



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

**TUESDAY 7 DECEMBER 2021
VIA DIGITAL MEETINGS SYSTEM**

1

Members Present:

Dr P Donald (Chair)
Councillor S Akhtar
Councillor S Kempson
Mr D Binnie

Officers Present:

Mr D King
Mr I Gorman
Ms A MacDonald
Mr D Stainbank

Others Present:

Ms M O'Connor, Audit Scotland

Clerk:

Ms F Currie

Apologies:

None

Declarations of Interest:

None

1. MINUTES OF THE EAST Lothian IJB AUDIT AND RISK COMMITTEE MEETING OF 14 SEPTEMBER 2021

The minutes of the East Lothian IJB Audit and Risk Committee meeting held on 14th September 2021 were approved.

2. MATTERS ARISING FROM THE MINUTES OF 14 SEPTEMBER

There were no matters arising from the previous minutes.

3. CIPFA - FINANCIAL MANAGEMENT CODE 2021/22

The Interim Chief Finance Officer had submitted a report informing the Committee of the CIPFA FM guidance 21/22 and asking the Committee to recommend adoption of the guidance, in so far as it applies to the operation of the IJB.

David King presented the report referring to his update at the previous meeting in which he had outlined the background to the guidance and the need for the Committee and IJB to consider how its principles and standards would reflect upon the IJB. He recommended that members ask the IJB to formally adopt the guidance in so far as it applied to the IJB. He also suggested that Internal Audit could be responsible for ensuring the IJB's compliance with the guidance.

Duncan Stainbank said he would be happy to include a review of compliance in the Internal Audit Plan and added that some work would be required in advance of the annual governance statement later in the year. He noted that most of the guidance was already operational and that previous recommendations on financial planning and sustainability were already being put in place. He agreed that the IJB should adopt the guidance.

The Chair welcomed the report which she said provided a clear and succinct reference tool for members. She agreed that the IJB should adopt the principles outlined in the document.

A vote was taken by roll call and the recommendation was unanimously approved.

David Binnie raised a question relating to voting rights and quorums for the Committee and the Clerk agreed to provide written clarification in advance of the next meeting.

Decision

The Committee agreed to recommend the adoption of the CIPFA guidance to the IJB, in so far as it applied to the operations of the IJB.

4. BEST VALUE FRAMEWORK

The Interim Chief Finance Officer presented a report reminding members of the duty to secure best value; and that a Best Value Framework for the East Lothian IJB must provide a basis of demonstrating the IJB has made arrangements to comply with Best Value.

Mr King presented the report referring members to his presentation at the last meeting. He advised members that Audit Scotland would be conducting Best value audits on IJBs in the next couple of years. In the meantime, they had provided 10 Best Value questions for IJBs to consider. Mr King suggested a number of possible formats for this process: discussion at an IJB or Committee meeting, through a workshop or development session or by circulating the questions to all IJB members for their feedback.

Alison MacDonald agreed that the 10 questions were well worth asking and that all were pertinent to integration. She indicated that questions 5 – 8 were considered regularly at their Commissioning Board meetings and the Board could provide feedback to the IJB. In relation to the other questions, there were a number of different groups and processes by which information could be gathered. She proposed that this information should be collated into a report for a future meeting of the Committee and from there to the IJB. This would ensure that the IJB was ready to be examined by Audit Scotland when the Best Value audit took place.

Ms MacDonald responded to a questions from Councillor Shamin Akhtar on whether staff currently had sufficient flexibility to take on this Best Value work and how to answer questions on areas where it was not possible to offer detailed assurance at this time.

Councillor Sue Kempson commended the report for its clarity noting that Best Value had so many variables it was sometimes difficult to define what was being asked for. However, she felt that the proposals in the report were a huge step forward.

The Chair thanked officers for their summary and suggested actions. She also asked if it would be possible to prepare some initial thoughts on how to address each of the 10 questions and bring this to the next Committee meeting for further discussion.

Decision

The Committee agreed to:

- i. Note that the IJB had a statutory duty to make arrangements to secure Best Value;
- ii. Remind members of the appropriate monitoring procedures to ensure compliance with Best Value and that continually reviewing the Best Value Framework as a means of demonstrating compliance; and
- iii. Note that the Annual Performance Report had outlined the basis of the IJB's best value assessment since 2019/20 but further development was required.

5. LOTHIAN IJBs/NHS AUDIT AND RISK COMMITTEE

A report was submitted by the Chief Internal Auditor informing and seeking the Committee's approval to the recently agreed 'Principles to Underpin Working Relationships between Lothian NHS and IJBs'. These principles had been developed through discussion between the NHS Lothian and Lothian IJBs' Chief Internal Auditors and Audit & Risk Committee Chairs.

Mr Stainbank presented the report setting out the background and processes that had resulted in the identification of four key principles which were now being brought forward to the Committee for formal approval.

Mr Stainbank responded to questions about the relationship between NHS and IJBs and the role of the Council's audit committee and how instances of conflict would be managed and adjudicated.

The Chair and Councillor Akhtar both welcomed the report and highlighted the importance of positive collaboration and communication.

Mr Stainbank concurred adding that strengthening the links between the committees would provide greater assurance and he wholeheartedly commended the principles document to the Committee.

A vote was taken by roll call and the recommendation was unanimously approved.

Decision

The Committee approved the 'Principles to Underpin Working relationships between Lothian NHS and IJBs'.

6. AUDIT SCOTLAND REPORTS OF INTEREST

The Interim Chief Finance Officer presented a report highlighting audit reports from Audit Scotland on areas of interest to the Audit & Risk Committee.

Mr King presented the report which summarised recent publications from Audit Scotland with particular relevance to the work of the IJB. As the vaccination programme was and remained a major part of the operational work of the Health & Social Care Partnership, the Audit Scotland report (published in September 2021) was provided in full.

Ms MacDonald responded to questions on the vaccination programme report and acknowledged the significant learning that had taken place during the roll out of the vaccination programme. She also acknowledged the hard work and dedication of staff involved in the delivery of the programme.

Iain Gorman provided an update to progress since September 2021, including the recent discussions to significantly increase capacity to deliver booster jabs within the county.

The Chair agreed that it had been a significant challenge and she welcomed the report and the very helpful summary of other publications provided by Mr King.

Mr King said it was his intention to bring a summary of Audit Scotland reports of interest to the Committee at every second meeting, with the caveat that individual reports could be brought forward in between times if they were felt to be more urgent.

Decision

The Committee agreed to:

- i. Note the publications and the key messages; and
- ii. Consider if any actions arising from these reports should be brought to the attention of the IJB.

7. INTERNAL AUDIT UPDATE OF EAST LoTHIAN COUNCIL AND NHS LoTHIAN 2020/21 AUDIT REPORTS

A report was submitted by the Chief Internal Auditor informing the Committee of the recently issued audit reports relevant to IJB services reported to East Lothian Council's Audit & Governance Committee and the NHS Lothian Audit & Risk Committee.

Mr Stainbank presented the report setting out the background to the work of the audit committees and summarising the findings of two audit reviews reported to recent meetings which were of particular relevance to the work of the IJB: Corporate Appointeeship and Risk Management at a Divisional/HSCP Level.

In reply to a question from the Chair, Ms MacDonald and Mr Stainbank outlined arrangements for the implementation of the recommendations set out in the audit reports.

Decision

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

8. RISK REGISTER UPDATE

A report was submitted by the Interim Chief Finance Officer laying out the IJB's risk register.

Mr King presented the register noting that a significant amount of time had been spent in past meetings discussing the risks associated with COVID-19, and that at the last meeting members had discussed and agreed the inclusion of a risk on the impact of National Care Service (NCS) proposals. While acknowledging the concerns around the NCS, he pointed out that there was little the IJB could do about this issue at present and that it should not be distracted from its own responsibilities in delivering its Strategic Plan. He also informed members that he had increased the risk level of 3925 'Operational resources may be insufficient to deliver the Strategic Plan' from medium to high.

The Committee agreed that an increase in this risk level seemed appropriate and discussed the current demands on the workforce and what further mitigations might be identified and reflect in the risk register. Mr Gorman outlined the processes in place for monitoring and mitigating risks identified both as strategic – within the IJB risk register - and operational – from the HSCP risk register.

Mr Binnie observed that where there was more than one risk register it was important that where the risk lay with one party but the mitigation lay with another party, the actions and monitoring were clearly signposted from one risk register to the other.

Mr Stainbank advised that he was planning an audit review of the IJB's risk management processes which would look at these issues and could provide some assistance on improving practices.

Mr Gorman acknowledged Mr Binnie's points and suggested that further discussions might be useful out with the meeting. The Chair asked officers to consider how best to address the issues raised and to report back to the next meeting.

The Chair also asked members if they felt that the risk relating to the impact of the NCS proposals should remain on the register. Mr Gorman said he felt that it should for now

as there were potential risks to the IJB around provision of services and delivery of its Strategic Plan.

Mr Binnie asked whether risk 5127 (EU Exit) merited its current risk level and whether it should remain on the register at all. Ms MacDonald said that the impact of 'Brexit' continued to play into the current workforce risk. While it did not necessarily need to remain as a standalone risk, she proposed incorporating risk 5127 into the wider workforce risk (3925). The members agreed with this suggestion.

Decision

The Committee agreed:

- i. to note the current risk register;
- ii. that no further risks should be added to the register but that risk 5127 (EU Exit) should be incorporated into risk 3925.

9. PREPARATION OF AN ACTION LOG FOR THE COMMITTEE

The Interim Chief Finance Officer submitted a report proposing that the Committee maintain an actions log.

Mr King presented the report outlining the background to the proposal and the details which might be included in the actions log.

The Chair agreed that this would be a useful addition to the minutes in providing a record and timeline of actions following each meeting.

Mr Binnie also supported the proposal but suggested that it focus on key actions rather than containing an ever growing list of tasks.

A vote was taken by roll call and the recommendation was unanimously approved.

Decision

The Committee agreed to the preparation and maintenance of an action log.

10. REVISED INTERNAL AUDIT PLAN 2021/22

A report was submitted by the Chief Internal Auditor informing the Committee of Internal Audit's updated operational plan for 2021/22.

Mr Stainbank presented the report outlining the background to the revised plan and the factors taken into account when identifying audit assignments.

The Chair thanked Mr Stainbank for his work of the revised plan.

Mr Stainbank said he would take on board comments from Mr King and Ms MacDonald in relation to the audit on budget monitoring. He advised that his intention had been to include a review of strategic and financial planning, as well as looking at the challenges relating to the administration and monitoring of COVID funding.

A vote was taken by roll call and the recommendation was unanimously approved.

Decision

The Committee agreed to approve the revised Audit Plan for 2021/22.

DRAFT

Signed

Dr Patricia Donald
Chair of the East Lothian IJB Audit and Risk Committee



REPORT TO: East Lothian IJB - Audit and Risk Committee

MEETING DATE: 15 March 2022

BY: Interim Chief Finance Officer

SUBJECT: Action Log

2

1 PURPOSE

Having agreed that the Committee will keep an action log, the first action log is attached for the committee's consideration.

2 RECOMMENDATIONS

The Committee is asked to:

- i. Note the current action log and suggest any amendments or updates.

3 BACKGROUND

- 3.1 At its December meeting the Committee agreed it would keep an action log. The first iteration of this log is attached as an appendix to this report.

4 ENGAGEMENT

The IJB makes its papers and reports available on the internet

5 POLICY IMPLICATIONS

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

6 INTEGRATED IMPACT ASSESSMENT

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

Financial – there are none.

Personnel – there are none.

8 BACKGROUND PAPERS

None

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DATE	March 2022

Appendices

Action Log – March 2022

Appendix – East Lothian IJB Audit and Risk Committee, Action Log. March 2020

Action number	Action	Action Description	Date Agreed	Owner	Update
1	CIPFA FM Mgt Code	Agree which elements of this pertain to the IJB and consider the appropriate assurance	15 March 2020	CFO	To be considered at this meeting
2	Best Value	Consider the Audit Scotland Best Value Questionnaire and develop and Best Value Framework	March '22	CFO/CO	To be considered at this meeting
3	Protocol of sharing A&R – Lothian NHS/IJB and Councils	Agree the pan-Lothian A&R sharing protocol	December '22	CIA	Agreed.



REPORT TO: East Lothian IJB – Audit and Risk Committee
MEETING DATE: 15 March 2022
BY: David King, Interim Chief Finance Officer
SUBJECT: CIPFA – Financial Management Code 2021/22

4

1 PURPOSE

- 1.1 The purpose of this report is to consider how the CIPFA FM guidance (21/22) pertains to the operations of the IJB and to consider how the IJB can assure itself that the guidance is being met. That having been done, and having agreed to adopt the guidance in principle, to recommend the adoption of the guidance in so far as it applies to the operation of the IJB, to the IJB. It should be noted that the adoption of this guidance is an element in the assurance processes of the IJB in its delivery of best value.

2 RECOMMENDATIONS

- 2.1 Members of the Audit and Risk Committee are therefore asked to:
- i. Consider the analysis below as to which elements of the guidance relate to the IJB directly;
 - ii. Consider the assurance processes that are required; and
 - iii. Put a further paper to the IJB laying out the committee's opinions and recommending the adoption of the code on the basis of the committee's considerations.

3 BACKGROUND and Main Report

3.1 Background

The Financial Management Code (FM Code) produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. For the first

time the FM Code sets out the standards of financial management for local authorities. The IJB is governed by the Local Authority regulations

The FM Code applies a principles-based approach which is linked to other financial statutory and good practice guidance. It contains the CIPFA Statement of Principles of Good Financial Management – these are laid out below. These principles are the benchmarks against which all financial management should be judged.

