding if a quorum is present.

6 Quorum

- 6.1 No business shall be transacted at a meeting of the Integration Joint Board unless there are present at least one half of the voting members of the Integration Joint Board.
- 6.2 If a quorum is not present, the meeting will stand adjourned to such date and time as may be fixed by the Chair.

7 Authority of the Chair at meetings of the IJB and its Committees

- 7.1 The duty of the person presiding is to ensure that the Standing Orders or the Committee's terms of reference are observed, to preserve order, to ensure fairness between members, and to determine all questions of order and competence. The ruling of the person presiding shall be final and shall not be open to question or discussion.
- 7.2 Any member who disregards the authority of the Chair, obstructs the meeting, or conducts himself/herself offensively shall be suspended for the remainder of the

meeting, if a motion (which shall be determined without discussion) for his/her suspension is carried. Any person so suspended shall leave the meeting immediately and shall not return without the consent of the meeting.

7.3 The Chair has the right to adjourn a meeting in the event of disorderly conduct or other misbehaviour at the meeting.

7.4 No business shall be transacted at any meeting of the Integration Joint Board other than that specified in the notice of the meeting except on grounds of urgency. Any request for the consideration of an additional item of business must be made to the Chair at the start of the meeting and the majority of voting members present must agree to the item being included on the agenda.

8 Adjournment

8.1 If it is necessary or expedient to do so for any reason, a meeting may be adjourned to another day, time and place. A meeting of the Integration Joint Board, or of a committee of the Integration Joint Board, may be adjourned by a motion, which shall be moved and seconded and be put to the meeting without discussion. If such a motion is carried, the meeting shall be adjourned to such day, time and place as may be specified in the motion.

9 Voting and Debate

9.1 The Board may reach consensus on an item of business without taking a formal vote and the formal voting process outlined in paragraphs 9.2-9.10 would not need to be used.

9.2 Where a vote is taken, every question at a meeting shall be determined by a majority of votes of the members present and voting on the question. A vote may be taken by members by a show of hands, or by ballot, or any other method determined by the Chair. In the case of an equality of votes, the person presiding at the meeting does not have a second or casting vote.

9.3 Any voting member may move a motion or an amendment to a motion and it is expected that members will notify the Chair in advance of the meeting. The Chair may require the motion to be in writing and that the mover states the terms of the motion. Every motion or amendment is required to be moved and seconded.

9.4 Any voting member may second the motion and may reserve his/her speech for a later period of the debate.

9.5 Once a motion has been seconded it shall not be withdrawn or amended without the leave of the Integration Joint Board.

- 9.6 Where a vote is being taken, except for the mover of the original motion, no other speaker may speak more than once in the same discussion.
- 9.7 After debate, the mover of any original motion shall have the right to reply. In replying he/she shall not introduce any new matter, but shall confine himself/herself strictly to answering previous observations and, immediately after his/her reply, the question shall be put by the Chair without further debate.
- 9.8 A motion to adjourn any debate on any question or for the closure of a debate shall be moved and seconded and put to the meeting without discussion. Unless otherwise specified in the motion, an adjournment of any debate shall be to the next meeting.
- 9.9 Where there has been an equality of votes, the Chair of the Integration Joint Board on reflection of the discussion, will bring consideration of the matter to a close for that meeting, and give direction to the Chief Officer on how the matter should be taken forward. The Chief Officer will then be obliged to review the matter, with the aim of addressing any concerns, and developing a proposal which the integration joint board can reach a decision upon in line with Standing Order 9.
- 9.10 Where the matter remains unresolved, and the Chair concludes that the equality of votes is effectively a representation of a dispute between the two constituent parties, then the dispute resolution process which is set out in the integration scheme shall take effect. If the unresolved equality of votes is not a representation of a dispute between the two constituent parties, then the Chair and the Chief Officer must work together to arrive at an acceptable position for the integration joint board.

10 Changing a Decision

- 10.1 A decision of the Integration Joint Board can not be changed by the Integration Joint Board within six months unless notice has been given in the notice of meeting and:
- 10.1.1 The Chair rules there has been a material change of circumstance: or
- 10.1.2 The Integration Joint Board agrees the decision was based on incorrect or incomplete information.

11 Minutes

- 11.1 The names of members present at a meeting of the Integration Joint Board, or of a committee of the Integration Joint Board, shall be recorded. The names of any officers in attendance shall also be recorded.

11.2 The Chief Officer (or his/her authorised nominee) shall prepare the minutes of meetings of the Integration Joint Board and its committees. The Integration Joint Board or the committee shall receive and review its minutes for agreement at its following meeting.

