



**NOTICE OF THE MEETING OF THE
EAST LOTHIAN INTEGRATION JOINT BOARD
AUDIT & RISK COMMITTEE**

**TUESDAY 8th DECEMBER 2020, 10.00am
VIA DIGITAL MEETINGS SYSTEM**

Agenda of Business

Apologies

Declarations of Interest

Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

1. Minutes of the East Lothian IJB Audit & Risk Committee meeting held on 15th September 2020 (for approval) **(pages 1 - 8)**
2. Matters Arising from the Minutes of the Meeting of 15th September
3. Risk Register – Report by the Chief Finance Officer of the IJB **(pages 9 - 14)**
4. Internal Audit Report - Social Care Sustainability Payments – Report by the Chief Internal Auditor **(pages 15 - 22)**
5. Internal Audit Update of East Lothian Council and NHS Lothian 2020/21 Audit Plans – Report by the Chief Internal Auditor **(pages 23 - 30)**
6. COVID-19 Costs and Funding 2020/21 – SBAR Report by the Chief Finance Officer of the IJB **(pages 31 - 34)**
7. NHS Lothian Recovery Update – Report by the Chief Finance Officer of the IJB **(papers 35 - 38)**

**Alison MacDonald
Chief Officer
East Lothian Integration Joint Board
1 December 2020**



**MINUTES OF THE MEETING OF THE
EAST LOTHIAN INTEGRATION JOINT BOARD
AUDIT & RISK COMMITTEE**

**TUESDAY 15 SEPTEMBER 2020
VIA DIGITAL MEETINGS SYSTEM**

1

Members Present:

Councillor S Kempson (Chair)
Ms F Ireland
Councillor F O'Donnell
Councillor S Akhtar* (s)

Officers Present:

Ms C Flanagan
Mr I Gorman
Ms B Renton
Mr D Stainbank

Others Present:

Ms E Scoburgh, Audit Scotland
Ms E Symon, Audit Scotland

Clerk:

Ms F Currie

Apologies:

Dr P Donald*
Mr D Binnie

Declarations of Interest:

None

* (s) - substitute

The Clerk informed the Committee that due to the absence of the new Chair, Patricia Donald, it would be necessary to elect one of the members present to chair this meeting. Councillor Fiona O'Donnell proposed Councillor Susan Kempson and this was seconded by Fiona Ireland. Accordingly, Councillor Kempson was elected to chair the meeting.

1. MINUTES OF THE IJB AUDIT AND RISK COMMITTEE MEETING OF 10 MARCH 2020

The minutes of the East Lothian IJB Audit and Risk Committee meeting held on 10th March 2020 were approved.

2. MATTERS ARISING FROM THE MINUTES OF 10 MARCH

There were no matters arising.

3. 2019/20 AUDITED ANNUAL ACCOUNTS

A report was submitted by the Chief Finance Officer presenting the audited annual accounts for the financial year 2019/20.

Claire Flanagan presented the report advising Members that the unaudited accounts had been considered by the IJB at its meeting on 25th June 2020 and had been presented for audit thereafter. She outlined the key sections of the accounts including the management commentary, statement of responsibilities, remuneration report, annual governance statement and the comprehensive income and expenditure statements. She concluded that should the accounts be accepted by the Committee they would be presented for formal approval by the IJB at its meeting on 17th September.

The Chair thanked Ms Flanagan for an excellent report and asked for further clarification of the reserves position and how this might influence future funding by the IJB's partners.

Ms Flanagan indicated that following a further underspend in 2019/20 the IJB's reserves currently amounted to £2.4m. However, this was below the 2% recommended in the IJB's Reserves Policy. The budget offers from the IJB's partners would be based on the budget rolling forward but that did not mean that there would not be financial challenges in the current and coming years.

In response to questions from Councillor O'Donnell regarding budget pressures, Ms Flanagan advised that while children's' services were out with the responsibility of the IJB when individuals transitioned to adult care some complex packages could generate considerable costs. She also explained that the Primary Care Improvement Fund (PCIF) monies were initially drawn down from their own reserve and once this was exhausted additional monies could be drawn down from the Scottish Government. Regular quarterly returns were submitted to the Scottish Government and money was released based on this information.

Iain Gorman added that PCIF monies had been carried forward into the current financial year due to delays with IT, however, it had been possible to expand the service this year at a much greater pace.

The vote on the recommendations was taken by roll call:

Ms Fiona Ireland	Agreed
Councillor Susan Kempson	Agreed
Councillor Fiona O'Donnell	Agreed
Councillor Shamin Akhtar	Agreed

Decision

The Committee agreed unanimously to:

- i. recommend the Annual Accounts to the IJB; and
- ii. note the following independent auditor's review of the IJB's annual accounts.

4. INDEPENDENT AUDITOR'S REVIEW OF THE ANNUAL ACCOUNTS

a. AUDIT SCOTLAND ISA 260 LETTER TO THOSE CHARGED WITH GOVERNANCE OF THE EAST LoTHIAN IJB

Esther Scoburgh outlined the contents of the covering letter which accompanied the auditors' report and confirmed that it was their intention to issue an unqualified audit opinion.

b. EAST LoTHIAN IJB 2019/20 ANNUAL AUDIT REPORT

Emma Symon presented the annual audit report highlighting the key messages from the audit in relation to the annual accounts, financial management and sustainability, governance, transparency and best value. She also informed the Committee that Audit Scotland had no recommendations to make as a result of the 2019/20 audit.

Ms Scoburgh responded to questions from members. She commented on the positive flow of information between the IJB and its partners and noted that this was not always the case in other IJBs; and she indicated that there was may a review of the audit process in light of the impact of COVID-19 and she would advise officers if and when any changes to the 2020/21 process were proposed. She also confirmed that the risk register was reviewed as part of the audit work and she acknowledged the challenges around creating a 5 year financial plan for the IJB when its partners worked on 1 or 3 year budget forecasts.

Ms Flanagan added that a lot of work had gone into developing positive working relationships with the partners through regular formal and informal dialogue. She also welcomed Ms Scoburgh comments in relation to the challenges of financial planning.

Replying to a final question from Councillor Akhtar, Ms Scoburgh advised that a lot of the work undertaken by East Lothian IJB could be shared as examples of good practice. She observed that IJB were still continuing to evolve and develop and that other examples of good practice would be captured through performance reporting and could be shared with all IJBs.

Ms Flanagan pointed to the national networks of Chief Finance Officers and Chief Officers as another forum for sharing good practice.

Councillor Akhtar welcomed the news that East Lothian were providing examples of good practice. The Chair concurred, adding her thanks to Ms Flanagan and her team.

Decision

The Committee agreed to note the annual audit report and ISA 260 letter from Audit Scotland.

5. ANNUAL INTERNAL AUDIT OPINION AND REPORT 2019/20

The Public Sector Internal Audit Standards (PSIAS) require that Internal Audit prepares an annual internal audit opinion and report that can be used by the Integration Joint Board (IJB) to inform its governance statement

A report was submitted by the Chief Internal Auditor informing the Committee of the internal audit work undertaken in 2019/20 and providing an opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control.