A paper was presented to the previous meeting of the committee who approved that the code should be adopted in principle by the IJB. However further discussions with the Chair suggested that the IJB would need to understand which elements of the code would pertain to the IJB specifically and how the IJB could achieve assurance that these items were in line with the guidance.

The IJB is not an operational unit and does not directly manage health or social care services. It produces a Strategic Plan for the delivery of the health and social care functions delegated to it by its partners (East Lothian Council and NHS Lothian) and sends directions to the partners specifying how these functions should be delivered. The operational delivery of the functions remaining the responsibility of the partners who have detailed and thorough governance process in place to manage that delivery. East Lothian Council has adopted the CIPFA FM guidance and has undertaken a detailed assurance process whilst NHS Lothian (not covered by the Local Authority regulations) has its own detailed Financial Management processes.

3.2 Financial Code and Principles

A summary of the Code and the principles that underlie it was laid out in the previous paper to the Committee. But the principles are reiterated below for the sake of convenience. They are:-

1. Organisational **leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
2. **Accountability** – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
3. Financial management is undertaken with **transparency** at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
4. Adherence to professional **standards** is promoted by the leadership team and is evidenced.
5. Sources of **assurance** are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.

6. The long-term **sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

3.2 Financial Management Standards

The table in Appendix A takes the standards, examines them individually and considers how they apply to the IJB and the assurance that that IJB can have that the standard is being met. It can be seen that some standards do not apply to the IJB and, of the rest, the IJB is delivering against them. That said, this analysis highlights that the development of the multi-year, balanced, financial plan is critical.

3.3 Best Value

The IJB is required to deliver its delegated functions with regard to the principle of best value. The adoption of this guidance will an element of provide assurance as to the overall delivery of best value.

3.5 Implementation

Local authorities are required to apply the requirements of the FM Code with effect from 1 April 2020. This means that the 2020/21 budget process provides an opportunity for assessment of elements of the FM Code before April 2020 and to provide a platform for good financial management to be demonstrable throughout 2020/21. Consequently CIPFA considers that the implementation date of April 2020 should indicate the commencement of a shadow year and that by 31 March 2021, local authorities should be able to demonstrate that they are working towards full implementation of the code. The first full year of compliance with the FM Code will therefore be 2021/22.

4 ENGAGEMENT

- 4.1 The IJB makes its papers and reports available on the internet.

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

AUTHOR'S NAME	David King
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DATE	March 2022

Appendix – Consideration of the CIPFA FM Code and its application to the IJB

Section	Standard	IJB	Assurance
1: The responsibilities of the Chief Finance Officer and Leadership Team	A: The leadership team is able to demonstrate that the services provided by the authority provide value for money	Yes, through the Strategic Plan and the Directions	IJB minutes, SPG minutes, Strategic Plan and Directions.
	B: The authority complies with the CIPFA 'Statement on the Role of the Chief Officer in Local Government'	Yes	Part of the Annual Audit process.
2: Governance and financial management style	C: The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control	The IJB is a board and not an operational unit. It doesn't have a management team as such. The IJB has its own governance but operational internal control matters are a subject for the partners.	
	D: The authority applies the CIPFA/SOLACE 'Delivering Good Governance in Local Government: Framework (2016)'	The IJB has its own governance processes. Where the framework pertains – these are part of the IJB's own regulations	

	E: The financial management style of the authority supports financial sustainability	Yes	Financial sustainability is addressed in the short term as part of the budget setting process. In the longer term the IJB is continuing to develop its multi-year balance financial plan to support the Strategic plan. The IJB also has published its financial strategy
3: Long to medium-term financial management	F: The authority has carried out a credible and transparent financial resilience assessment	Yes	Finance Reports to the IJB and IJB budget setting process
	G: The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	Yes	Finance reports to the IJB and IJB budgets setting process
	H: The authority complies with the CIPFA 'Prudential Code for Capital Finance in Local Authorities'	Not applicable – the IJB has no capital resources.	
	I: The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	Yes, the IJB is developing a financial plan to support the delivery of its Strategic Plan	

4: The annual budget	J: The authority complies with its statutory obligations in respect of the budget setting process	Yes, the IJB sets an indicative budget before the start of the financial year	IJB Budget setting paper to March Board
	K: The budget report includes a statement by the chief finance officer in the robustness of the estimates and a statement on the adequacy of the proposed financial reserves	Yes	IJB Budget setting paper to March Board
5: Stakeholder engagement and business plans	L: The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	Yes, this is part of the consultation and development of the IJB's Strategic Plan	Strategic Plan consultations/ SPG minutes
	M: The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions	Yes.	SPG/ Strategic Plan
6: Monitoring financial performance	N: The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	No. The operational delivery of the IJB's budget is a matter for its partners. The IJB receives updates on the financial position of its partners. That said, additional directions and	

		revisions to the Strategic Plan can be used if the financial issues are serious and threatening to the delivery of the Strategic Plan	
	O: The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability	In theory, however the IJB's balance sheet does not have any assets, loans or doubtful debtors that pose a risk to the IJB.	
7: External financial reporting	P: The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the 'Code of Practice on Local Authority Accounting in the United Kingdom'	Yes	Annual accounts and annual audit report.
	Q: The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	Yes. Part of the annual budget setting process and the development of the financial plan. The Strategic Plan is the basis of future financial decisions.	IJB budget setting papers in March



REPORT TO: East Lothian IJB – Audit and Risk Committee
MEETING DATE: 15 March 2022
BY: Chief Internal Auditor
SUBJECT: Internal Audit Plan 2022/23

5

1 PURPOSE

- 1.1 To inform the Audit and Risk Committee of Internal Audit's operational plan for 2022/23.

2 RECOMMENDATION

- 2.1 The Audit and Risk Committee is asked to approve the Audit Plan for 2022/23.

3 BACKGROUND

- 3.1 The annual audit plan has been prepared in accordance with Public Sector Internal Audit Standards (PSIAS).
- 3.2 In preparing the annual audit plan a range of factors have been taken into account, including:
- The Public Bodies (Joint Working) (Scotland) Act 2014, which sets out the framework for integrated adult health and social care services
 - The Integration Scheme
 - The IJB Strategic Plan 2019-2022
 - The IJB risk register in place
 - Changes in service delivery
- 3.3 Internal Audit will evaluate the adequacy and effectiveness of controls in responding to risks within the IJB's governance, operations and information systems, regarding the:
- Achievement of the IJB's strategic objectives.

- Reliability and integrity of financial and operational information.
 - Effectiveness and efficiency of operations and programmes.
 - Safeguarding of assets.
 - Compliance with laws, regulations, policies, procedures and contracts.
- 3.4 The provision of the Internal Audit service is by East Lothian Council's Internal Audit Unit in partnership with the NHS Lothian Internal Audit team.
- 3.5 Internal Audit will adopt a risk based approach to audit assignments as the principal means of providing assurance on the adequacy, reliability and effectiveness of internal controls. Testing of controls will be carried out on a sample basis.
- 3.6 For each individual audit, a detailed audit report will be prepared for the IJB Chief Officer and copies of the audit report will be provided to External Audit and to members of the IJB Audit and Risk Committee.
- 3.7 Audit reports will highlight areas where expected controls have been met and areas where there is scope for improvement. A detailed action plan will be attached to each report listing all recommendations made and recording management responses to the recommendations.
- 3.8 Follow-up of all recommendations will be carried out, and formal follow up reviews completed for all reports graded limited or no assurance.
- 3.9 An Annual Internal Audit Opinion and Report will be prepared at the end of the financial year, outlining:
- A statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that support the statement.
 - An opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control together with a summary of the work supporting the opinion.
- 3.10 The detailed Audit Plan for 2022/23 is attached as Appendix A.

4 ENGAGEMENT

- 4.1 The Audit Plan has been discussed with Management, but does 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	7 March 2022

APPENDIX A**AUDIT PLAN 2022/23**

AUDITABLE AREAS	SCOPE OF THE AUDIT	INTERNAL AUDIT ASSESSED RISK	WEEKS
Strategic Planning	Internal Audit will review the processes and governance structures in place for the development, approval and monitoring of the strategic plan for the IJB.	Medium	6
Directions Setting Framework	Internal Audit will assess the design adequacy and control effectiveness of the framework applied to identify, create, approve and communicate new and changes to existing directions.	Medium	6
Workforce Planning	The NHS Lothian Internal Audit team will review the processes in place around workforce planning within the East Lothian IJB.	Medium	NHS Audit Team
CIPFA FM Code	Internal Audit will review the assessment of compliance with and implementation of the CIPFA FM Code within the East Lothian IJB.	Medium	5
Follow-up Audits	Internal Audit will follow-up on previously issued audit reports to ensure that recommendations made have been implemented by Management.	Low	2
Other Audit Work	Time has been allocated for other audit work including the preparation of the audit plan, self-assessment against the Public Sector Internal Audit Standards (PSIAS) and the preparation of the annual internal audit opinion and report.	Low	1



REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 15 March 2022

BY: Chief Internal Auditor

SUBJECT: Internal Audit Recommendations/Management Action Follow Up

6

1 PURPOSE

- 1.1 To inform the Audit and Risk Committee of the follow up work completed on open recommendations as part of the 2021/22 Internal Audit Plan.
- 1.2 To inform the Audit and Risk Committee of the management action follow up work reported by the NHS Lothian Internal Audit team as part of the 2021/22 Internal Audit Plan and highlight the areas relevant to the East Lothian IJB.

2 RECOMMENDATION

- 2.1 That the Audit and Risk Committee note the follow up work completed.

3 BACKGROUND

- 3.1 The East Lothian Council audit team maintain spreadsheets of recommendations made as part of the East Lothian IJB Internal Audit Plan.
- 3.2 These recommendations are then followed up with the responsible manager/officer to provide updates on the implementation of the recommendations. Evidence of implementation is provided by management when closing recommendations to confirm that they have been appropriately implemented.
- 3.3 Follow up work in 2021/22 has confirmed that of 12 open recommendations 6 have been implemented in full, 5 are not yet due for implementation and 1 recommendation has not yet been implemented.
- 3.4 The recommendation that has not yet been implemented is provided as attached in appendix A. This recommendation relates to developing and approving a direction in relation to the work being undertaken by the Health and Social Care Partnership in relation to Adult Protection and

domestic abuse. Whilst work was ongoing in relation to developing this direction up to May 2020 the more urgent work required throughout the COVID pandemic has resulted in a direction not yet having been approved in this area. Work is now underway to include appropriate priorities within this area in the IJB Strategic Plan and approve subsequent directions.

- 3.5 The follow up work reported to the Lothian NHS Audit & Risk Committee in February 2022 is attached as appendix B. Relevant management actions in respect of the East Lothian IJB are included in pages 13-17 of this report. Further information has been provided by management indicating the implementation of all of these recommendations and is included for information in appendix C.

4 ENGAGEMENT

- 4.1 The recommendations/action updates have been discussed with appropriate management/officers, but do not require wider engagement as part of the follow up activity.

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 other than were indicated by management in the recommendations made and not as part of this report.

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
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CONTACT INFO	dstainbank@eastlothian.gov.uk
DATE	7 March 2022

East Lothian
Integration Joint Board



APPENDIX A

EAST LOTHIAN IJB OUTSTANDING RECOMMENDATIONS

REC REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	ACTION UPDATE MARCH 2022
Directions Setting March 2020 Rec 1.1	A direction covering the work being undertaken by the Health and Social Care partnership in relation to Adult Protection and domestic abuse should be developed and submitted for IJB approval.	Medium	Interim General Manager – Strategic Integration	Agreed. A development meeting had already been scheduled for April 2020, with the submission of a proposed Direction to the Strategic Planning Group and ELIJB in May 2020. Implementation by June 2020	An IJB Development Session was held in May 2020. This by necessity focussed on Violence against Women and Girls, reflecting concerns for women and girls at increased risk of domestic violence during Covid-related lockdown and associated restrictions on client identification and service delivery. HSCP officers are in discussion with Public Protection Office colleagues to identify PPO priorities to operate across East Lothian and Midlothian, and to be considered for inclusion in the next IJB Strategic Plan, development which has started. A direction/directions will be developed to monitor and deliver these priorities.

Internal Audit



Follow-Up of Management Actions Report

February 2022

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Introduction

This paper provides the Audit & Risk Committee with a summary of the progress made by management in closing agreed management actions arising from Internal Audit reports since we last reported in November 2021.

Follow-Up Process

For each follow up exercise, Internal Audit issues an audit tracker to the Executive Director, summarising the management actions arising from audits that they sponsored. Where the Executive Director has nominated a member of staff to take a lead in collecting and coordinating management updates, the nominated individual is also sent the audit tracker. The email issuing the audit tracker sets out a timetable for response, follow up work by internal audit and preparation of this follow up report.

Once the date for receipt of management responses has been reached, Internal Audit reviews the responses received and, where required, makes additional enquiries to obtain evidence to validate completion of specific actions. Following this work, the follow up report is drafted and shared with management. Those Executive Directors with actions more than 3 months old are asked to confirm the wording in the draft report reflects the latest position.

In addition, Internal Audit holds regular meetings with nominated individuals out with the follow-up reporting cycle, to promote regular and on-going management oversight of outstanding audit actions.

Action for the Audit & Risk Committee

The Audit & Risk Committee is asked to note the contents of this report.

We have excluded for our follow-up report the progress in closing-off the actions from the Overall Estates Control Environment Review internal audit report issued on the 21 June 2021. The management actions are being taken forward by the Business Manager for the Deputy Chief Executive, and progress on completion of these actions will be reported separately to the Audit & Risk Committee. The Business Manager seeks confirmation of sign off by internal audit when actions are concluded and/or a date change is requested. This is then built into their update paper.