12 Matters Reserved for the Integration Joint Board

Standing Orders

12.1 The Integration Joint Board shall approve its Standing Orders.

Committees

12.2 The Integration Joint Board shall approve the establishment of, and terms of reference of all of its committees.

12.3 The Integration Joint Board shall appoint all committee members, as well as the chair of any committees.

Values

12.4 The Integration Joint Board shall approve organisational values, should it elect to formally define these.

Strategic Planning

12.5 The Integration Joint Board shall establish a Strategic Planning Group ([Section 32](#) of Public Bodies (Joint Working) Scotland Act 2014), and appoint its membership (except for the members nominated by each constituent party).

12.6 The Integration Joint Board shall approve its Strategic Plan ([Section 33](#)) and any other strategies that it may need to develop for all the functions which have been delegated to it. The Integration Joint Board will also review the effectiveness of its Strategic Plan ([Section 37](#)).

12.7 The Integration Joint Board shall review and approve its contribution to the Community Planning Partnership for the local authority area. The Integration Joint Board shall also appoint its representative(s) at Community Planning Partnership meetings.

Risk Management

12.8 The Integration Joint Board shall approve its Risk Management Policy.

12.9 The Integration Joint Board shall define its risk appetite and associated risk tolerance levels.

Health & Safety

12.10 In the event that the Integration Joint Board employs five or more people, it shall approve its Health & Safety Policy.

Finance

12.11 The Integration Joint Board shall approve its annual financial statement ([Section 39](#)).

12.12 The Integration Joint Board shall approve Standing Financial Instructions and a Scheme of Delegation.

12.13 The Integration Joint Board shall approve its annual accounts.

12.14 The Integration Joint Board shall approve the total payments to the constituent bodies on an annual basis, to implement its agreed Strategic Plan.

Performance Management

12.15 The Integration Joint Board shall approve the content, format, and frequency of performance reporting.

12.16 The Integration Joint Board shall approve its performance report ([Section 43](#)) for the reporting year.

13 Integration Joint Board Members – Ethical Conduct

13.1 Voting and non-voting members of the Integration Joint Board are required to subscribe to and comply with the Code of Conduct which is made under the [Ethical Standards in Public Life etc \(Scotland\) Act 2000](#). The Commissioner for Public Standards can investigate complaints about members who are alleged to have breached their Code of Conduct. The Chief Officer (or his/her authorised nominee) shall maintain the Integration Joint Board's Register of Interests. When a member needs to update or amend his or her entry in the Register, he or she must notify the Chief Officer (or his/her authorised nominee) of the need to change the entry within one month after the date the matter required to be registered.

13.2 The Chief Officer (or his/her authorised nominee) shall ensure the Register is available for public inspection at the principal offices of the Integration Joint Board at all reasonable times.

13.3 Members must always consider the relevance of any interests they may have to any business presented to the Integration Joint Board or one of its committees

and disclose any direct or indirect pecuniary and non-pecuniary interests in relation to such business, before taking part in any discussion on the matter.

- 13.4 The Integration Joint Board or committee must determine whether the interest declared prohibits the member from taking part in the discussion and vote on the relevant item of business.
- 13.5 Members shall make a declaration of any gifts or hospitality received in their capacity as an Integration Joint Board member. Such declarations shall be made to the Chief Officer (or his/her authorised nominee) who shall make them available for public inspection at all reasonable times at the principal offices of the Integration Joint Board.

14 Committees and Working Groups

- 14.1 The Integration Joint Board shall appoint such committees, and working groups as it thinks fit. The Integration Joint Board shall appoint the chairs of these committees. The Board shall approve the terms of reference and membership of the committees and shall review these as and when required. The terms of reference of these committees will be incorporated into a Scheme of Administration (Appendix 1 to these Standing Orders). This Standing Order should be read in conjunction with the Scheme of Administration.
- 14.2 The committee must include voting members, and must include an equal number of voting members appointed by the Health Board and local authority.
- 14.3 The Integration Joint Board shall appoint committee members to fill any vacancy in the membership as and when required.
- 14.4 Any Integration Joint Board member may substitute for a committee member who is also an Integration Joint Board member.
- 14.5 The Standing Orders relating to the calling and notice of Integration Joint Board meetings, conduct of meetings, and conduct of Integration Joint Board members shall also be applied to committee meetings but not working groups.
- 14.6 The Integration Joint Board shall approve a calendar of meeting dates for its committees. The committee chair may call a meeting any time, and shall call a meeting when requested to do so by the Integration Joint Board.
- 14.7 The Integration Joint Board may authorise committees to co-opt members for a period up to one year. A committee may decide this is necessary to enhance the knowledge, skills and experience within its membership to address a particular element of the committee's business. A co-opted member is one who is not a member of the Integration Joint Board, cannot vote and is not to be counted when determining the committee's quorum.