Duncan Stainbank presented the report reminding members that this had been presented to the IJB at its June meeting. He outlined the main points of the report and referred to the impact which COVID-19 had had on the 2019/20 audit plan. He indicated that, subject to 3 areas with scope for improvement highlighted within the report, it was the opinion of Internal Audit that reasonable assurance could be placed on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the year ended 31 March 2020.

Ms Ireland asked why the performance management audit, suspended in 2019/20, had not been included in the 2020/21 revised audit plan. Mr Stainbank advised that it would be undertaken in 2021/22 and that he had concluded that there were other areas of work more worthy of being addressed in 2020/21.

Replying to question from Councillor O'Donnell on Change Boards, Mr Stainbank referred to the audit report being presented at Item 9 of the agenda and one of its recommendations that Change Boards review their cycle of meetings and reporting to the Strategic Planning Group to determine timescales which are appropriate their particular workstreams.

Decision

The Committee agreed to note that the Annual Internal Audit Opinion and Report 2019/20 is a formal confirmation of Internal Audit's opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the year ended 31st March 2020.

6. RISK REGISTER

A report was submitted by the Chief Finance Officer laying out the risk register.

Ms Flanagan presented the register advising that it continued to be refined and updated on a regular basis. She drew attention to the new risk related to COVID-19 which had added following discussion at the Committee's March meeting. She also outlined the controls in place relating to each risk and indicated that, in relation to risk 4947, an update on the recovery plan would be provided at the next meeting.

Ms Flanagan responded to questions from members providing further clarification on the delineation between the IJB risk register and those held by the partners and the Health & Social Care Partnership; the impact of the mobilisation and remobilisation

plans on the risk register; and the impact of partners' decisions on key risks for the IJB. She also outlined the process in place for dealing with claims from care home providers for payments to support the sustainability of their services. To date, there had been fewer claims than expected but there was now a deadline in place and this may generate an increased flow of claims. She added that there were other costs which continued to be incurred over and above sustainability payments and the £1.4m provided by the Scottish Government would not be sufficient to cover these costs.

Iain Gorman agreed that at present it was difficult to be certain of the scale of support that would be required to ensure that providers remained sustainable over the longer term.

The Chair asked members if any additional risks should be added to the register. None were identified.

Decision

The Committee agreed to:

- i. Note the current risk register; and
- ii. Consider if any further risks should be added to the register.

7. UPDATE ON ACTIONS FROM THE INDEPENDENT AUDIT FOR 2018/19

A report was submitted by the Chief Finance Officer updating the Committee on the actions taken which were recommended in the independent auditors' annual report for 2018/19.

Ms Flanagan presented the report outlining the background and highlighting that this report had originally been scheduled for presentation to the Committee in June 2020. She summarised the actions taken in relation to the recommendations from the 2018/19 audit regarding efficiency savings, the annual performance report and reporting best value.

Decision

The Committee agreed to note the update.

8. INTERNAL AUDIT REPORT ON FINANCIAL PLANNING

A report was submitted by the Chief Internal Auditor informing the Committee of the recently issued audit report on Financial Planning.

Mr Stainbank presented the report outlining the purpose and main findings from the audit work. He drew members' attention to the finding regarding the arrangements in place for projecting social care expenditure growth in the latter years of the financial plan and the recommendation that this be reviewed.

In response to questions from the Committee, Mr Stainbank confirmed that there were no implications for the IJB's Directions and, he expanded on the findings in relation to financial planning methodology and providing greater clarity where indicative figures were used in forecasting for the latter years of the plan.

Ms Flanagan confirmed that she had discussed these points with Mr Stainbank and acknowledged that the methodology needed to show the mitigation measures required

to address potential deficits in future years. She pointed out that this was the first plan that had been prepared and that it would continue to be revised and updated to take account of changing circumstances.

The Chair acknowledged the challenges involved in financial planning and welcomed Ms Flanagan's remarks and intention to further refine the plan.

Decision

The Committee agreed to note the contents of the audit report.

9. INTERNAL AUDIT REPORT ON STRATEGIC CHANGE PRIORITIES AND DELIVERY

A report was submitted by the Chief Internal Auditor informing the Committee of the recently issued audit report on Strategic Change Priorities and Delivery.

Mr Stainbank presented the report outlining the purpose and main findings from the audit work undertaken by NHS Lothian's Internal Audit Team. He drew members' attention to the management action plan which included 5 risks and recommendations, and he advised that this audit had provided an overall rating of 'reasonable assurance'.

Ms Ireland suggested that the report and recommendations should be discussed at the Strategic Change Board. Mr Stainbank agreed that this would be beneficial and offered to provide the full audit report to the Board.

Councillor O'Donnell supported this proposal and emphasised the importance of reviewing the frequency of Change Board and Reference Group meetings to ensure they achieved the proper balance between appropriate levels of engagement and efficient use of officer time.

Mr Stainbank indicated that this approach was very much reflected by the findings of the audit work. He suggested that NHS Lothian may be able to share good practice from other IJBs and offered to pursue this with his colleagues in the Internal Audit Team.

Councillor Akhtar said she recognised the importance of taking stock and identifying the positives from earlier work. She suggested seeking examples of good practice from other IJBs across the country and commented on the importance of supporting the Change Boards to reflect and learn from this and earlier work.

Councillor O'Donnell echoed Councillor Akhtar's remarks and observed that the format for the Boards and Groups still required some refining. She offered to take forward some of these points with the IJB Chairs/Vice Chairs network and to seek example of good practice from elsewhere.

The Chair thanked members for their comments and agreed that streamlining the process would be beneficial.

Decision

The Committee agreed to note the contents of the audit report.

10. REVISED ANNUAL INTERNAL AUDIT PLAN 2020/21

A report was submitted by the Chief Internal Auditor informing the Committee of Internal audit's revised operational plan for 2020/21.

Mr Stainbank presented the report. He reminded members that the 2020/21 audit plan had been approved at the Committee's meeting in March. Since then, however, the risks impacting the IJB had been substantially altered by the COVID-19 pandemic and it was considered appropriate to revise the 2020/21 audit plan to take account of these changes. He outlined the four areas of audit work now being proposed and invited the Committee to approve the revised plan.

In response to questions, Mr Stainbank provided further clarification on the scope and purpose of the individual audits.

The vote on the recommendations was taken by roll call:

Ms Fiona Ireland	Agreed
Councillor Susan Kempson	Agreed
Councillor Fiona O'Donnell	Agreed
Councillor Shamin Akhtar	Agreed

Decision

The Committee agreed unanimously to approve the revised audit Plan for 2020/21.

SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION

The Audit & Risk Committee unanimously agreed to exclude the public from the following business containing exempt information by virtue of Paragraph 5.9.1 of its Standing Orders (the Integration Joint Board is still in the process of developing proposals or its position on certain matters, and needs time for private deliberation) –

Progress Report and Update on the East Lothian Council Internal Audit report on Homecare Services

The Committee considered a progress report prepared following the East Lothian Council Internal Audit on Homecare Services. The Committee agreed to note the contents of the report.