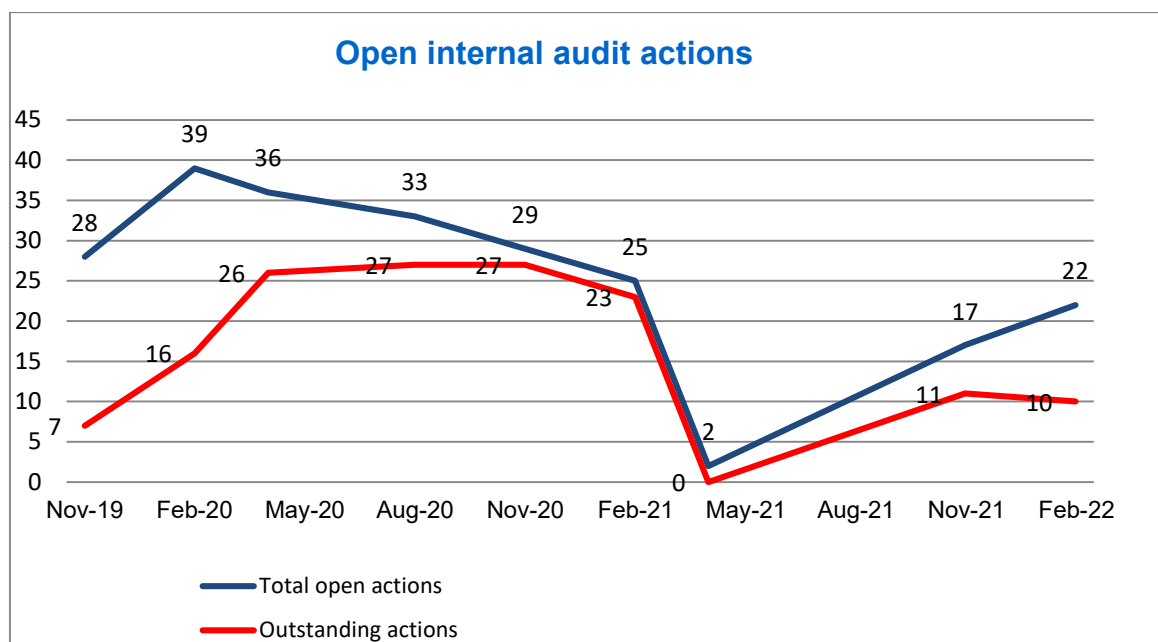
Summary of Management Actions

The table below shows the movement in the NHS Lothian audit actions tracker since our last report in November 2021:

	Number of Actions
Open actions brought forward from November 2021	17
New actions added to tracker	7
Total actions to follow up	24
Actions validated as closed / not applicable	2
Open actions carried forward	10
Open actions not yet due	12

Open internal audit actions

The following graph illustrates management's progress in implementing actions since November 2021.



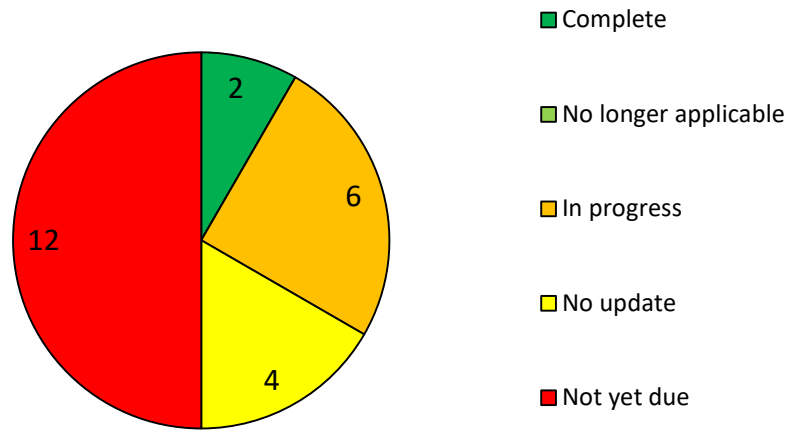
The following information provides additional analysis of the open actions.

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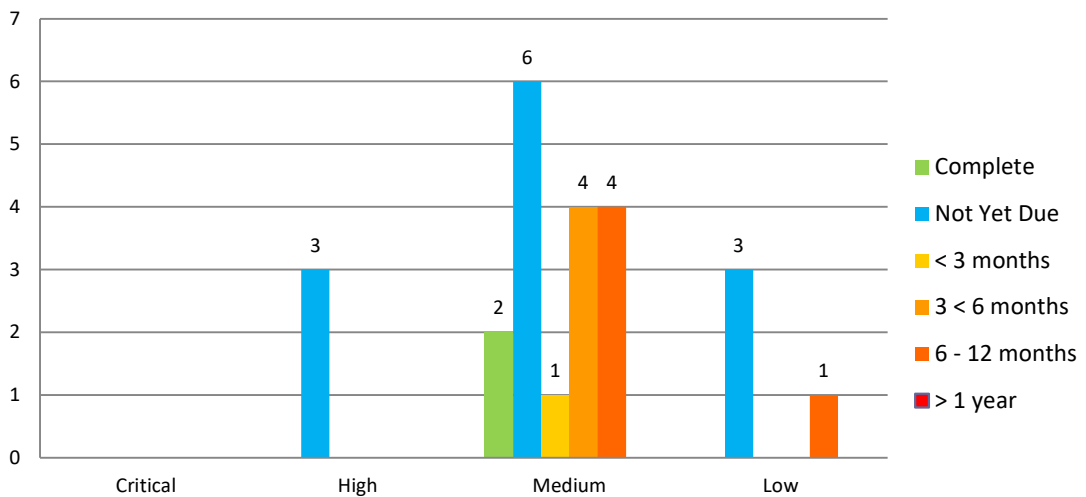
Summary of audit action tracker

The charts below set out our assessment of the status of the 24 actions included in the audit action tracker since November 2021.

Status of actions



Summary of actions by grade and status - February 2022



In the period since the last report to the ARC, two management actions have been completed.

Appendix 1 - Current Status of Actions more than three months past their action date

The table below sets out the status of audit actions more than three months past their action date. We have included the most recent update available. New agreed dates have been added if provided by management. Where no revised dates are stated we are working with management to commit to new dates, but this is an ongoing process, and not completed at the time of this Audit and Risk Committee.

Recommendation and Risk	Management Action	Rating	Original Target Date	Update & Status
Lead Director – Director of Operations - Facilities				
Hospital Sterilisation Decontamination Unit (2019/20)				
<p><u>Finding 1.2</u></p> <p>The pressure points of staffing are known to the HSDU and facilities management, however, work should be done to ensure a staffing compliment is in place for the opening of the St John's short stay elective centre, including consideration of weekend shift patterns, to prevent increased backlog and potential surgical cancellations. The readiness of the unit for the changes needs to be considered with an action plan put in place as soon as possible.</p> <p>Current Risk</p>	<p>Management Response</p> <p>Agreed.</p> <p>Management Action</p> <p>To develop a resilience service and staffing model to ensure readiness for the SSEC.</p> <p>Owner(s)</p> <p>Associate Director of Operations - Facilities</p> <p>Programme Director</p>	Low	30 June 2021	<p>12/01/2022</p> <p>Associate Director of Operations - Facilities</p> <p>Main feedback in summary would include:</p> <ol style="list-style-type: none"> 1. Previous work on staff modelling in current HSDU will max out department resources and contingency arrangements with other providers will need to be formally established.

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Recommendation and Risk	Management Action	Rating	Original Target Date	Update & Status
<p>Should a major incident occur during a time of staff shortage the HSDU would be fully reliant on staff call-in procedures, which would delay their readiness to respond to an event.</p>				<p>2. Current work is ongoing in unit to replace infrastructure to enhance resilience.</p> <p>3. There should be establishment of an Oversight board to manage current pressures and risks.</p> <p>4. There will be development in 2022 of a Programme Board to accelerate the Business Case process for a new/second unit.</p> <p>We will have evidence documented on above in form of plans, Service Level Agreements with other providers, minutes of the Oversight Board meetings and Terms of Reference for Programme Board.</p>

Recommendation and Risk	Management Action	Rating	Original Target Date	Update & Status
Lead Director – Edinburgh HSCP Operations Manager				
Risk Management at Divisional/HSPC Level (2020/21)				
<p><u>Finding 1.2</u></p> <p>Each Division/HSCP should perform a review over their senior management team risk register to ensure risks are appropriately documented on the risk management system. This should consider, but is not limited to the following:</p> <ul style="list-style-type: none"> • can risks be managed at an operational level (i.e. do they actually need to be on the divisional risk register). • does the risk description articulate the residual risk not being managed by the service level. • who owns the risk and associated controls and do the controls set out clear lines of accountability. • is there a plan in place to manage higher level risks which will be appraised by senior management. • does the risk rating reflect the residual risk taking into account the plans in place. 	<p>Management Response</p> <p>The Partnership Executive Management Team recognise that they have further work to embed their new integrated approach to risk management which includes an approach for ensuring risks are managed at the right level within the organisation and a mechanism to escalate risks whether appropriate and that the.</p> <p>Management Action</p> <ul style="list-style-type: none"> • Review and agree the Executive Team risk register. • Work with the Wider Leadership Team through the Risk Forum and their management teams to 	<p>Medium</p>	<p>30 June 2021</p> <p>Revised completion date of 30 June 2022</p>	<p>12/01/2021</p> <p>Evidence has been provided by the Operations Manager – Health and Social Care Partnership which has demonstrated that the Executive Team risk register has been reviewed and agreed (the first bullet point of the management action). However, four further management actions remain the responsibility of the Edinburgh HSCP, with a completion date of 30 June 2022.</p>

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Recommendation and Risk	Management Action	Rating	Original Target Date	Update & Status
<ul style="list-style-type: none"> is there any overlap/duplication of risk. <p>Going forwards, Divisions/HSCP should look to update DATIX on a more regular basis, the process for which could be documented in the procedures developed from Finding 1.1.</p> <p>Current Risk</p> <p>Where there is a possible lack of clarity around individual responsibilities and the effective management of risk, risks can be omitted from the register, mitigating actions may not be implemented and as such the organisation may be left vulnerable.</p>	<p>develop divisional and team risk registers</p> <ul style="list-style-type: none"> Embed the escalation process from team to risk forum to ensure risk is managed at the correct level Review risks across the Partnership for any overlap / duplication or areas where a risk is consistently being raised and make recommendations to the Risk Committee. Agree the most appropriate risk management recording tool. <p>Owner</p> <p>Edinburgh HSCP Operations Manager</p>			

Recommendation and Risk	Management Action	Rating	Original Target Date	Update & Status
Lead Director – West Lothian HSCP Head of Health				
Risk Management at Divisional/HSPC Level (2020/21)				
<p><u>Finding 1.1</u></p> <p>All Divisions/HSCPs should ensure they have documented procedures, aligning to the NHS Lothian risk management framework, which clearly articulate their risk management processes. Additionally, risk management meetings should be formally minuted, documenting discussion of risks and how key decisions relating to risks have been made.</p> <p>Current Risk</p> <p>While the Production of the Risk Management Operational Procedures has ensured clarity around responsibilities relating to the management of risk, without all meetings relating to risks being minuted, management cannot be assured that the system of control in place relating to risk is operational and decisions may be made that do not adequately manage risks to the organisation.</p>	<p>Management Response</p> <p>Whilst there are arrangements in place for identifying risks across the organisation, it is accepted that there could be clearer processes in place and documented procedures which explain the partnership's approach to risk management. Whilst risk management is discussed in a range of forums, it is again accepted that there is no written process which outlines expectations or defines responsibilities around this across the organisation. Risk management is discussed on a regular basis at the partnership's senior management team and in the NHS management senior</p>	<p>Medium</p>	<p>30 June 2021</p>	<p>13/01/2022</p> <p>The West Lothian HSCP Head of Health has provided the West Lothian Health and Social Care Partnership Risk Management Operational Procedure produced in November 2021.</p> <p>This management action will be closed when the following evidence is supplied:</p> <ul style="list-style-type: none"> Minutes from the Partnership Senior Management Team in addition to those of the West Lothian IJB Health and Care Governance Group and IJB Audit Risk and Governance

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Recommendation and Risk	Management Action	Rating	Original Target Date	Update & Status
	<p>management team meeting, but we need to review how risks are escalated and put a formal arrangement in place for recording discussions and assessing risk.</p> <p>Management Action</p> <p>A full review will be undertaken by the senior management team of the governance routes for risk management including where risks are discussed and documented having regard to the Lothian Risk Management Procedure as recommended. The review will be complete and revised processes and procedures put in place by 30th June 2021 to give time for a comprehensive review to be undertaken and revised arrangements put in place. Arrangements have already been put in place for discussion about risk to be minuted and will become</p>			<p>Committee, demonstrating that risks are being discussed and escalated where necessary at the appropriate level.</p>