14.8 A member may be regarded as being present at a meeting of a committee if he or she is able to participate from a remote location by a video link or other communication link. A member participating in a meeting in this way will be counted for the purposes of deciding if a quorum is present.

EAST LOTHIAN INTEGRATION JOINT BOARD

SCHEME OF ADMINISTRATION

<u>Committees</u>	<u>Pages</u>
<u>Audit and Risk Committee</u>	<u>1 – 5</u>

AUDIT AND RISK COMMITTEE

TERMS OF REFERENCE

INTRODUCTION

1. The Audit and Performance Committee is identified as a Committee of the Integration Joint Board (IJB). The approved Terms of Reference and information on the composition and frequency of the Committee will be considered as an integral part of the Standing Orders. The Committee will be a Standing Committee of the IJB.
2. The Financial Regulations for the IJB were approved Integration Board on 29 October 2015. Section 3.10 of the Financial Regulations state that the IJB will have an Audit and Risk Committee

CONSTITUTION

3. The IJB shall appoint the Committee. The Committee will consist of (at least) four members of the IJB, excluding professional advisors. At least four Committee members must be IJB voting members, 2 from the Health Board and 2 from the Council. Membership of the committee will be for three years and may be extended by the IJB.
4. The Committee may at its discretion set up working groups for review work. Membership of working groups will be open to anyone whom the Committee considers will assist in the task assigned. The working groups will not be decision making bodies or formal committees but will make recommendations to the Audit and Risk Committee.

CHAIR

5. The Chair of the Committee will be a voting Member nominated by the IJB, noting that the Chair or Vice Chair of the IJB cannot also chair the Audit and Risk Committee.

QUORUM

6. Three Members of the Committee will constitute a quorum.

ATTENDANCE AT MEETINGS

7. The Chief Officer, Chief Finance Officer, Chief Internal Auditor and other professional advisors or their nominated representatives will normally attend meetings. Other persons shall attend meetings at the invitation of the Committee.
8. The external auditor will be invited to all meetings.

MEETING FREQUENCY

9. The Committee will meet at least three times each financial year.

AUTHORITY

10. The Committee is authorised to request reports and to make recommendations to the IJB for further investigation on any matters which fall within its Terms of Reference.

DUTIES

11. The Committee will review the overall internal control arrangements of the IJB and make recommendations to the Board regarding signing of the Governance Statement.
12. Specifically it will be responsible for the following duties:

GOVERNANCE, RISK AND CONTROL

- 1) To review the IJB's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
- 2) To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the IJB framework of governance, risk management and control.
- 3) To consider the IJB arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- 4) To consider the IJB framework of assurance and ensure that it adequately addresses the risk and priorities of the IJB.

- 5) To monitor the effective development and operation of risk management in the IJB.
- 6) To monitor progress in addressing risk-related issues reported to the committee.
- 7) To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

INTERNAL AUDIT

- 8) To approve the internal audit charter.
- 9) To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- 10) To approve the risk-based internal audit plan, including internal audit's resources requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- 11) To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- 12) To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitation.
- 13) To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - a) Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.
 - b) Regular reports on the results of the Quality Assurance and Improvement Programme.
 - c) Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.
- 14) To consider the head of internal audit's annual report:
 - a) The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of internal audit.

b) The opinion on the overall adequacy and effectiveness of the IJBI's framework of governance, risk management and control together with the summary of the work supporting the opinion - these will assist the committee in reviewing the Annual Governance Statement.

- 15) To consider summaries of specific internal audit reports as requested.
- 16) To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
- 17) To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
- 18) To consider a report on the effectiveness of internal audit to support the Annual Governance Statement.
- 19) To support the development of effective communication with the head of internal audit.

EXTERNAL AUDIT

- 20) To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- 21) To consider specific reports as agreed with the external auditor.
- 22) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- 23) To commission work from internal and external audit.
- 24) To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

FINANCIAL REPORTING

- 25) To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the IJB.
- 26) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

ACCOUNTABILITY ARRANGEMENTS

- 27) To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements, and internal and external audit functions.
- 28) To report to the IJB on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.