REPORT TO: East Lothian IJB - Audit and Risk Committee
MEETING DATE: 8 December 2020
BY: Chief Finance Officer
SUBJECT: Risk Register

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1 PURPOSE

- 1.1 This paper lays out the IJB's risk register.

2 RECOMMENDATIONS

The Committee is asked to:

- 2.1 Note the current risk register; and
2.2 Consider if any further risks should be added to the register.

3 BACKGROUND

- 3.1 As a key part of its governance process the IJB maintains a risk register. This risk register examines the risks that impact on the business of the IJB itself and not the operational risks that the IJB's partners manage unless those risks are considered so significant that they could impact on the business of the IJB – that is impact on the ability of the IJB to deliver its strategic plan.
- 3.2 The current version of the risk register is attached. Members are asked to consider if there are additional risks that require to be added to the register and consider if the management actions identified against these current risks provide assurance that these risks are being appropriately managed.

4 ENGAGEMENT

- 4.1 The IJB makes its papers and reports available on East Lothian Council's website.

5 POLICY IMPLICATIONS

5.1 This paper is covered within the policies already agreed by the IJB.

6 INTEGRATED IMPACT ASSESSMENT

6.1 There are no implications for health inequalities or general equality and diversity issues arising directly from the issues and recommendations in this paper.

7 RESOURCE IMPLICATIONS

7.1 Financial – there are none.

7.2 Personnel – there are none.

8 BACKGROUND PAPERS

8.1 None

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DATE	1 December 2020

Appendices

1. Risk Register

East Lothian HSCP IJB Risk Register with Action Plan

ID	Title	Description	Controls in place	Risk level (current)	Risk level (Target)	Risk Owner	Handler	Date Opened	Action No	Assigned To	Description	Progress	Start date	Due date	Done date
5045	COVID-19	There is a risk that the IJB will not be able to deliver against its objectives, its strategic plan and deliver financial balance against its budget due to COVID-19 and the response to this.	1. IJB Board/Committee meetings now operating in a virtual manner 2. Controls in place within HSCP to evidence the response. 3. Part of Partners response to pandemic, NHS Lothian Tactical Response and East Lothian Council CMT. 4. IJB Members Briefings in place.	Very High 20	Medium 9	Macdonald, Alison X	Gorman, Iain	11/05/2020	11673	Iain Gorman	COVID-19 Response	IJB Chief Officer and Head of Operations actively part of East Lothian Council COVID -19 CMT Meeting and NHS Lothian Gold Command Meetings	11/05/2020	26/02/2021	
3924	Financial resources may be insufficient to sustain the Strategic Plan	There is a risk that the financial challenges faced by the NHS and East Lothian Council will result in allocations to the IJB that do not allow the Strategic Plan to be delivered leading to the failure to achieve outcomes and targets.	1. Financial assurance process carried out by IJB 2. Engagement of IJB Officers and members in NHS and Council budget setting processes 3. Regular financial performance monitoring reports to IJB 4. Scheme of Integration risk sharing and dispute resolution processes 5. IJB Chief Finance Officer in post 6. Strategic Planning Group in place 7. Efficiency and recovery plans are developed in year by operational teams to "break even". 8. There is a programme of meetings and discussion between IJB, Council and Health Board leading to an IJB financial planning process being approved by the IJB and supported by Council and Health Board 9. The IJB take a lead role in policy decisions to support the Financial Plan. 10. Developed-a longer term rolling financial plan for the IJB. 11. IJB now holds a general reserve	High 12	Medium 9	Macdonald, Alison X	Flanagan, Claire	26/02/2016	8949	Claire Flanagan	Development of a longer term rolling financial plan for the IJB	This went to IJB in June 2019 and was accepted. A further update of the IJB rolling financial plan was presented to the IJB in October 2020. This iteration of the plan will require to be refined once clarity on the impact COVID-19 has on the IJB delegated functions moving forward.	16/05/2019	31/03/2021	
									10548	Claire Flanagan	Annual National and Scottish Budget Allocation	7/1/20: Annual budget settlement is currently unclear. Awaiting further information. Scottish Government Annual Budget for 2021/22 to be set February 2021 will require to work with Partners to assess the impact this will have on the IJB.	07/01/2020	31/03/2021	

ID	Title	Description	Controls in place	Risk level (current)	Risk level (Target)	Risk Owner	Handler	Date Opened	Action No	Assigned To	Description	Progress	Start date	Due date	Done date
4018	Impact of Partners' Decisions	There is a risk that Partners reach decisions on priorities and services (including service reviews) that impact negatively on the IJB leading to an inability to deliver the Strategic Plan	<ol style="list-style-type: none"> 1. Involvement of IJB membership in the Partners' decision making process including voting members and Officers 2. Involvement in Partners' service reviews 3. Good working relationships and regular formal /informal meetings 4. Participation in MSG self-evaluation to inform improvement actions for better partnership working. 	High 12	Medium 9	Macdonald, Alison X	Macdonald, Alison X	17/06/2016	6956	Alison Macdonald	Clarity and monitoring of directions	Action extended to cover the period April 2017to March 2018. 16/05/19 directions for 2019-2020 currently in review. 23/12/19: Directions agreed at IJB on 31/10/19 - ongoing action. 7/1/20: Directions being finalised for publication. 25/02/20: Directions (including links) will be taken to the Core and Extended CMT on 18th March.	03/04/2017	31/03/2021	
4947	NHSL Recovery Plan	There is a risk that the EL IJB will not provide satisfactory services due to acute waiting times, delayed discharges and mental health. There is a risk that we will fail to meet the 4 hour performance target for unscheduled care which could mean that patients fail to receive appropriate care due to volume and complexity of patients, staffing, lack and availability of beds, lack of flow leading to a delay to first assessment, a delay in diagnosis and therefore in treatment for patients and a reputational risk for the organisation. Scottish Government has escalated these risks to Level 3 & 4.	<ol style="list-style-type: none"> 1. Extra capacity available in ELCH. 2. Winter Plan 3. Chief Officer on Recovery Board for Unscheduled Care and MH/LD. 4. NHSL Project Management support has been recruited. 5. Proactive teams are managing the situation on a daily basis. 6. Contribute to tele-conferencing. 	High 16	High 12	Macdonald, Alison X	Macdonald, Alison X	19/12/2019	10551	Alison Macdonald	Involvement in a Collaborative Approach with all 4 IJB's	25/02/20: (1) Remits of groups and sub-groups in place (2) Operational delivery groups established and attended appropriately.	07/01/2020	31/03/2021	