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Recommendation and Risk	Management Action	Rating	Original Target Date	Update & Status
	<p>a standing item on the agenda for meetings.</p> <p>Owner</p> <p>West Lothian HSCP Head of Health</p>			
<p><u>Finding 1.2</u></p> <p>Each Division/HSCP should perform a review over their senior management team risk register to ensure risks are appropriately documented on the risk management system. This should consider, but is not limited to the following:</p> <ul style="list-style-type: none"> • can risks be managed at an operational level (i.e. do they need to be on the divisional risk register) • does the risk description articulate the residual risk not being managed by the service level? • who owns the risk and associated controls and do the controls set out clear lines of accountability? 	<p>Management Response</p> <p>A review of the risk register is already underway and with the risk register being a standing item on the agenda for management team meetings, it should give the required assurance over risks being current and subject to review.</p> <p>Management Action</p> <ul style="list-style-type: none"> • Review of risk register to be completed by 30 June 2021. <p>Owner</p>	Medium	30 June 2021	<p>13/01/2022</p> <p>The West Lothian HSCP Head of Health has provided the West Lothian Health and Social Care Partnership Risk Management Operational Procedure produced in November 2021.</p> <p>This management action will be closed when the following information is supplied:</p> <ul style="list-style-type: none"> • Completed Team Meeting Agendas and Team Meeting Action Notes are

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Recommendation and Risk	Management Action	Rating	Original Target Date	Update & Status
<ul style="list-style-type: none"> • is there a plan in place to manage higher level risks which will be appraised by senior management? • does the risk rating reflect the residual risk considering the plans in place? • is there any overlap/duplication of risk? <p>Going forwards, Divisions/HSCP should look to update DATIX on a more regular basis, the process for which could be documented in the procedures developed from Finding 1.1.</p> <p>Current Risk</p> <p>Without adherence to the Team Meeting Agenda and Action Note, it is possible that risks in key areas are not being regularly discussed by teams and departments, and as a result may not be escalated as required. Where risks are not escalated, mitigating actions may not be implemented timely, leaving the organisation vulnerable to risks which may otherwise have been mitigated.</p>	West Lothian HSCP Head of Health			<p>per the requirements of the Operational Procedure.</p> <ul style="list-style-type: none"> • Copy of the current risk register.
<p><u>Finding 2.1</u></p> <p>All Divisions/HSCPs should ensure risk is a standing agenda item on the senior management team agenda. This should be</p>	<p>Management Response</p> <p>Discussion does take place regarding risks and risks</p>	Medium	30 June 2021	<p>13/01/2022</p> <p>The West Lothian HSCP Head of Health has provided the</p>

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Recommendation and Risk	Management Action	Rating	Original Target Date	Update & Status
<p>done even where risks are being managed through another committee (such as East Lothian and Edinburgh HSCP) to ensure the whole senior management team have oversight of the risks and the process for managing risks. The review of risks should be minuted as part of the monthly meetings to document the oversight provided by the senior management teams.</p> <p>Additionally, each Division/HSCP should ensure that management teams and service levels below them are considering risks on a regular basis. This could be done by ensuring team meetings consider risk as a standing agenda point, or through other committees, such as at Midlothian HSCP where all general managers attend the Business Governance Group and discuss their individual risk registers. This would provide assurance to the senior management team that risks are being considered at this level.</p> <p>Current Risk</p> <p>If the West Lothian HSCP cannot demonstrate that risks are being discussed at management level on a regular basis, there will be limited assurance that risks are subject to scrutiny at an appropriate level and actions taken to mitigate against them are inappropriate.</p>	<p>escalated by General Managers where appropriate, but it is accepted that this is not always documented in the way it should be. Further action has been taken recently on training for Senior Managers across the Partnership to ensure that we are consistent in our assessment of risk.</p> <p>Management Action</p> <p>Risk management is now included as a standing item on the agenda for management team meetings. General Managers will be expected to report on risk in their area as a matter of course in those meetings.</p> <p>Owner</p> <p>West Lothian HSCP Head of Health</p>			<p>West Lothian Health and Social Care Partnership Risk Management Operational Procedure produced in November 2021.</p> <p>This management action will be closed when the following evidence is supplied:</p> <ul style="list-style-type: none"> Agendas and minutes from management team meetings, demonstrating that General Managers are reporting on risk in their areas.

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Recommendation and Risk	Management Action	Rating	Original Target Date	Update & Status
Lead Director – East Lothian HSCP Chief Officer				
Risk Management at Divisional/HSPC Level (2020/21)				
<p><u>Finding 1.1</u></p> <p>All Divisions/HSCPs should ensure they have documented procedures, aligning to the NHS Lothian risk management framework, which clearly articulate their risk management processes. Additionally, risk management meetings should be formally minuted, documenting discussion of risks and how key decisions relating to risks have been made.</p> <p>Current Risk</p> <p>Without a formalised procedural document or flowchart setting out the risk management processes to be followed, there will be continued lack of clarity around individual responsibilities and the effective management of risk and decision making across the partnership.</p>	<p>Management Response</p> <p>Risks are discussed and registers updated quarterly the risk register is a live document however, no minute of this meeting is kept.</p> <p>Management Action</p> <p>Quarterly risk meeting to be minuted.</p> <p>Owner</p> <p>East Lothian HSCP Head of Health</p>	Medium	30 September 2021	No update provided.
<p><u>Finding 1.2</u></p> <p>Each Division/HSCP should perform a review over their senior management team risk register to ensure risks are appropriately</p>	<p>Management Response</p> <p>East Lothian consider that DATIX is updated on at least a quarterly basis however will review the</p>	Medium	30 September 2021	No update provided.

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Recommendation and Risk	Management Action	Rating	Original Target Date	Update & Status
<p>documented on the risk management system. This should consider, but is not limited to the following:</p> <ul style="list-style-type: none"> • can risks be managed at an operational level (i.e. do they need to be on the divisional risk register) • does the risk description articulate the residual risk not being managed by the service level? • who owns the risk and associated controls and do the controls set out clear lines of accountability? • is there a plan in place to manage higher level risks which will be appraised by senior management? • does the risk rating reflect the residual risk considering the plans in place? • is there any overlap/duplication of risk? <p>Going forwards, Divisions/HSCP should look to update DATIX on a more regular basis, the process for which could be documented in the procedures developed from Finding 1.1.</p> <p>Current Risk</p>	<p>commentary around responsibility for actions.</p> <p>Management Action</p> <p>Review commentary on responsible officers and actions.</p> <p>Owner</p> <p>East Lothian HSCP Head of Health</p>			

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Recommendation and Risk	Management Action	Rating	Original Target Date	Update & Status
<p>Without a formalised procedural document or flowchart setting out the risk management processes to be followed, there will be continued lack of clarity around individual responsibilities and the effective management of risk and decision making across the Partnership.</p>				
<p><u>Finding 2.1</u></p> <p>All Divisions/HSCPs should ensure risk is a standing agenda item on the senior management team agenda. This should be done even where risks are being managed through another committee (such as East Lothian and Edinburgh HSCP) to ensure the whole senior management team have oversight of the risks and the process for managing risks. The review of risks should be minuted as part of the monthly meetings to document the oversight provided by the senior management teams.</p> <p>Additionally, each Division/HSCP should ensure that management teams and service levels below them are considering risks on a regular basis. This could be done by ensuring team meetings consider risk as a standing agenda point, or through other committees, such as at Midlothian HSCP where all general managers attend the Business Governance Group and discuss their individual risk registers. This would</p>	<p>Management Response</p> <p>Risks are discussed in an individual basis and escalated to the risk management meetings but will be added to the senior manager meetings as a standing agenda item.</p> <p>Management Action</p> <p>Add Risk Management to agenda for management team meeting.</p> <p>Owner</p> <p>East Lothian HSCP Head of Health</p>	<p>Medium</p>	<p>30 September 2021</p>	<p>No update provided.</p>

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Recommendation and Risk	Management Action	Rating	Original Target Date	Update & Status
<p>provide assurance to the senior management team that risks are being considered at this level.</p> <p>Current Risk</p> <p>Where risks are not regularly considered by the East Lothian HSCP Senior Management Team and/or escalated to the relevant committee for further consideration, it is possible that there is not a full understanding of the risks faced by the organisation and the ability to react promptly to mitigate them reduced.</p>				
<p><u>Finding 2.2</u></p> <p>There is an opportunity for the Divisions/HSCPs to consider how to incorporate compliance checks of high and very high level risks to their risk management processes, reporting progress against action plans to the relevant senior management teams or risk forums at an appropriate frequency. These should go as papers to the relevant committees with discussions minuted accordingly. The agreed process should be incorporated into the formalised procedures, as per Finding 1.1.</p>	<p>Management Response</p> <p>East Lothian Risk Register is reported to the IJB Audit and Risk Committee on a regular basis. It also is reviewed through East Lothian Council and NHS Lothian processes as required.</p> <p>Management Action</p> <p>Continue to report to relevant governance committees.</p>	Medium	30 September 2021	No update provided.

Internal Audit
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Recommendation and Risk	Management Action	Rating	Original Target Date	Update & Status
<p>This process should be considered following a review of DATIX and the risk ratings, as per Finding 1.2 to ensure risk ratings are appropriate and do not result in over-reporting.</p> <p>Current Risk</p> <p>Without formalised reporting of risks against action plans, it is possible that actions are not addressed in a timely manner or do not reflect the risk as it changes. Therefore, risks may exist for longer than necessary, or actions to mitigate the risk either excessive or inadequate. This can result in an ineffective use of resources.</p>	<p>Owner</p> <p>East Lothian HSCP Chief Officer.</p>			

Appendix 2 - Definition of ratings

Findings and management actions ratings

Finding Ratings	Definition
Critical	A fundamental failure or absence in the design or operating effectiveness of controls, which requires immediate attention
High	A key control failure has been identified which could be either due to a failure in the design or operating effectiveness. There are no compensating controls in place, and management should aim to implement controls within a calendar month of the review.
Medium	A control failure has been identified which could be either due to a failure in the design or operating effectiveness. Other controls in place partially mitigate the risk to the organisation, however management should look to implement controls to fully cover the risk identified.
Low	Minor non-compliance has been identified with the operating effectiveness of a control, however the design of the control is effective

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Report ratings and overall assurance provided

Report Ratings	Definition	When Internal Audit will award this level
No assurance	The Board cannot take any assurance from the audit findings. There remains a significant amount of residual risk.	The controls are not adequately designed and / or operating effectively and immediate management action is required as there remains a significant amount of residual risk (for instance one Critical finding or a number of High findings)
Limited assurance	The Board can take some assurance from the systems of control in place to achieve the control objective, but there remains a significant amount of residual risk which requires action to be taken.	<p>This may be used when:</p> <ul style="list-style-type: none"> • There are known material weaknesses in key control areas. • It is known that there will have to be changes that are relevant to the control objective (e.g. due to a change in the law) and the impact has not been assessed and planned for. <p>The controls are deficient in some aspects and require management action (for instance one 'high' finding and a number of other lower rated findings)</p>
Moderate assurance	The Board can take reasonable assurance that controls upon which the organisation relies to achieve the control objective are in the main suitably designed and effectively applied. There remains a moderate amount of residual risk.	<p>In most respects the "purpose" is being achieved. There are some areas where further action is required, and the residual risk is greater than "insignificant".</p> <p>The controls are largely effective and in most respects achieve their purpose with a limited number of findings which require management action (for instance a mix of 'medium' findings and 'low' findings)</p>
Significant assurance	<p>The Board can take reasonable assurance that the system(s) of control achieves or will achieve the control objective.</p> <p>There may be an insignificant amount of residual risk or none at all.</p>	<p>There is little evidence of system failure and the system appears to be robust and sustainable.</p> <p>The controls adequately mitigate the risk, or weaknesses are only minor (for instance a low number of findings which are all rated as 'low' or no findings)</p>

East Lothian
Integration Joint Board



APPENDIX C

EAST LOTHIAN IJB OUTSTANDING RECOMMENDATIONS: RISK MANAGEMENT
AT A DIVISIONAL/HSCP LEVEL

REC REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	HSCP Update March 2022	IJB Update March 2022
Rec 1.1	All Divisions/HSCPs should ensure they have documented procedures, aligning to the NHS Lothian risk management framework, which clearly articulate their risk management processes. Additionally, risk management meetings should be formally minuted, documenting discussion of risks and how key decisions relating to risks have been made.	Medium	East Lothian HSCP Chief Officer	Risks are discussed and registers updated quarterly, the risk register is a live document, however no minute of this meeting is kept. East Lothian HSCP Management Action: Quarterly risk meeting to be minuted.	Following internal audit the Partnership met, discussed, reviewed and updated the risks, whilst continually reviewing the format of the formal ELHSCP quarterly risk register meetings. The senior management team have quarterly risk register meetings. The meeting held on the 3rd March 2022 is the first to be minuted, however there is an action log from the meeting on the 2nd September 2021.	IJB risk register meetings are formally minuted through the Audit & Risk Committee. All copies of the minutes are available on the East Lothian Council website.

REC REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	HSCP Update March 2022	IJB Update March 2022
Rec 1.2	<p>Each Division/HSCP should perform a review over their senior management team risk register to ensure risks are appropriately documented on the risk management system. This should consider, but is not limited to the following:</p> <ul style="list-style-type: none"> - can risks be managed at an operational level (i.e. do they actually need to be on the divisional risk register) - does the risk description articulate the residual risk not being managed by the service level - who owns the risk and associated controls and do the controls set out clear lines of accountability - is there a plan in place to manage higher level risks which will be appraised by senior management - does the risk rating reflect the residual risk taking into account the plans in place - is there any overlap/duplication of risk. <p>Going forwards, Divisions/HSCP should look to update DATIX on a more regular basis, the process for which could be documented in the procedures developed from Finding 1.1.</p>	Medium	East Lothian HSCP Chief Officer	<p>East Lothian consider that DATIX is updated on at least a quarterly basis, however will review the commentary around responsibility for actions.</p> <p>East Lothian HSCP Management Action:</p> <p>Review commentary on responsible officers and actions.</p>	<p>The HSCP risk register is reviewed and updated at a quarterly HSCP senior management risk meeting. Senior management discuss the content of all risks on the HSCP risk register and also consider if any of the manager's service level risks should be raised to the register. This is a work in progress while the HSCP review risk management. Recent meetings have taken place on: 22nd September 2021, 1st December 2021, and 3rd March 2022.</p>	<p>The IJB risk register is reviewed quarterly at the Audit & Risk Committee by senior management colleagues. The IJB's Chief Officer, Chief Financial Officer and Chief Internal Auditor supported by other IJB members and the partnership management team will inform the Audit & Risk Committee of operational risks. Dates of Audit & Risk Committee meetings are as follows: 14th September 2021, 7th December 2021, 15th March 2022, and 29th June 2022.</p>

REC REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	HSCP Update March 2022	IJB Update March 2022
Rec 2.1	<p>All Divisions/HSCPs should ensure risk is a standing agenda item on the senior management team agenda. This should be done even where risks are being managed through another committee (such as East Lothian and Edinburgh HSCP) to ensure the whole senior management team have oversight of the risks and the process for managing risks. The review of risks should be minuted as part of the monthly meetings to document the oversight provided by the senior management teams.</p> <p>Additionally, each Division/HSCP should ensure that management teams and service levels below them are considering risks on a regular basis. This could be done by ensuring team meetings consider risk as a standing agenda point, or through other committees, such as at Midlothian HSCP where all general managers attend the Business Governance Group and discuss their individual risk registers. This would provide assurance to the senior management team that risks are being considered at this level.</p>	Medium	East Lothian HSCP Chief Officer	<p>Risks are discussed on an individual basis and escalated to the risk management meetings, but will be added to the senior manager meetings as a standing agenda item.</p> <p>East Lothian HSCP Management Action:</p> <p>Add Risk Management to agenda for management team meeting.</p>	Risk management is a standing agenda item for HSCP senior management meetings.	Risk management is a standing agenda item for IJB Audit & Risk Committee.

REC REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	HSCP Update March 2022	IJB Update March 2022
Rec 2.2	<p>There is an opportunity for the Divisions/HSCPs to consider how to incorporate compliance checks of high and very high level risks to their risk management processes, reporting progress against action plans to the relevant senior management teams or risk forums at an appropriate frequency. These should go as papers to the relevant committees with discussions minuted accordingly. The agreed process should be incorporated into the formalised procedures, as per Finding 1.1.</p> <p>This process should be considered following a review of DATIX and the risk ratings, as per Finding 1.2 to ensure risk ratings are appropriate and do not result in over-reporting.</p>	Medium	East Lothian HSCP Chief Officer	<p>East Lothian risk register is reported to the IJB Audit & Risk Committee on a regular basis. It also is reviewed through East Lothian Council and NHS Lothian processes as required.</p> <p>East Lothian Management Action:</p> <p>Continue to report to relevant governance committees.</p>	Risks are reported to CCGC through highlight reports of each service area. Clinical Care Governance is scheduled for 21st April 2022, 28th July 2022, and 27th October 2022.	IJB risk register is reported to the Audit & Risk Committee. As noted in 1.1 minutes and risk register update reports are available to evidence this on East Lothian Council website.



REPORT TO: East Lothian IJB - Audit and Risk Committee
MEETING DATE: 15th March 2022
BY: Interim Chief Finance Officer
SUBJECT: Risk Register - update

7

1 PURPOSE

This paper lays out the IJB's risk register.

2 RECOMMENDATIONS

The Committee is asked to:

- i. Note the current risk register
- ii. Undertake an extended discussion of the IJB's risk register and the management of the IJB's risks at its next meeting in June '22.
- iii. Invite the partners to provide additional risk management expertise to the committee
- iv. Change the risk level on risk 5127 'EU Exit' from Medium to Low.
- v. Request a review of the current Risk Management and policy.

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.
- 3.3 A discussion took place at the last meeting of the committee as to an appropriate mechanism to ensure that risks in the 'operational' registers (those of the partners, East Lothian Council and NHS Lothian) which might impact on the IJB are clearly visible to the IJB and that (if appropriate) risks on the IJB's register should be visible to the partners. This was discussed further outwith the meeting and it is proposed that this matter be discussed in detail at the June meeting of the committee along with appropriate proposals from management.
- 3.4 The CIA had also mentioned at the previous meeting that an audit of the IJB's risk management process was underway and the output from this is planned to be available at the June meeting which will support the discussion as above.
- 3.5 Further to the discussion around the risk management process, it has been suggested that the IJB approaches its partners to provide input into best practice of the management of risks (and risk registers) and that, if possible, one of the partners' risk management specialists attends the June meeting to provide further support to the committee.
- 3.6 The current risk register is attached as appendix 1. It is proposed that the level of risk around risk number 5127 'EU Exit' is reduced to low given the operational experience of the partners since the EU exit process has been actioned. The committee is asked to support this change.
- 3.7 The IJB agreed its current risk management strategy and policy at its meeting on 28th June 2018. These documents are attached as an appendix to this report for convenience. As part of its review of risk management, it is recommended that a review of this risk management strategy and policy is also undertaken.

4 ENGAGEMENT

The IJB makes its papers and reports available on the internet

5 POLICY IMPLICATIONS

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

6 INTEGRATED IMPACT ASSESSMENT

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

Financial – there are none.

Personnel – there are none.

8 BACKGROUND PAPERS

None

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DATE	March 2022

Appendices

1. Risk Register
2. Current Risk Management Strategy and Policy

East Lothian HSCP IJB Risk Register

ID	Title	Description	Controls in place	Risk level (current)	Risk level (Target)	Risk Owner	Handler	Date Opened	Date Risk Reviewed	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	01/06/2021	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. 01/06/21: These meetings vary depending on the COVID response required. NHS Lothian Gold Command is currently stood down.	11/05/2020	31/03/2022	
5220	Demographic Pressures	There is a risk that because the population of East Lothian has increased over the past few years, the projections predict a further increase. Because of this the pressure is further compounded by the percentage of that population over the age of 65 will also increase from the current position. This will lead to increased demand for the health and social care services in East Lothian that have been delegated to the IJB.	This will be managed through the IJB's Strategic Planning processes	High (16)	Medium (9)	Macdonald, Alison X	Macdonald, Alison X	20/08/2021	07/03/2022	Demographic Challenge				
5127	EU Exit	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 the impact the EU Exit may have on Partners.	East Lothian HSCP established a local EU Exit Group to assess service-related risks across all functions arising from departure from the EU. This is chaired by Iain Gorman, Head of Operations. In addition, the HSCP provided regular Impact Assessment Report Updates and was represented at the NHS Lothian EU Exit Strategic Group, the remit for which is to manage EU Exit communication strategy and reporting requirements; assess and monitor current, potential and future risks and impact to NHS Lothian service. The NHS Lothian Group has paused meetings at times when updates showed no major issues.	Medium (9)	Medium (9)	Macdonald, Alison X	Gorman, Iain	04/03/2021		Mitigate risks associated with Brexit	26/02/21: Following a number of meetings and assessment of risks relating to Brexit as low for East Lothian HSCP services and in light of COVID, the HSCP Group was paused during much of 2020. Following no change in updates the scheduled January 13th was cancelled, with services areas asked to highlight if any Brexit-related issues arise, so these can be acted on. Future meetings will be arranged as required.	04/03/2021	31/12/2021	
										Creation of appropriate financial planning processes	Meetings have taken place regularly. IJB financial plan policy agreed by IJB and drafts presented to IJB	17/06/2016	30/09/2016	30/03/2017
										Financial Reporting	Ongoing throughout current financial year. 7/1/20: Regular financial reporting takes place. Agreement to close risk and add to controls.	01/04/2017	31/03/2020	07/01/2020
										IJB and Policy Decisions	This action has now become a control	01/04/2017		16/05/2019
			1. Financial assurance process carried out by IJB 2. Engagement of IJB Officers and members in NHS and Council budget setting processes							Development of a longer term rolling financial plan for the IJB	This went to IJB in June 2019 and was accepted. 23/11/20: 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	31/03/2022	

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.	<p>3. Regular financial monitoring reports to IJB</p> <p>4. Scheme of integration risk sharing and dispute resolution processes</p> <p>5. IJB Chief Finance Officer in place</p> <p>6. Strategic Planning Group in place</p> <p>7. Efficiency and recovery plans are developed in year by operational teams to "break even".</p> <p>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</p> <p>9. The IJB take a lead role in policy decisions to support the Financial Plan.</p> <p>10. Developed a longer term rolling financial plan for the IJB.</p> <p>11. IJB now holds a general reserve.</p>	High (12)	Medium (9)	Macdonald, Alison X	Flanagan, Claire	26/02/2016	01/06/2021	Annual National and Scottish Budget Allocation	<p>7/1/20: Annual budget settlement is currently unclear. Awaiting further information.</p> <p>23/11/20: 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.</p> <p>26/02/2021: Scottish Government Budget announced and correspondence from Scottish Government has been received by the IJB and Partners. Awaiting formal budget offers from Partners. Paper on budget offers will be updated at the next IJB meeting.</p> <p>08/05/21: IJB agreed budget offer from both Partners at April 2021 meeting. This business was followed by an IJB budget challenge 2021/22 development session. Process for setting 22/23 budget underway. Budget setting for 22/23 to be agreed at IJB meeting of 24/3/22</p>	07/01/2020	31/12/2021	
5279	Impact of National Care Service Proposals	There is a risk that the NCS consultation could have a significant impact on the IJB, indeed the IJB could be replaced by a new body.		High (16)	High (12)	Macdonald, Alison X	Macdonald, Alison X	29/11/2021			The Scottish Government has now published the result of its consultation on the NCS.			
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	<p>1. Involvement of IJB membership in the Partners' decision making process including voting members and Officers</p> <p>2. Involvement in Partners' service reviews</p> <p>3. Good working relationships and regular formal /informal meetings</p> <p>4. Participation in MSG self-evaluation to inform improvement actions for better partnership working.</p>	High (12)	Medium (9)	Macdonald, Alison X	Macdonald, Alison X	17/06/2016	26/02/2021	Clarity and monitoring of directions	<p>Action extended to cover the period April 2017 to March 2018.</p> <p>16/05/19 directions for 2019-2020 currently in review.</p> <p>23/12/19: Directions agreed at IJB on 31/10/19 - ongoing action.</p> <p>7/1/20: Directions being finalised for publication.</p> <p>25/02/20: Directions (including links) will be taken to the Core and Extended CMT on 18th March.</p> <p>26/02/2021: Development Session ran on the 27th Aug 2020 on Directions, the fitness of purpose of the current directions, the potential impact of Covid on directions, how direction will support remobilisation plans locally and nationally. A paper on Directions following this session was presented to the IJB at the September business meeting of the IJB.</p>	03/04/2017	30/06/2021	
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.	<p>1. Extra capacity available in ELCH.</p> <p>2. Winter Plan</p> <p>3. Chief Officer on Recovery Board for Unscheduled Care and MH/LD.</p> <p>4. NHSL Project Management support has been recruited.</p> <p>5. Proactive teams are managing the situation on a daily basis.</p> <p>6. Contribute to tele-conferencing.</p>	High (16)	High (12)	Macdonald, Alison X	Macdonald, Alison X	19/12/2019	26/02/2021	Involvement in a Collaborative Approach with all 4 IJB's	<p>25/02/20: (1) Remits of groups and sub-groups in place (2) Operational delivery groups established and attended appropriately.</p> <p>26/02/2021: Paper on the NHSL recovery programme was presented to the A&R Committee in March 2021. Committee has asked to receive regular updates.</p>	07/01/2020	31/12/2020	
			<p>1. The Strategic Plan sets out clear priorities</p> <p>2. IJB directions are clear about actions</p>							Develop Joint Workforce Plan	This will be taken to IJB in May 2019 for approval. Joint Workforce Plan approved at IJB on 23/5/19.	01/04/2017	03/06/2019	28/05/2019
										Financial investments in additional capacity		17/06/2016	31/01/2018	16/05/2019

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	<p>required by NHS and Council</p> <p>3. The Partnership Management Team is focussed on ensuring adequate resources are in place for delegated functions to deliver the Strategic Plan</p> <p>4. NHS Lothian is focussed on ensuring adequate resources are in place for set-aside and hosted functions to deliver the Strategic Plan</p> <p>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</p> <p>6. Quarterly Performance Report to IJB and scrutiny by the Audit and Risk Committee.</p> <p>7. Care at Home contracts in place.</p> <p>8. Use of Integrated Care Fund to increase capacity and improve terms and conditions.</p> <p>9. Use Primary Care Transformation Fund to improve access in west of county.</p> <p>10. Joint Workforce Plan approved at IJB on 23/5/19.</p>	High	High	Macdonald, Alison X	Macdonald, Alison X	26/02/2016	07/01/2020	Care at Home contracts	Contracts in place	01/04/2017	30/09/2017	16/05/2019
3926	Potential Instability e.g elections / IJB changes	There is a risk that the IJB will be de-stabilised 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	<p>1. Standing orders that control members' behaviour</p> <p>2. Code of Conduct</p> <p>3. Scheme of Integration which includes a dispute resolution mechanism</p> <p>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</p>	Medium (4)	Medium (4)	Macdonald, Alison X	Macdonald, Alison X	26/02/2016	26/02/2021	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>23/11/20: IJB Standing Orders circulated to IJB members November 2020. IJB now operating virtually due to ongoing COVID-19 pandemic</p>	31/05/2017	31/12/2021	



REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 28 June 2018

BY: Chief Finance Officer

SUBJECT: Risk Management Strategy and Policy

1 PURPOSE

- 1.1 This report lays out the IJB's risk management strategy and the IJB's risk policy.