ID	Title	Description	Controls in place	Risk level (current)	Risk level (Target)	Risk Owner	Handler	Date Opened	Action No	Assigned To	Description	Progress	Start date	Due date	Done date
3925	Operational resources may be insufficient to deliver the Strategic Plan	There is a risk that the IJB fails to achieve its targets due to insufficient access to key services and resources e.g. General Practice, Care at Home, Care Homes, Health Visiting, Housing, acute services etc leading to failure to deliver the Strategic Plan resulting in risk to patients' and clients' safety, external review and reputational damage	<ol style="list-style-type: none"> 1. The Strategic Plan sets out clear priorities 2. IJB directions are clear about actions required by NHS and Council 3. The Partnership Management Team is focussed on ensuring adequate resources are in place for delegated functions to deliver the Strategic Plan 4. NHS Lothian is focussed on ensuring adequate resources are in place for set-aside and hosted functions to deliver the Strategic Plan 5. NHS Lothian and East Lothian Council are focussed on ensuring adequate resources are in place for non-delegated but related functions (e.g. housing), to deliver the Strategic Plan 6. Quarterly Performance Report to IJB and scrutiny by the Audit and Risk Committee. 7. Care at Home contracts in place. 8. Use of Integrated Care Fund to increase capacity and improve terms and conditions. 9. Use Primary Care Transformation Fund to improve access in west of county. 10. Joint Workforce Plan approved at IJB on 23/5/19. 	Medium 6	Medium 6	Macdonald, Alison X	Macdonald, Alison X	26/02/2016							
3926	Potential Instability e.g elections / IJB changes	There is a risk that the IJB will be destabilised as a consequence of membership change or policy change as a result of elections and Public Sector reform leading to conflicting priorities and/or inability to make decisions	<ol style="list-style-type: none"> 1. Standing orders that control members' behaviour 2. Code of Conduct 3. Scheme of Integration which includes a dispute resolution mechanism 4. Ensuring that membership changes are not all planned at the same time e.g. stakeholder member changes are separate from voting member changes, NHS membership changes on a different cycle from the East Lothian Council membership changes 	Medium 4	Medium 4	Macdonald, Alison X	Macdonald, Alison X	26/02/2016	7349	Alison Macdonald	IJB Induction Review and IJB Members Annual Discussion	<p>7/1/20: AM will speak to Cllr Fiona O'Donnell and find out if regular meetings are taking place with IJB members.</p> <p>25/2/20: Cllr O'Donnell has met with IJB members. Induction plans to be reviewed in light of new members - Public Consultant and Independent Sector reps."</p> <p>IJB Standing Orders circulated to IJB members November 2020. IJB now operating virtually due to ongoing COVID-19 pandemic</p>	31/05/2017	31/03/2021	



REPORT TO: East Lothian IJB – Audit and Risk Committee
MEETING DATE: 8 December 2020
BY: Chief Internal Auditor
SUBJECT: Internal Audit Report – Social Care Sustainability Payments

4

1 PURPOSE

- 1.1 To inform the Audit and Risk Committee of the recently issued audit report on Social Care Sustainability Payments.

2 RECOMMENDATION

- 2.1 That the Committee note the contents of the audit report.

3 BACKGROUND

- 3.1 An assurance review of Social Care Sustainability Payments has been undertaken as part of the Audit Plan for 2020/21.
- 3.2 The main objective of the audit was to review the adequacy and effectiveness of the arrangements in place for Social Care Sustainability Payments.
- 3.3 The main findings from our audit work are outlined in the attached report.

4 ENGAGEMENT

- 4.1 The findings from the review have been discussed with Management, but do not require wider engagement.

5 POLICY IMPLICATIONS

- 5.1 None

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

7 DIRECTIONS

- 7.1 The subject of this report does not require any amendment to or creation of Directions.

8 RESOURCE IMPLICATIONS

- 8.1 Financial - None
8.2 Personnel - None
8.3 Other - None

9 BACKGROUND PAPERS

- 9.1 None

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DATE	30 November 2020



Internal Audit Assurance Report

From:	Duncan Stainbank, Chief Internal Auditor Stuart Allan, Senior Auditor
To:	Alison MacDonald, Director ELHSCP/Chief Officer East Lothian IJB Claire Flanagan, Chief Finance Officer East Lothian IJB Laura Kerr, Interim Business General Manager ELHSCP
Date:	30 November 2020

Social Care Sustainability Payments

1. Background

Since the beginning of lockdown the East Lothian Health and Social Care Partnership (ELHSCP) has been supporting local social care providers by ensuring that reasonable costs are met through the COSLA National Principles for Sustainability and Remobilisation Payments to Social Care Providers during Covid-19. The Scottish Government has provided funding to the ELHSCP to support the social care sector to help meet Covid-19 related costs:

- On 3 August 2020, the Scottish Government announced that the social care sector would receive up to £50 million further additional funding to help meet additional costs related to Covid-19. The funding was to be allocated to HSCPs across Scotland to ensure the sustainability of the social care sector and was in addition to the £50 million previously allocated in May 2020. The funding is to support social care providers with Covid-19 related costs such as reduction in occupancy due to the virus, additional staffing or sickness costs, infection prevention & control and PPE;
- The Social Care Staff Support Fund is a separate commitment, which seeks to ensure that social care workers do not experience financial hardship if they are ill or self-isolating due to Covid-19. Employers should pay eligible staff their expected income and reclaim any additional costs from Integration or Local Authorities.

The scope of the audit is to review the processes developed to; collect appropriate information, review and approve claims, and resolve appeals in making sustainability payments for Covid-19 related costs to social care providers within East Lothian. The audit work includes coverage of the following areas:

- Adherence to Guidance – we will review the approach being adopted and the payments made to ensure they are in line with the guidance issued by COSLA and the Scottish Government.
- Decision Making and Payment Process – for a sample of payments made, we will review the calculations and supporting evidence held to confirm that the payments are properly due and correctly made.
- Record Keeping and Audit Trail – we will seek to ensure that a clear audit trail is maintained of all communications with social care providers and that detailed records are maintained of all decisions made and payments approved.
- Appeals Process – we will review the processes in place for dealing with appeals where required.

2. Findings

2.1 Adherence to Guidance

Key findings are:

- The National Principles for Sustainability and Remobilisation Payments to Social Care Providers during Covid-19 is the key guidance in place for social care sustainability placements. The National Principles are issued by COSLA and have been agreed by the Scottish Government.
- In respect of reduced occupancy, the National Principles specify that:
 - care homes will be supported by the authority in the care home's boundary area;
 - where a care home is impacted by a reduction in occupancy because it is clinically unsafe to admit people or due to a reduction in admissions caused by Covid-19, then a sustainability payment will be made to the care home;
 - for care homes where the National Care Home Contract (NCHC) is in place, the payment will be made on the basis of 80% of the NCHC rate. The weekly payments from the end of March 2020 to the end of August 2020 are £508.63 for residential care and £592.00 for nursing care. No increased rate will be paid where a care home does not accept the NCHC rate or to account for care homes who charge higher self-funder fees;
 - transitional arrangements are in place for the following three months with 75% of claims paid for voids caused by Covid-19 for September 2020 and 50% of claims paid for October 2020 and November 2020.
- For care at home, the National Principles indicate that sustainability will be based on a planned care approach.
- Where social care providers incur additional costs in respect of personal protective equipment (PPE), infection prevention and control and staffing related costs, the National Principles state that providers should identify and submit these costs on a template provided by the authority and the provider must ensure that they can evidence the additionality of these payments. We note that the Social Care Staff Support Fund, which seeks to ensure that social care workers do not suffer financial hardship if they are ill or self-isolating due to Covid-19, has been extended until the end of March 2021.
- The ELHSCP has been pro-active in contacting social care providers. All East Lothian adult service providers were initially contacted in June 2020 to notify them of the availability of sustainability funding, with regular reminders being sent thereafter. Each provider was offered individual support to complete the claims process. In addition to providing support to care home providers on the NCHC, the ELHSCP has also been supporting non-framework homes in the East Lothian authority area on a like-by-like basis, in recognition of their role in local service provision and in accordance with the provisions of the National Principles.
- All providers submitting a claim are required to complete a Supplier Relief Confirmation Form, clearly indicating if their claim relates to reduced occupancy or additional costs. Providers are required to indicate if they have made a claim for any other Covid-19 related relief, grant, intervention or other measure, which results in them receiving more than one benefit/relief for the same underlying cash flow issue, and to confirm that:
 - any payments made will be used as intended to employ and pay staff, including sickness absence, to pay suppliers and to maintain the solvency and capacity of the business;
 - consideration will be given to reducing costs in the business, such as by redeployment of staff;
 - they will permit an open book basis for accounts and evidence monies have been spent as intended on request;
 - if money has not been spent as intended or there has been overcompensation it can be recovered by public bodies;
 - if other relief is made available it will be pursued and declared to the authority if duplication arises.

- We found that the ELHSCP has appropriate arrangements in place for administering social care sustainability payments and for ensuring compliance with the National Principles. All claims from providers are considered at weekly Sustainability Payment Panel meetings, which are chaired by the Director ELHSCP/Chief Officer East Lothian IJB, are co-ordinated by the Planning and Performance Officer and are attended by key members of staff from the ELHSCP, together with relevant members of staff from East Lothian Council and NHS Lothian. The weekly Sustainability Payment Panel meetings consider all claims for reduced occupancy and additional costs, including staff costs under the Social Care Staff Support Fund. We note that payments to care at home providers for non-delivery of services are paid via the commissioned services. These payments are not considered by the Panel and do not form part of this audit review.
- A Social Care Sustainability Payment Update Report prepared by the Planning and Performance Officer was presented to the East Lothian IJB meeting of 29 October 2020.
- We note that as of 24 November 2020, total claims of £988,017 had been approved by the Sustainability Payment Panel, comprising of £694,439 for reduced occupancy and £293,578 for additional costs.

2.2 Decision Making and Payment Process

Key findings are:

- As part of our assurance work we reviewed the documentation presented to the weekly Sustainability Payment Panel meetings and attended one meeting of the Panel in an observation capacity. We found that detailed papers are provided to Panel members in advance of the meeting, clearly outlining the agenda items to be considered and including a status update on applications that had previously been considered, a summary of Panel approved claims to date and supporting documentation relating to the claims to be considered at the meeting. There is evidence of all claims being considered appropriately and, where required, of further clarification or evidence being requested from the provider prior to a decision on the claim being made. Following each Panel meeting an updated Sustainability Panel Record is prepared detailing all claims that have been considered and the Panel decisions made.
- We sought to review the processes in place for reduced occupancy claims and note that reduced occupancy templates are in place for all care home providers. Baseline figures have been developed for each care home based on the average occupancy calculated over an 11 week period ending on 23 March 2020. From 30 March 2020 onwards, weekly occupancy statistics were then obtained (on the Monday of each week) for each care home and reduced occupancy claims are calculated on a weekly basis – where a care home’s weekly occupancy is less than the baseline figure then a reduced occupancy claim can be made for that week, based on the variation from the baseline figure multiplied by 80% of the NCHC rates (i.e. £508.63 for residential care and £592.00 for nursing care). For a sample of four care homes reviewed (three nursing homes and one residential home), we confirmed that in each case the reduced occupancy claim had been correctly calculated and that, in line with the transitional arrangements in place, for September 2020 claims had been restricted to 75% of the calculated amount and for October/November 2020 to 50% of the calculated amount.
- For all additional cost claims, including claims under the Social Care Staff Support Fund, providers are required to complete and submit an additional costs template, clearly detailing the costs they are claiming, split between staff costs, PPE and other costs, together with submitting relevant supporting documentation (e.g. extracts from management accounts and/or purchase invoices).
- Following the Sustainability Payment Panel approving a reduced occupancy or additional cost claim, an email is sent by the Planning and Performance Officer to the provider informing them of the Panel decision, confirming the amount approved for payment and advising them that they will receive an email from the Finance team asking for an invoice to be raised. We note that claims

remain on the Panel agenda (under Status Update on Applications) until an invoice has been received from the provider.

- The Community Care Finance team email the provider requesting that they submit their invoice as soon as possible. On receipt of the invoice, it is checked to ensure that it agrees to the amount requested by the Planning and Performance Officer, passed for authorisation and then processed for payment through East Lothian Council's creditors system. Payments are allocated against Residential & Nursing Expenditure for Older People.
- We note that the ELHSCP, via NHS Lothian, have received funding directly from the Scottish Government to support their Local Mobilisation Plan (LMP) returns, which includes social care sustainability payments. We further note that East Lothian Council's Business Finance team monitor the expenditure and raise invoices to NHS Lothian to recover the sustainability payments made. We are advised that £268,000 has been invoiced by East Lothian Council to NHS Lothian to recover social care sustainability payments made up until the end of August 2020 and that a further invoice has been raised for £586,000 to cover payments made until the end of October 2020. We are further advised that regular financial returns are sent to the Scottish Government by NHS Lothian projecting Covid-19 related costs to support the funding being allocated.
- We note that a number of different teams are involved in the social care sustainability payments process. Appropriate control mechanisms are in place for the approval and authorisation of individual payments and we note that the monitoring carried out by the Business Finance team includes monitoring of reduced occupancy and additional cost payments. We are advised that at the end of period 8 (November 2020) a full reconciliation will be carried out between the claim amounts approved by the Sustainability Payment Panel, the amounts paid to providers by the Council and the amounts recovered by the Council from NHS Lothian.

2.3 Record Keeping and Audit Trail

Key findings are:

- We found that comprehensive and detailed records are maintained of the sustainability payments process, including Sustainability Payment Panel agendas and meeting records, a clear record of all correspondence with providers and details of supporting documentation submitted by providers, including extracts from management accounts and purchase invoices. In particular we note that a Sustainability Payment Log is maintained for each provider, which includes details of:
 - Provider type (e.g. NCHC care home, non-NCHC care home or care at home framework);
 - Date the initial email was sent to the provider;
 - Date the supplier relief confirmation form was received from the provider;
 - Date the funding application template was issued to the provider;
 - If reduced occupancy rates have been agreed (for the periods to 1 June 2020, 31 August 2020 and 1 November 2020 respectively);
 - Dates of any additional costs application received;
 - Panel dates when the claims were considered;
 - Summary of key points considered at the Panel meetings in respect of each claim submitted;
 - Comments, including queries and clarification sought from, and feedback provided to, providers;
 - Reduced occupancy rate response received from providers;
 - If the latest reduced occupancy claim received has been approved;
 - If the latest additional costs claim received has been approved; and
 - All Panel approved claims, including the amount approved, date approved and if the claim related to reduced occupancy or additional costs.