2 RECOMMENDATIONS

- 2.1 The IJB is asked to:
- i. Agree the draft risk management strategy; and
 - ii. Agree the draft risk management policy

3. BACKGROUND

- 3.1 At its meeting of November 2015, the IJB received a paper entitled 'Risk Management Approach'. This paper recognised that the IJB's Integration Scheme required the IJB to develop and shared risk management strategy with NHS Lothian and with East Lothian Council.
- 3.2 The IJB agreed that the Audit and Risk committee would progress this work and report back to the IJB. The IJB has set up a risk register which has been regularly reviewed by the A&R committee and has worked with colleagues in East Lothian and NHS Lothian to share risk management process and intelligence. A set of Audit and Risk information sharing principles were agreed by the last meeting of the A&R which simply agree that all the Lothian IJBs and NHS Lothian will share all and any Internal Audit reports – the risk registers already being public documents
- 3.3 That said, the IJB does not currently have a formal risk management strategy and a policy to implement that strategy.

- 3.4 This matter was also raised by the IJB's external auditors in their annual report for 2016/17. This noted that The IJB should develop its own risk management strategy to ensure it is complying with the Integration Scheme.
- 3.5 Its important to recognise that the IJB is not an operational delivery unit. The delivery of the functions delegated to the IJB is carried out under the auspices of one or other of the partners (NHS Lothian and East Lothian Council) and each of these partners has its own governance process, statutory responsibilities for service delivery, audit and risk committees and risk registers.
- 3.6 The IJB will therefore limit its own risk management strategy to those risks that are wholly IJB risks and not operational risks that are more correctly managed elsewhere. Therefore to take assurance on risk management for operational service delivery risks from the risk management processes of East Lothian Council and NHS Lothian.
- 3.7 This then raises the issue of what is considered to be a wholly IJB risk? In general, wholly IJB risks relate to the ability of the IJB to prepare and deliver its strategic plan. The risks the IJB must manage are therefore the risks in delivering the IJB's own business. The operational and delivery risk of delivering the functions delegated to the IJB will remain to be managed by the partners. However, if the risks in the delivery of the partners business become so significant as to impact upon the delivery of the IJB's functions then the IJB will require to be appraised of these risks and the actions being taken to manage them.
- 3.8 This raises the second key issue – when does an operational risk become a strategic one? There are significant operational – issues around the recruitment of GPs and around the recruitment of homecare staff for example – which could, if not properly managed, impact on the IJB's business. The IJB therefore, requires to be appraised of 'significant' operational risks although the Chief Officer and the Audit and Risk Committee wish also to add such risk onto the IJB's risk register. It has to be remembered that the management of such risks will remain with the operational partner and therefore the IJB are simply noting the position.
- 3.9 The IJB's Risk management Strategy is therefore that those risk that are wholly IJB risks (as above) will be managed through the IJB's risk register which will be regularly scrutinised by the Audit and Risk Committee. The IJB's Chief Officer, Chief Financial Officer and Chief Internal Audit supported by other IJB members and the partnership management team will inform the Audit and Risk committee of operational risks that may be so significant that they will impact on the IJB's business. Operational risks within the partners will continue to be managed by the Partners and the IJB will take assurance from these processes. The draft risk strategy is attached as appendix 1.
- 3.10 The IJB's risk policy will follow the same principles as NHS Lothian's (attached as appendix 2) but as above covering only the business of the IJB.

- 3.11 As a general principle, any governance process has to be commensurate with the resources that a body has available to support it. Hence the proposition that the IJB concentrates its risk management on its own business and takes assurance from the risk management processes of its partners. The IJB has to use its resources carefully and it's worth noting that the IJB's risk register has 5 key risks.
- 3.12 At its December 2018 meeting, the committee agreed to have a workshop to further discuss risk appetite and also what assurance can be obtained from the data available to the IJB. This workshop took place in January 2018 directly after the IJB's workshop on financial planning. In general the broad principles discussed above were agreed.
- 3.13 The Risk Strategy and risk management policy were then agreed by the IJB's Audit and Risk committee at its March 2018 meeting and the A&R risk commend these schedules to the IJB.

4. ENGAGEMENT

The strategy and the policy, having been adopted by the IJB will be published on the IJB's website.

5 POLICY IMPLICATIONS

- 5.1 This paper is offers a new policy for the IJB for agreement.

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 The 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.

7 BACKGROUND PAPERS

- 7.1 None

Appendices

1. IJB's Risk Strategy
2. IJB's Risk Management Policy

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DATE	20 June 2018



Risk Management Strategy

December 2017

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11. OUTPUTS AND BENEFITS OF THE RISK MANAGEMENT STRATEGY

1. Background

East Lothian Integration Joint Board has been delegated a range of Health and Social Care functions by NHS Lothian and East Lothian Council.

Although the responsibility for the operational delivery of these functions continues to rest with the partners (NHS Lothian and East Lothian Council) the responsibility for preparing and delivering a Strategic Plan rests with the IJB. The IJB must then consider a risk management strategy to identify and manage the risks associated with the preparation and delivery of the Strategic Plan

When risk is well managed it often goes unnoticed. If it is poorly managed or not managed at all the consequences can be significant and high profile. Effective risk management is needed to prevent such failures.

2. Policy Statement

- 2.1 The members of the Integration Joint Board and the members of the partnership management team who support them are encouraged to develop new initiatives, improve performance and achieve their goals safely, effectively and efficiently by consistent application of tried and tested methodologies for identifying and managing opportunity and risk.
- 2.2 In doing so the IJB aims to make the most of opportunities to:
- achieve high standards of performance;
 - deliver high quality services for service users;
 - Support the partners in providing an environment that meets Health & Safety requirements for the people it employs;
 - Support the partners to protect assets and liabilities against potential losses, and
 - minimise uncertainty in achieving its goals and objectives.

3. Scope

- 3.1 The Chief Officer has overall accountability for risk management.
- 3.2 The IJB's risk management will centre on the business of the IJB. That is the preparation and delivery of the IJB's Strategic Plan. The IJB's risk register will not contain operation risks unless these risks may impact on the business of the IJB
- 3.3 Operational risks – that is the risks around service delivery managed by the partners and implemented through the IJB's directions - will continue to be managed by the appropriate partner. The appropriate partner being the partner delivering the service or the East Lothian Health and Social Care partnership if the service is being delivered by both partners.
- 3.4 The Chief Officer, Chief Finance Officer, Chief Internal Auditor, members of the IJB and partnership staff who support the IJB will be responsible for identifying any operational risks that are sufficiently significant to impact upon the business of the IJB and which can then be entered on the IJB's risk register. However, such a risk will continue to be managed by the appropriate partner(s) and the IJB will require the partner(s) for assurance around the management of that risk.
- 3.5 The IJB is signatory to an Internal Audit information sharing agreement between NHS Lothian, Edinburgh IJB, West Lothian IJB and Midlothian IJB. This agreement will also provide intelligence to the IJB around any other operational or IJB specific risks which can then be added to the IJB's risk register as required.

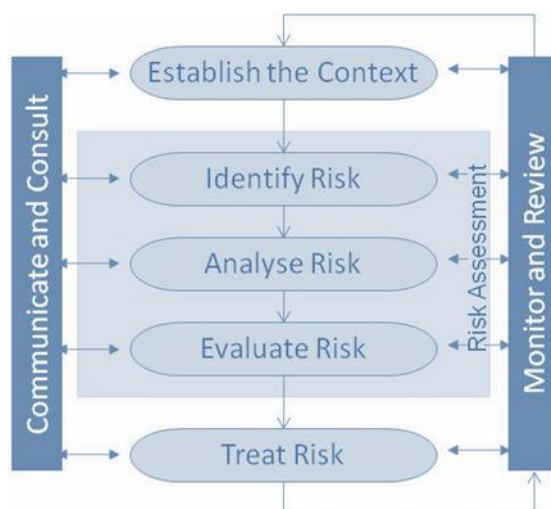
- 3.5 All risk will be analysed in terms of impact on the IJB, the functions delegated to it and the likelihood of occurrence. This analysis will produce an evaluation of risk as being Low, Medium, High or Very High. The IJB's response in relation to adverse risk, or 'risk appetite' is such that:
- 'Low' risk is broadly acceptable without any further action to prevent or mitigate risk;
 - 'Medium' risk is tolerable with control measures that are cost effective;
 - 'High' risk may be tolerable providing the IJB is assured that adequate and effective control measures are in place; and,
 - 'Very High' risk is unacceptable and measures should be taken to reduce, transfer or treat the risk to a more tolerable position.

High and Very High risk will be subject to closer scrutiny by the Audit and Risk Committee.

4. Risk Management Philosophy and Objectives

4.1 Risk Management is about the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects¹. It is pro-active in understanding risk and uncertainty, it learns and builds upon existing good practice and is a continually evolving process that has an important role to play in ensuring that defensible and beneficial 'risk-aware' not 'risk-averse' decisions are made. It ensures that the IJB support its partners to provide high quality services and all staff are aware that every effort has been made to maximise their opportunities to succeed.

4.2 The IJB uses the risk management process shown below².



4.3 Risk Management Objectives

The specific risk management objectives of the IJB are to:

- (i) integrate governance and risk management into the planning and oversight of the operational delivery of the functions delegated to the IJB;
- (ii) create a consistent approach to risk across all services using the adopted process;
- (iii) promote practical measures to reduce the IJB's exposure to risk and potential loss;

¹ Australia/ New Zealand Risk Management Standard, AS/NZS 4360: 2004

² Australia/ New Zealand Risk Management Standard, AS/NZS 4360: 2004 and ISO 31000 (2009)

- (iv) define clear lines of responsibility for the management of risk.
- (v) provide a system for monitoring the effectiveness of the risk management framework;
- (vi) provide a system for feedback on the management of key risks to the IJB;
- (vii) comply with legislative requirements; and
- (viii) comply with the requirements of Corporate Governance

4.4 The fundamental principles of Risk Management are to:

- ensure that the Risk Management process takes account of and links to the IJB's objectives;
- to keep the IJB and appropriate senior managers advised of any significant risk management issues;
- to promote an open and fair reporting culture;
- agree clear roles and definitions relating to the accountability, management, escalation and communication of key risks; and
- approach the assessment of risks and opportunities consistently.

5. Benefits of Effective Risk Management

5.1 Effective risk management will contribute to delivering significant benefits for the IJB. The primary benefit is that appropriate, defensible, timeous and best value decisions are made. Such 'risk-aware' decisions should be based on a balanced appraisal of strengths, weaknesses, opportunities and threats, and should enable acceptance of a certain level of risk in order to achieve a particular goal or reward.

5.2 Defensible decision-making means that:

- all reasonable steps in the decision-making process will have been taken;
- all relevant information will have been collected and thoroughly evaluated;
- reliable assessment methods will have been used;
- decisions (and supporting rationales) will have been clearly documented, and
- processes will have been put in place to monitor the effectiveness of the decision outcomes.

5.3 Other benefits would include:

- high achievement of objectives and targets;
- better use and prioritisation of the IJB's resources;
- high levels of user experience/ satisfaction with a consequent reduction in adverse incidents, claims and/ or litigation;
- avoid duplication of Risk Management issues which affect the partners and bring them together to benefit from good practice.

6. Standard Procedures

6.1 Standard procedures should be fulfilled in order to achieve a consistent approach to effectively implementing risk management.

6.1.1 Full implementation of the continuous risk management process, embedding risk management within IJB's processes so that an assessment of risk as well as costs and benefits becomes routine wherever possible.

- 6.1.2 Identification of risk using standard methodologies and involving managers throughout the service with detailed knowledge of the service and the environment in which it operates.
- 6.1.3 Routine reporting of risk information to the Audit and Risk committee with appropriate escalation to the IJB as required.
- 6.1.4 Periodic re-assessment of individual risks, proportionate to significance of risks (i.e. low and medium risks fully reassessed every two years and significant [high and very high] risks annually) including routine audit of robustness of measures implemented to control risks.
- 6.1.5 Fully document the risks in the risk register and to monitor and carry out an annual review of corporate and service risk registers to ascertain progress and to check for contextual changes affecting the risks.
- 6.1.6 Ongoing proactive identification of new and/or potential risks as a general responsibility of all service areas specifically those where risk is inherently discussed as part of their remit.

6.2 **Formal Groups**

- 6.2.1 **The IJB** will receive a report from the Audit and Risk committee annually laying out the risk register, the risks and the management actions to mitigate them and confirmation that this process is providing an appropriate level of assurance.
- 6.2.2 **Audit and Risk Committee** will scrutinise and review the effectiveness of the implementation of the risk management processes within the IJB. It will also scrutinise and review the Risk Register.
- 6.2.3 Internal Audit is an independent appraisal function within the IJB. Internal Audit will:
 - review, appraise and report on the adequacy and effectiveness of Risk Management arrangements within the IJB, and
 - take into account the IJB's Risk Register when identifying areas to be included in the Annual Audit Plan.

Structural Arrangement and responsibilities

Individuals

7.4.1 Chief Officer

The Chief Officer has ultimate responsibility for ensuring that there are suitable and effective arrangements in place to manage the Council's risks.

7.4.2 IJB Members and any partnership officers supporting the IJB

All IJB members and any partnership officers supporting the IJB should be encouraged to be involved at all levels in identifying current and potential risks where they work. They should make every effort to be aware of situations which place themselves or others at risk, report identified hazards and implement risk reduction measures developed by their service. Risk assessments should encompass all facilities used to deliver services and be completed using the knowledge and experience of all relevant staff and where appropriate service users. This approach will support the formal risk review conducted annually by all services and enable staff to:

- understand the risks that relate to their roles and their activities;
- understand their accountability for particular risks and how they can manage them;
- understand how they can contribute to continuous improvement of risk management;
- understand that risk management is a key part of the IJB's culture;
- report systematically and promptly to the Chief Officer any perceived new risks or failures of

existing control measures

9. Risk Registers

- 9.1 The Chief Officer will establish a Risk Register and they will have responsibility for maintaining the Register.
- 9.2 The information to be contained in both the Corporate Risk Register and the respective Service Risk Registers will be:
- risk identification number;
 - risk description (linked to the achievement of business objectives);
 - likelihood/impact rating;
 - risk rating;
 - controls in place;
 - potential residual risk;
 - planned actions;
 - service or person responsible for planned actions/managing the risk;
 - timescale for completion of action, and
 - evidence of regular review.

10. Strategy Implementation an, communication and review

- 10.1 The IJB's Risk Management Strategy was first discussed by the IJB's Audit and Risk Committee at its December 2017 meeting and presented to the IJB at its February 2018 meeting. The Strategy accurately represents arrangements for managing risk within the IJB at the time of approval. Implementation of this strategy will be underpinned by Risk Management Guidance and the Risk Management Action Plan.
- 10.2 This strategy will be reviewed at periodic intervals of at least every 3 years to ensure that it reflects current standards and best practice in risk management and fully reflects the rapidly changing environment in local government.
- 10.3 This Strategy, having been adopted by the IJB, will be published on the IJB's website

11 . Outputs and Benefits of the Risk Management Strategy

- 11.1 Embedding a Risk Management culture throughout East Lothian IJB is vital to the success of this strategy. The anticipated outputs and benefits of the Risk Management Strategy are:
- Improved service delivery;
 - Better value for money;
 - Improved corporate governance and compliance systems;
 - Improved decision making;
 - Enhanced understanding of the IJB's vulnerabilities;
 - Improved use of resources;
 - Enhanced strategic awareness;
 - Compliance with legislation/ regulation;
 - Adds value to the activities of the organisation, and
 - Increases the probability of success in achieving business objectives.
- 11.2 These outputs and benefits will protect and enhance East Lothian IJB's reputation, which will in turn increase public trust.

East Lothian
Integration Joint Board



RISK MANAGEMENT POLICY

RISK MANAGEMENT

POLICY Executive

Summary

Key elements

The aim of this policy is to embed risk management within the IJB and ensure effective risk management structures are in place, including:-

- A consistent approach to the identification, assessment and management of
- Assurance that all risk control and mitigation measures will be effective, appropriate, proportionate, affordable and flexible. Risk controls will not be implemented where the cost and effort is disproportionate to the expected benefits.
- The requirement of all members of the IJB and staff supporting the IJB to take responsibility for effective management of risk in all aspects
- The promotion of an open and transparent culture to promote the positive identification and management of risk in the organisation.

Minimum Implementation Standards

The IJB shall have a record of its Risks (a risk register) and the Chief Officer is responsible for implementing this policy. The Chief Officer will ensure :-

- There is a process to systematically consider the relevance and management of existing and new risks in their area.
- That all members of the IJB and any officers supporting the IJB are clear of their roles and responsibilities in regard to implementing this policy.

Why is Risk Management Important?

Risk Management can be defined as the processes involved in identifying, assessing and judging risks, assigning ownership, taking actions to mitigate or anticipate them, and monitoring and review progress.

What is a Risk?

Risk can be defined as the combination of the probability of an event and its consequences (ISO/IE Guide73) and how the threat of that event or action will adversely affect the IJB's ability to achieve its objectives, perform its duties or meet the expectations of its stakeholders. Inherent risk, for the

purpose of this document, can be defined as the exposure arising from a specific risk before any action is taken to manage it and residual risk the exposure arising from a specific risk after action has been taken to manage it and making the assumption that the action is effective.

Risk exists where there is uncertainty of outcome, either in terms of the assurance on the processes the IJB has in place, or in the IJBs's achievement of its performance organisational objectives and targets.

Risk Management is therefore a process that helps the whole organisation identify areas that require attention and remedial action.

What Should Risk Management Achieve?

Risk management is a central part of any organisation's strategic management. It is the process whereby organisations methodically address the risks attaching to their activities, with the goal of achieving sustained benefit within each activity and across the portfolio of all activities.

It should reduce the probability of failure, and increase the probability of success. Risk Management protects and adds value to the IJB and its partners by supporting the organisations objectives by:

- providing a framework that enables future activity to take place in a consistent and controlled manner
- improving decision making and planning and prioritisation by comprehensive and structured understanding of business activity, opportunity and threat

When a risk has been identified, action must be taken to either:

- **Treat:** Eliminate the risk completely, or reduce it to the point where the risk is at an acceptable level.
- **Tolerate:** Where the risk is unavoidable, formally conclude that the risk is of a type that any further action would be disproportionate to the level of risk exposure, and that the risk is therefore at an acceptable level.
- **Transfer the Risk** e.g. insurance cover
- **Terminate the Activity**

The IJB and those officers who support it must be aware that when they have treated the risk they have a responsibility to manage the residual risk through effective systems of controls and monitoring.

When the risk management process has concluded, the IJB should either have an improved response to its assurance need, or improved

organisational performance.

RISK MANAGEMENT POLICY

- The IJB shall have a record of its risks – a risk register
- The IJB shall prioritise its response to its risks in a manner that recognises the objectives of the IJB, and the nature and significance of the risks that are presented.
- The IJB and the Audit and Risk committee shall regularly monitor the current risks, and seek assurance that action is being taken to manage the risks.
- The IJB shall maintain an open and transparent culture to promote the positive identification and management of risk in the organisation.

East Lothian Integration Joint Board

8

Annual Audit Plan 2021/22



 AUDIT SCOTLAND

Prepared for the East Lothian Integration Joint Board
15 March 2022

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Introduction

Summary of planned audit work

1. This document summarises the work plan for our 2021/22 external audit of the East Lothian Integration Joint Board (the IJB). The main elements of our work include:

- assessing the risk of material misstatement in the Integration Joint Board's financial statements
- an audit of the annual accounts and provision of an Independent Auditor's Report
- audit opinions on other statutory information published within the annual accounts including the Management Commentary, the Annual Governance Statement and the Remuneration Report
- consideration of arrangements in relation to the audit dimensions: financial management, financial sustainability, governance and transparency and value for money that frame the wider scope of public sector audit
- consideration of Best Value arrangements.

Impact of Covid-19

2. The coronavirus disease (Covid-19) pandemic has had a significant impact on public services and public finances, and the effects will be felt well into the future.

3. The Auditor General for Scotland, the Accounts Commission and Audit Scotland continue to assess the risks to public services and finances from Covid-19 across the full range of our audit work, including annual audits and the programme of performance audits. The well-being of audit teams and the delivery of high-quality audits remain paramount. Changes in our approach may be necessary and where this impacts on annual audits, revisions to this Annual Audit Plan may be required.

Adding value

4. We aim to add value to the IJB through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we will help the IJB promote improved standards of governance, better management and decision making and more effective use of resources. Additionally, we attend meetings of the Audit and Risk Committee and actively participate in discussions.

Respective responsibilities of the auditor and the IJB

5. The [Code of Audit Practice \(2016\)](#) sets out in detail the respective responsibilities of the auditor and the IJB. Key responsibilities are summarised below.

Auditor responsibilities

6. Our responsibilities as independent auditors are established by the Local Government (Scotland) Act 1973 (LG bodies) and the [Code of Audit Practice](#) (including [supplementary guidance](#)) and guided by the Financial Reporting Council's Ethical Standard.

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

The IJB's responsibilities

8. The IJB is responsible for maintaining accounting records and preparing financial statements that give a true and fair view.

9. Also, the IJB has the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety that enable them to deliver their objectives.

Managing the transition to 2022/23 audits

10. Audit appointments are usually for five years but were extended to six years due to Covid-19. 2021/22 is the final year of the current appointment and we will work closely with our successors to ensure a well-managed transition.

Financial statements audit planning

Materiality

11. Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. We are required to plan our audit to determine with reasonable confidence whether the financial statements are free from material misstatement. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement.

Materiality levels for the 2021/22 audit

12. We assess materiality at different levels as described in [Exhibit 1](#). The materiality values for the IJB are set out in [Exhibit 1](#).

Exhibit 1

2021/22 Materiality levels for the East Lothian Integration Joint Board

Materiality	Amount
Planning materiality – This is the figure we calculate to assess the overall impact of audit adjustments on the financial statements. It has been set at 2% of net expenditure for the year ended 31 March 2022 based on the latest audited financial statements for 2020/21.	£3.7 million
Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality, this would indicate that further audit procedures should be considered. Using our professional judgement, we have assessed performance materiality at 75% of planning materiality.	£2.8 million
Reporting threshold (i.e. clearly trivial) – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount.	£100,000

Source: Audit Scotland

Significant risks of material misstatement to the financial statements

13. Our risk assessment draws on our cumulative knowledge of the IJB, its major transaction streams, key systems of internal control and risk management processes. Also, it is informed by our discussions with management, meetings with internal audit, attendance at committees and a review of supporting information.

14. Based on our risk assessment process, we identified the management override of controls as a significant risk of material misstatement to the financial statements. Significant risks are those which have the greatest impact on our planned audit procedures. [Exhibit 2](#) summarises the nature of the risk, the sources of assurance from management arrangements and the audit procedures we plan to perform to gain assurance over the risk.

Exhibit 2

2021/22 Significant risks of material misstatement to the financial statements

Significant risk of material misstatement	Sources of assurance	Planned audit response
<p>1. Risk of material misstatement due to fraud caused by the management override of controls</p> <p>As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance</p>	<ul style="list-style-type: none"> Service auditor assurances will be obtained from the external auditors of East Lothian Council and NHS Lothian in line with the 2021/22 Integration Joint Boards Protocol for Auditor Assurances issued by Audit Scotland. Agreement of contributions received from partner bodies to be included in East Lothian IJB's Comprehensive Income and Expenditure Statement to letters of assurance provided by East Lothian Council and NHS Lothian.

Source: Audit Scotland

15. As set out in International Standard on Auditing (UK) 240: *The auditor's responsibilities relating to fraud in an audit of financial statement*, there is a presumed risk of fraud over the recognition of revenue. There is a risk that revenue may be misstated resulting in a material misstatement in the financial statements. We have rebutted this presumed risk because the IJB is wholly funded from by way of budget allocations from its partner bodies namely East Lothian Council and NHS Lothian. This limits the opportunity for manipulation.

16. In line with Practice Note 10: *Audit of financial statements and regularity of public sector bodies in the United Kingdom*, as most public-sector bodies are net spending bodies, the risk of material misstatement due to fraud related to expenditure recognition may in some cases be greater than the risk relating to revenue recognition. We have rebutted this risk for the IJB because it does not directly incur expenditure. The IJB commissions services from its partner bodies with all IJB expenditure processed through the financial systems of the partner bodies. Therefore, the manipulation of expenditure is a risk for the partner bodies rather than the IJB.

17. We have not, therefore, incorporated specific work into our audit plan in these areas over and above our standard audit procedures.

Audit risk assessment process

18. Audit risk assessment is an iterative and dynamic process. Our assessment of risks set out in this plan may change as more information and evidence becomes available during the progress of the audit. Where such changes occur, we will advise management and where relevant, report them to those charged with governance.

Audit dimensions and Best Value

Introduction

19. The [Code of Audit Practice](#) sets out the four dimensions that frame the wider scope of public sector audit. The Code of Audit Practice requires auditors to consider the adequacy of the arrangements in place for the audit dimensions in audited bodies.

Audit dimensions

20. The four dimensions that frame our audit work are shown in [Exhibit 3](#).

Exhibit 3

Audit dimensions



Source: Code of Audit Practice

21. In summary, the four dimensions cover the following:

- **Financial management** – financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.
- **Financial sustainability** – as auditors, we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on financial sustainability in the longer term. We

define this as medium term (two to five years) and longer term (longer than five years).

- **Governance and transparency** – governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership, and decision-making and transparent reporting of financial and performance information.
- **Value for money** – value for money refers to using resources effectively and continually improving services.

Audit dimension risks

22. We have identified one area of risk as set out in [Exhibit 4](#). The exhibit sets out the nature of the risk, sources of assurance from management and the audit procedures we plan to undertake to gain assurances over the risk.

2021/22 Audit dimension risk

Description of risk	Sources of assurance	Planned audit response
<p>1. Financial sustainability – medium term financial planning.</p> <p>The Integration Joint Board continues to operate in an increasingly challenging environment, where core national funding to partner bodies is reducing, relative to rising demand for services. The picture is further complicated by the ongoing Covid-19 pandemic which is adding to the pressure on resources and services.</p> <p>As highlighted in our 2020/21 Annual Audit Report it is important that medium term budgets are developed to assess the impact of the Covid-19 pandemic on the finances of the IJB. In the absence of such budgets there is a risk that the IJB will not be able to deliver against its objectives, its strategic plan and against its budget in the longer term.</p>	<ul style="list-style-type: none"> • Board development sessions held on the financial pressures and risks facing East Lothian IJB. • Reports presented to the IJB on development of the medium-term budget strategy. 	<ul style="list-style-type: none"> • Review of papers presented to the IJB Board on medium term financial planning. • Monitor progress in developing medium term financial plans.

Source: Audit Scotland

Best value

23. Integration Joint Boards have a statutory duty to make arrangements to secure best value. We will review arrangements put in place by the East Lothian IJB to achieve best value and report findings through our annual audit report.