2.4 Appeals Process

Key findings are:

- We sought to review the arrangements in place in the event of providers disagreeing with the decision of the Sustainability Payment Panel. We are advised that the resolution process was discussed at the Panel meeting of 3 August 2020 and it was agreed that in the event of a disagreement or discrepancy then the first point of action is to request further evidence from the provider. If the Panel is not satisfied with the evidence provided this will be communicated to the service provider. If the service provider is unhappy with the outcome then they will need to raise the matter with the Scottish Government.
- We are advised that to date all disagreements have been resolved following further discussions and correspondence with the provider and that no matters have been raised with the Scottish Government.

3. Conclusions

- 3.1 Based on our assurance work undertaken and the audit evidence reviewed, it is our view that the ELHSCP has appropriate processes in place to ensure that social care sustainability payments are made in accordance with the National Principles for Sustainability and Remobilisation Payments to Social Care Providers during Covid-19. Sustainability Payment Panel meetings are being held on a weekly basis, there is evidence of all claims from providers being properly considered and detailed records are maintained of all Panel decisions made and of correspondence with, and supporting evidence submitted by, social care providers.
- 3.2 We note that on 6 November 2020 the Scottish Government/COSLA wrote to all authorities to advise them that following the end of the transitional arrangements at the end of November 2020, further but more targeted support may be necessary to ensure that the sector remains sustainable, and that it may also be necessary to consider how the process of claiming and administering payments can be streamlined to improve the experience and outcomes of all involved. In particular it was highlighted that the transitional arrangements for reduced occupancy payments will not continue beyond November 2020 and that authorities should prepare for alternative arrangements to be in place from December 2020. Internal Audit may review these new arrangements at a later date and may also review payments to care at home providers for non-delivery of services, which has not formed part of this current review.



REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 8 December 2020

BY: Chief Internal Auditor

SUBJECT: Internal Audit Update of East Lothian Council and NHS
Lothian 2020/21 Audit Plans

5

1 PURPOSE

- 1.1 To inform the Audit and Risk Committee of the recently issued audit reports relevant to IJB services reported to the East Lothian Council Audit & Governance Committee and the NHS Lothian Audit & Risk Committee.

2 RECOMMENDATION

- 2.1 That the Committee note the contents of the audit reports.

3 BACKGROUND

- 3.1 The East Lothian Council Internal Audit service reports key audit findings, conclusions and recommendations to the East Lothian Council Audit & Governance Committee. This includes audit reviews on the Health and Social Care Partnership (HSCP). The NHS Lothian Internal Audit team reports key audit findings, conclusions and recommendations to the NHS Lothian Audit & Risk Committee. Some of this internal audit work covers areas of interest to the East Lothian IJB.
- 3.2 Two audit reviews reported to the most recent meetings of the East Lothian Council Audit & Governance Committee and the NHS Lothian Audit & Risk Committee respectively are summarised in Appendices 1 and 2. These reports are:
- Residential and Non-Residential Charging: Graded as Moderate Assurance (Appendix 1)
 - Workforce Planning: All three objectives are graded as Substantial Assurance (Appendix 2)

4 ENGAGEMENT

- 4.1 Engagement with management will have been undertaken in accordance with the procedures in place for the relevant Internal Audit teams.

5 POLICY IMPLICATIONS

- 5.1 None

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

7 DIRECTIONS

- 7.1 The subject of this report does not require any amendment to or creation of Directions.

8 RESOURCE IMPLICATIONS

- 8.1 Financial - None
8.2 Personnel - None
8.3 Other - None

9 BACKGROUND PAPERS

- 9.1 None

AUTHOR'S NAME	Duncan Stainbank
DESIGNATION	Chief Internal Auditor
CONTACT INFO	dstainbank@eastlothian.gov.uk
DATE	26 November 2020

Executive Summary: Residential & Non-Residential Charging

Conclusion: Moderate Assurance

The Council has appropriate processes and procedures in place for the raising of charges for residential and non-residential social care costs in most circumstances. However there are a few significant areas where processes should be improved including reviewing of care plans, application of waivers and temporary charging values, authorisation of non-residential invoices and monitoring and control of charges made through to debt collection on a regular basis.

Background

Section 14 of the Care Act 2014 provides the power for Local Authorities to make charges for care costs in certain circumstances. The Council has a Charging Policy for Non-Residential Social Care that is updated and approved on an annual basis. Residential charges are made in accordance with guidance on charging for Residential Accommodation issued by the Scottish Government with Council operated residential accommodation charges set within the East Lothian Council Charging Book.

Summary of findings & recommendations

The following key findings and recommendations are highlighted, which have all been **agreed by Management**:

- 7 of 30 residential clients tested did not have evidence that their care plans had been reviewed in the last 3 years. *Management have agreed that following return to full capacity following COVID restrictions clients will all have annual care reviews completed and documented by January 2022.*
- Review of residential charging identified that in 3 cases clients did not have the appropriate charges made against them as a result of a lack of review of waivers approved or application of a minimum temporary charge whilst financial assessment is completed. *Management have agreed to resolve both the issues with these individual clients and improve processes and monitoring to improve control by April 2021.*
- In one case a client had not had a charging order raised against their property when this was required. *Management have agreed to resolve this case and then monitor the raising of charging orders on an ongoing basis moving forward.*
- Care at Home invoicing is manually intensive and as a result is often delayed by 3-4 months, and does not contain appropriate authorisation processes. From testing of 30 residential clients, 3 clients were not having timely invoices raised. *Management have agreed to review current manual processes and establish a more automated process to improve controls over raising timely and accurate invoices by June 2021.*
- Older Peoples services currently have outstanding debt in excess of £824K. The Debt Management Group last met in August 2019 and recommendations for debt recovery and write off are not being progressed resulting in continued increases in large individual debts. *Management have agreed that the Debt Management Group should now meet on a two monthly basis going forward from December 2020.*

Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Current Report	-	23	-	23
Prior report	N/A	N/A	N/A	N/A*

Materiality

There are currently 568 residential clients contributing on average approximately 25% of the residential care costs of approximately £16 million. There are 982 clients who receive care at home.

* This control review is new and no prior report exists for comparison

Headlines

Objectives	Conclusion	Comment
1. A clear and accessible Council Residential and Non-Residential Charging Policy is in place.	Reasonable	A Council Residential and Non-residential Charging Policy is in place for 2019/20 – however the 2020/21 Policy has been delayed in being agreed due to issues with the introduction of an allowance for disability related expenditure and the requirement for some changes in wording around over 65 assessments to avoid claims of age discrimination.
2. Clients have an up to date care assessment; a Care Plan is in place and residential reviews are regularly carried out.	Limited	For all of the clients tested a care plan or support plan was in place. However 7 of 30 (23%) residential care clients did not have a record of a review taking place in the last 3 years and 1 of 30 non-residential clients. Whilst COVID-19 restrictions may have reduced current capability for Residential Care reviews, action is required to prevent further slippage in review times.
3. Where appropriate a financial assessment has been completed for all clients on a timely basis.	Reasonable	From a sample of 60 clients, 7 had not yet had a financial assessment completed however in 6 of these cases placements had started between late February 2020 and July 2020. In 1 case the placement had commenced in October 2019 and despite requests to the family member with guardianship no financial assessment had been completed. As a temporary minimum client contribution level was not applied and due to the client's death, the debt is now held by the Council. Recommendations have been made to ensure responsibilities and escalation mechanisms are clear in these circumstances.
4. The charges being made against clients are accurate and complete to the package of support being received, and in line with the financial assessment and charging policy.	Limited	For a sample of 30 clients in residential accommodation, 26 had charges applied correctly in accordance with procedures, 1 client had not had a contribution charged as their placement had been made under section 16 and 17 of the COVID Act and statutory guidance prevents charging, 1 client had a waiver placed on charges in April 2018 that had not properly been reviewed resulting in charges of £24k now being due and in 2 cases a failure to apply temporary minimum contributions had contributed to debt of £2k and £10k now being due. Care at Home clients had charges applied correctly. Regular reviews of client charges are required to prevent large future debts being incurred.
5. Where specialist services are being procured clarity on the funding for these services across Council, NHS and personal funding are documented.	Substantial	From the one case of specialist services identified during testing the regular invoicing to the NHS of the correct value is being made and the invoices are being paid to the Council in a timely manner.
6. Procedures are in place to clearly contact clients and their representatives confirming charges that are due and the payment schedule for payments on a timely basis.	Limited	Processes are in place to appropriately confirm with clients and their representatives what charges clients are due to make for residential and non-residential care. However from testing of 30 residential clients, 3 clients were not having timely invoices raised. It was also established that in one case a client that should have had a charging order in place to allow for payment had not had this charging order applied. Homecare invoicing is manually intensive and as a result often delayed by 3-4 months, and does not contain appropriate authorisation processes. Recommendations have been made to improve these processes.
7. Accurate, complete, timely and appropriate action is taken when charges are being recovered.	Limited	Older Peoples services currently have outstanding debt in excess of £824K. The Debt Management Group last met in August 2019 and recommendations for debt recovery and write off are not being progressed. The Debt Management Group should now meet every two months from December 2020.

Areas where expected controls are met/good practice

No.	Areas of Positive Assurance
1.	Charging policies are reviewed on an annual basis including the use of an independent Charging Working Group including Councillors and independent members representing service users and providers.
2.	Testing established that when emergency care has been procured as a result of COVID-19 arrangements without full assessments being completed charges are not being made in accordance with statutory guidance.
3.	When specialist services are being provided in conjunction with the NHS, testing established that these are being invoiced and paid in accordance with the agreements in place.
4.	An appeals process is in place for financial assessments and whilst not reviewed as part of this exercise will form part of a future Internal Audit review.

Recommendation Grading/Overall opinion definitions

Recommendation	Definition
High	Recommendations relating to factors fundamental to the success of the control objectives of the system. The weaknesses may give rise to significant financial loss/misstatement or failure of business processes.
Medium	Recommendations which will improve the efficiency and effectiveness of the existing controls.
Low	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.

Levels of Assurance	Definition
Substantial Assurance	There is a sound system of internal control designed and operating in a way that gives a reasonable likelihood that the objectives will be met.
Reasonable Assurance	Whilst there is a sound system of internal control, there are minor weaknesses, which may put some of the objectives at risk or there is evidence of non-compliance with some of the controls, which may put some of the objectives at risk.
Moderate Assurance	The system of internal control is broadly reliable, however there are a number of weaknesses, which put some of the objectives at risk or there is evidence that the level of non-compliance with controls put some of the objectives at risk.
Limited Assurance	Weaknesses in the system of internal control are such as to put the objectives at risk or the level of non-compliance puts the objectives at risk.
No Assurance	Control is generally weak leaving the system open to error or abuse, or there is significant non-compliance with basic controls, which leaves the system open to error or abuse.

Appendix 2

NHS Lothian Internal Audit Report Workforce Planning - Conclusion and Main Findings

1. Conclusion

1.1 There is evidence to demonstrate that the development of the Workforce Plan has included input from all relevant stakeholders, with the Plan itself recording a number of local and national priorities. However, delay to the implementation of controls established earlier in the year to monitor the actions identified in the 12-month action plan could impact on the delivery of the plan.

2. Main Findings

2.1 The Workforce Planning & Development Programme Board (WPDPB) is chaired by the Director of HR & OD and has a membership that has been designed to ensure that all professions are represented by their Professional Director/Lead.

2.2 At the start of the Workforce Plan development process WPDPB members were consulted around how the plan would be developed, with the intention that the plan would reflect the input from service and professional leads and be owned by them.

2.3 On 27 September 2019, the Head of Workforce Planning wrote to the Professional Leads, requesting that they contribute to a 12 month action plan, including the intended outcomes, how progress will be measured and where support is likely to be required.

2.4 The 12-month action plan has been developed with contributions from professions including Nursing, Medical, Psychology, Facilities, Healthcare Science and Pharmacy. Comparison against the Workforce Plan has identified a number of actions that have been integrated into the 12-month plan. A schedule of reporting has been developed to direct specialities on when they will be expected to provide updates to the WPDPB.

2.5 Section 1 of the Workforce Plan documents the key national policy and strategies set out by the Scottish Government.

2.6 Additional local priorities recorded in the Workforce Plan are representative of the feedback from the WPDPB and reflect the workforce planning priorities set out in NHS Lothian's Annual Operational Plan 2019-20.

2.7 We identified one advisory point during this review:

While it is noted that the disruption resulting from the Covid-19 pandemic has impacted on the WPDPB reporting schedule, there is a risk that without a formal appraisal of the progress made to date, milestones recorded in the 12-month action plan are not being met.



East Lothian Health and Social Care Partnership

6

COVID-19 COSTS AND FUNDING FOR 2020-21

Author(s):	Claire Flanagan, Chief Finance Officer East Lothian IJB
Date:	1 December 2020

Situation	<p>When the scale of the COVID-19 pandemic became apparent, ELHSCP devised fully costed mobilisation plans and in turn remobilisation plans to deal with the health and social care consequences.</p> <p>We have recently received confirmation of additional funding available for 2020-21 to offset these costs and this summary provides background into the main areas of expenditure.</p> <p>Shown below are forecasts for each element of the plans. Funding has come through in 3 tranches; the most recent was confirmed during November and will start to be allocated to the partners in November to cover backdated costs.</p> <p>Local planning for 2021-22 is showing that some of these additional costs will continue beyond March 2021 although we have not yet received any indication of how much funding may be available in 2021-22.</p> <p>It has recently been announced that the Scottish Government budget for 2021-22 will be published on 28th January 2021 rather than later in 2020. This decision follows the postponement of the UK Autumn Budget to an unspecified date in 2021 and instead the UK Spending Review in November will provide provisional and partial information in terms of the funding position for Scotland.</p> <p>It has been acknowledged that this causes difficulties for the Scottish Budget process and budgetary decisions will be made on partial and provisional information. The evolving situations around COVID-19 and EU Exit deal add to this exceptional set of circumstances and these difficulties have associated difficulties for local government, business and third sector.</p>
Background	<p>Both health & social care partners have incurred extensive additional costs that relate to COVID-19. A decision log is held which shows what decisions were made and when, providing a robust audit of events and timelines. Costs incurred and projected costs are also tracked alongside each decision.</p> <p>We report these cost projection into Scottish Government through their routine financial template returns coordinated via NHS Lothian. The most recent submission made was 23rd October 2020.</p>



A summary of projected costs at Quarter 2 is shown below.

Forecast COVID Costs for 2020-21	£k
Additional Bed Capacity @ ELCH	1,006
Sustainability Payments	2,423
Planned care - costs to Protect Services	593
Additional Staffing Costs	308
Community Hubs	176
Delayed Discharge Reduction	666
Digital, IT & Telephone Costs	95
Expansion of Care Home Team	215
Loss of Income	588
Misc	71
Unmet Savings	742
FHS Contractors	431
GP Prescribing	770
COVID Projected Costs	8,085

Mobilisation and Remobilisation plans and cost projections change regularly as we continue to alter our services to deal with the 2nd COVID-19 wave. An illustration of such a change is a recent decision of opening another ward of 20 additional beds at ELCH, increasing that element of projected spend to £1.7m.

Similar to the additional ward opening a paper on Sustainability Payments was presented at the IJB on 29th October 2020 which provided background to the guidance and approach for supporting social care providers. An extension of this support has been announced and this will continue until November 2020 and we await formal correspondence to know the exact arrangements and timescales.

Additional funding of £4.7m has now been allocated to ELHSCP towards the additional costs of COVID-19 across the health and social care system. The allocation was based on the outputs of the mobilisation and remobilisation plans submitted to Scottish Government but does not cover all costs projected to be incurred. There is scope for a further allocation in Q4 if this initial allocation doesn't cover our net requirements. This is made up of tranche 1 funding £947k, tranche 2 funding £473k and more recently the allocation based on the financial return to SG of which ELHSCP share was £3.3m.

Funding allocations above exclude any funding for GP Prescribing and FHS contractors, both of which has been impacted significantly by



	<p>additional COVID related costs. During November funding for FHS contractor additional costs has been received by the Health Board, the basis of allocation is being reviewed and therefore as yet not allocated to a partnership level.</p> <p>Although our projected costs are £8m it is acknowledged that there is a degree of budget cover already in each partner's core budget system that can cover some of these COVID costs. Work continues to understand how existing budget underspends can be repurposed. Scottish Government has also confirmed further funding allocation in January 2021 and potentially March 2021.</p> <p>Beyond 2020-21 remains uncertain both in terms of how the health and social care system must remain flexible in their ability to adapt to the consequences of this public health pandemic.</p>
<p>Assessment</p>	<p>For 2020-21, as additional funding has been received the financial risk has reduced accordingly and although difficult to give assurance the IJB will break even, the risk is lower.</p> <p>Future planning is required every year and always includes a number of assumptions which introduces a degree of risk. For 2021-22 of particular note is the requirement for services to continually adapt to changing remobilisation plans if further waves of COVID-19 occur. As highlighted above, regardless of COVID-19, there remains a significant financial challenge on the horizon for 2021-22 and the extent to which increased cost pressures will be met by the Scottish Government is unknown. The Scottish Budget will prioritise resources as effectively as possible to drive the country's economic recovery whilst managing the ongoing impact of the virus.</p>
<p>Recommendation</p>	<p>Note the contents of this report and the ongoing challenges for planning for a new normal.</p>



REPORT TO: East Lothian IJB – Audit and Risk Committee
MEETING DATE: 8 December 2020
BY: Chief Finance Officer
SUBJECT: NHS Lothian Recovery Update

7

1 PURPOSE

- 1.1 The purpose of this report is to provide the committee with the latest report from NHS Lothian on the status of the Recovery Programme. As NHS Lothian is one of the partner organisations of the IJB, it is important that IJB Audit and Risk Committee are provided with regular updates.

2 RECOMMENDATIONS

The Committee is asked to:

- 2.1 Note that the role and nature of the programme has changed in the light of the Covid-19 pandemic; and
- 2.2 Agree to receive updates in relation to specific performance recovery issues.

3 BACKGROUND

- 3.1 The Lothian Recovery Programme was put on hold in late March 2020 to allow the system to focus on the emergency response to the Covid-19 pandemic. NHS Lothian still remains at Level 3 of the Scottish Government Performance Escalation Framework but no material actions have been taken forward.
- 3.2 As a result, the role and nature of the programme has been reprioritised to focus on learning from the current Covid-19 pandemic situation, embedding this learning into revised clinical models to support longer term recovery actions as well as supporting the Scottish Governments Remobilisation Plans.

3.3 Following the first Covid-19 wave certain elements of the programme were remobilised, in particular:

- the Scheduled Care Programme has focused on remobilising elective, diagnostic and outpatient services, with a specific focus on prioritising Urgent and Urgent Suspected of Cancer patients;
- the Unscheduled Care Programme has been leading on a national initiative to 'schedule unscheduled care' to reduce attendance at Emergency Departments. Recently there has been a focus on reducing delayed discharges back to Spring 2020 levels to free capacity in the acute sector for the second wave of the Covid-19 pandemic; and
- the Mental Health and Learning Disability (MHL) Programme maintained its focus on improving performance and waiting times within Psychological Therapy and CAMHS services.

3.4 One of the themes of the programme is to build on the 'virtual care models' that were adopted during the Covid-19 pandemic and support the health and care embed these in routine models of care where appropriate.

4 ENGAGEMENT

4.1 The IJB papers along with those of the IJB Audit and Risk Committee are available on East Lothian Council's website.

5 POLICY IMPLICATIONS

5.1 The 3 main work-streams delegated to the IJBs in Lothian are:

- Learning Disability;
- Mental Health (including Psychological Therapies);
- Unscheduled care: Delayed discharges and ED attendance.

5.2 These feature across all IJB Strategic plans, and are integral components to the success of Integration. However, it should also be noted that Cancer waiting times, and other scheduled care services (although not delegated) have a direct influence in the wellbeing of our local population.

6 INTEGRATED IMPACT ASSESSMENT

6.1 Impact assessments have been undertaken for a number of themes in the Recovery Programme including the scheduling of unscheduled care and the impact of video consultations.

7 RESOURCE IMPLICATIONS

- 7.1 There will be direct resource implications associated with the need to reduce delayed discharges to spring 2020 levels. These are considered separately to this paper.

8 BACKGROUND PAPERS

- 8.1 None

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DATE	1 December 2020