24. Additionally, we will follow-up on our recommendation from last year about ensuring that the annual performance report is submitted to the Board in a timely fashion.

Reporting arrangements, timetable, and audit fee

Reporting arrangements

25. Audit reporting is the visible output for the annual audit. All Annual Audit Plans and the outputs, as detailed in [Exhibit 5](#), and any other outputs on matters of public interest will be published on our website: www.audit-scotland.gov.uk.

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

27. We will provide an independent auditor's report to Integration Joint Board and the Accounts Commission setting out our opinions on the annual accounts. We will provide the Integration Joint Board and the Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

28. [Exhibit 5](#) outlines the target dates for our audit outputs, and we aim to issue the independent auditor's report by 13 September 2022 although the statutory deadline for signing the accounts is 31 October 2022. We acknowledge this will be challenging due to the ongoing pressures and uncertainties caused by Covid-19 pandemic.

Exhibit 5 2020/21 Audit outputs

Audit Output	Planned Date	Audit & Risk Committee Date
Annual Audit Plan	15 March 2022	15 March 2022
Independent Auditor's Report	13 September 2022	13 September 2022 (TBC)
Annual Audit Report	13 September 2022	13 September 2022(TBC)

Source: Audit Scotland

Timetable

29. To support an efficient audit, it is critical that the timetable for producing the annual report and accounts for audit is achieved. We have included a proposed timetable for the audit at [Exhibit 6](#) that has been discussed with management.

30. Covid-19 has had a considerable impact on the conduct and timeliness of the audit. We recognise that it is in the best interests of public accountability to

get the reporting of audited accounts back to pre-pandemic timelines. To this end, 2021/22 is a transition year with the reporting deadline brought forward by one month relative to the two prior years. We are identifying ways to work more efficiently to expedite the 2021/22 audits whilst at the same time maintaining the quality of our work in line with that set out in auditing standards.

31. We will continue to work in close partnership with management with clarity over timescales and the requirement for high quality unaudited accounts and supporting working papers. Progress will be discussed with management and finance officers over the course of the audit.

32. Audit Scotland requires auditors to prioritise the wellbeing of audit staff and the delivery of high-quality audits over meeting deadlines.

Exhibit 6

Proposed annual report and accounts timetable

Key stage	Provisional Dates
Latest submission date for the receipt of the unaudited annual report and accounts with complete working papers package.	By 30 June 2022
Latest date for final clearance meeting with the Chief Finance Officer	1 September 2022
Issue of Letter of Representation and proposed Independent Auditor's Report	5 September 2022
Agreement of audited and unsigned annual report and accounts	5 September 2022
Issue of Annual Audit Report to those charged with governance.	13 September 2022
Proposed Independent Auditor's Report	13 September 2022
Signed independent Auditor's Report	15 September 2022

Source: Audit Scotland

Audit fee

33. The proposed audit fee for the 2021/22 audit of the East Lothian Integration Joint Board is £27,960 (2020/21: £27,330). This represents an increase of 2.3% which is below current levels of inflation and is based on what is required to cover our costs. In determining the audit fee, we have taken account of the risk exposure of the IJB, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit.

34. Where our audit cannot proceed as planned through, for example, late receipt of unaudited annual report and accounts, the absence of adequate supporting working papers or being unable to take planned reliance from the

work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises out with our planned audit activity.

Other matters

Internal audit

35. International standards on Auditing (UK) 610: *Considering the work of internal audit* requires us to:

- consider the activities of internal audit and their effect on external audit procedures;
- obtain an understanding of internal audit activities to inform our planning and develop an effective audit approach that avoids duplication of effort;
- perform a preliminary assessment of the internal audit function when there is scope for relying on internal audit work which is relevant to our financial statements' responsibilities; and
- evaluate and test the work of internal audit, where use is made of that work for our financial statements responsibilities to confirm its adequacy for our purposes.

36. Internal audit is provided by East Lothian Council's internal auditors and is overseen by their Internal Audit Manager who is also the Chief Internal Auditor for the IJB. Also, the NHS Lothian Internal Audit team carry out one piece of work for the IJB each year which is subject to review by the Chief Internal Auditor.

37. We do not plan to place formal reliance on the work of internal audit to reduce our financial statements audit testing. However, we plan to consider internal audit's assurance work to be carried out in support of the Annual Governance Statement that will be included in the 2021/22 Annual Accounts.

Independence and objectivity

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

39. The engagement lead (i.e. appointed auditor) for the East Lothian Integration Joint Board is Gillian Woolman, Audit Director. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of the IJB.

Quality control

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

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

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

East Lothian Integration Joint Board

Annual Audit Plan 2021/22

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit: www.audit-scotland.gov.uk/accessibility

For the latest news follow us on social media or [subscribe to our email alerts.](#)



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REPORT TO: East Lothian IJB - Audit and Risk Committee

MEETING DATE: 15th March 2022

BY: Interim Chief Finance Officer

SUBJECT: Audit Scotland Reports of Interest

9

1 PURPOSE

- 1.1 This report highlights audit reports from Audit Scotland on areas of interest to the IJB audit and risk committee.

2 RECOMMENDATIONS

- 2.1 The Committee is asked to:

Consider if any actions arising from these reports should be brought to the attention of the IJB.

3 BACKGROUND

- 3.1 The publications from Audit Scotland are reviewed regularly and those reports that may be of interest to the committee are highlighted for its attention.
- 3.2 Many of the publications since the last update are the annual accounts of a whole range of public bodies. All of the IJB's annual accounts reports have been published and it's interesting to examine a few of reports to see if there are any significant differences from the audit Scotland report to this IJB. An (admittedly high level) review suggests that there are not, with the challenges of Covid and on-going financial sustainability being key themes.
- 3.3 A significant report, 'Social Care Briefing' was published in January 2022. This is attached in full to this paper.

- 3.4 A further report 'NHS in Scotland 2021' was published on 24/2/22. This reflects on the impact of the current Covid pandemic on the NHS in Scotland and the challenge of the recovery from this position. This report is also attached in full.
- 3.5 Two other reports may be worthy of consideration. Those being:
https://www.audit-scotland.gov.uk/uploads/docs/report/2022/nr_220120_planning_skills.pdf which is a report entitled 'Planning for Skills' which is, as its name suggests, a consideration of ensuring that the appropriate workforce skills are available.
<https://www.audit-scotland.gov.uk/publications/blog-statutory-performance-indicators> which is a blog considering the use and application of performance indicators in the public sector.

4 ENGAGEMENT

- 4.1 The IJB makes its papers and reports available on the internet

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	March 2022

Appendices

1. Social Care Briefing
2. NHS in Scotland 2021

Appendix – East Lothian IJB Audit and Risk Committee, Action Log. March 2020

Action number	Action	Action Description	Date Agreed	Owner	Update
1	CIPFA FM Mgt Code	Agree which elements of this pertain to the IJB and consider the appropriate assurance	15 March 2020	CFO	To be considered at this meeting
2	Best Value	Consider the Audit Scotland Best Value Questionnaire and develop and Best Value Framework	March '22	CFO/CO	To be considered at this meeting
3	Protocol of sharing A&R – Lothian NHS/IJB and Councils	Agree the pan-Lothian A&R sharing protocol	December '22	CIA	Agreed.

Social care

Briefing



ACCOUNTS COMMISSION 

AUDITOR GENERAL 

Briefing prepared by Audit Scotland
January 2022

Key messages

- 1** There are huge challenges facing the sustainability of social care, and the integration of health and social care more widely. There are good examples of improved service delivery, but despite efforts made by the Scottish Government, Integration Authorities, NHS, local government, and their partners in recent years, the pace of change has been slow. At the same time, the pressures from increasing demand and demographic changes are growing. Although a lot of money is spent on social care (£5.2 billion in 2019/20), progress in moving to more preventative approaches to delivering social care has been limited. This has led to tighter eligibility criteria being applied for accessing care and increasing levels of unmet need.
- 2** Service users and carers do not always have a say or choice about what support works best for them. Bringing together their views, knowledge and experience is critical if the Scottish Government is to deliver its long-standing ambitions for social care. There are around 700,000 unpaid carers who provide most of the social care support in Scotland. Many carers are forced to give up work because of their caring responsibilities and most are not aware of their rights under the Carers (Scotland) Act 2016.

- 3** The 209,690 people working in social care are under immense pressure, and the sector faces ongoing challenges with recruitment and retention. Staff are not adequately valued, engaged, or rewarded for their vitally important role. The workforce is predominantly female and poor terms and conditions for staff contribute to recruitment difficulties, rising sickness absence and high vacancy levels. This puts the capacity, sustainability, and quality of care services at a considerable risk.
- 4** Other challenges we have identified through this and past audit work include:

 - Commissioning tends to focus on cost rather than quality or outcomes. Current commissioning and procurement procedures have led to competition between providers at the expense of collaboration and quality.
 - A high turnover of senior staff in councils, the NHS and Integration Authorities, increasing short-term posts and an ageing workforce are affecting leadership capacity. Cultural differences between partner organisations are a barrier to collaborative working.
 - An inability or unwillingness to share information, along with a lack of relevant data, means that there are major gaps in the information needed to inform improvements in social care.

- 5** The Scottish Government is planning significant changes in social care over the next five years. This includes the introduction of a new National Care Service (NCS) which will need legislation to implement it. Work is under way, but there is much to do, including establishing the true costs of reform. Stakeholders have raised concerns about the scale of reform and the time it will take to implement it. They told us about services in near-crisis, and that a lack of action now presents serious risks to the delivery of care services for individuals.
 - 6** Regardless of what happens with reform, some things cannot wait. A clear plan is needed now to address the significant challenges facing social care in Scotland based on what can be taken forward without legislation, which could provide strong foundations for an NCS. The Scottish Government should develop this quickly, with clear timescales, to remove any uncertainty about the future direction of social care, building on lessons learned from previous reform.
-

Introduction

1. Our previous reports have highlighted the significant challenges facing social care and the integration of health and social care more widely. Other stakeholders have also recognised these challenges, including the Scottish Government, the NHS and local government. Despite the efforts of these stakeholders and their partners, and some good examples of improvements in service delivery, progress has been slow. There is widespread agreement that the way social care is provided still needs to change significantly.

2. Our previous reports have regularly highlighted the following key themes and challenges in delivering improvements in social care:

- the importance of the service user’s perspective and voice
- the fragility of the social care workforce
- tensions between cost and quality in the commissioning of social care
- instability of leadership and leaders failing to work effectively together
- a lack of key data, and ineffective use of existing data, to inform decision-making
- increasing financial challenges and threats to the sustainability of services, including lack of progress in shifting resources to preventative approaches.

3. Since we last prepared a detailed report on health and social care, there have been significant developments in the sector, most notably:

- [The Independent Review of Adult Social Care \(IRASC\)](#) and the Health and Sports Committee’s [The Future of Social Care and Support in Scotland](#), both published in February 2021. These reports highlighted many of the same issues we have raised in our work.
- The Scottish Government held an extensive consultation on a new National Care Service between August and November 2021. Our response to the consultation can be viewed on our [website](#).
- The Independent Care Review and its report [The Promise](#) published in February 2020, setting out improvements for how partner bodies can work together better to care for vulnerable children and their families.

4. While this briefing acknowledges the work planned by the Scottish Government and stakeholders, it notes that work in many of these areas cannot await the creation of a new organisation. The associated changes to governance and management structures will require legislation and several years to implement.

5. This briefing summarises the key challenges and recent progress in social care in Scotland against each of the themes listed above. We have included quotes from recent publications containing the views of people with experience of social care support and providers of social care. It should help inform Scottish Government and stakeholders' immediate planning for social care alongside longer-term plans for reform. We plan to follow this up with more detailed work on social care in 2022/23.

Social care challenges

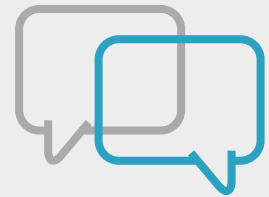
Challenges we have identified through this and past audit work include the service user's perspective and voice, pressures on the workforce, increasing financial challenges and threats to the sustainability of services.

Service users and carers do not always have a say or choice about what support works best for them

6. In our reports, we have consistently highlighted the importance of the user's perspective on what good-quality care looks like. This includes those currently providing unpaid care – family members and friends. Bringing together their views, knowledge and experience will be a critical part of supporting improvements needed for the current pressing challenges facing social care services.

7. We have highlighted in our [Principles for community empowerment report](#) that that services can be most effective when delivered in, or by, communities. People contributing to the IRASC, spoke of the need for a flexible approach that takes account of wider supports, such as the support of carers and local services offered by community organisations to enable people to fulfil their potential, goals, and outcomes.

8. Self-directed support (SDS) was introduced jointly by the Scottish Government and Convention of Scottish Local Authorities (COSLA) in 2013. It was designed to give people choice and control over their care, including personalised options for carers to take short breaks from caring. In our [Self-directed support progress report](#), we noted that, despite many examples of positive progress, SDS has not yet been fully implemented. People using social care support who contributed to the IRASC described the hurdles encountered in accessing services and described accessing support as a battle. They summed up the process of accessing social care as notoriously difficult, over-complicated and bureaucratic.



"with SDS I have control. I can choose what option I want (within the rules, of course!). I find this is much more liberating ... Basically, it has been the passport to independence."

Source: 1

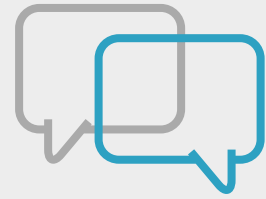
Unpaid carers provide a huge amount of support

9. Unpaid carers provide most of the social care support in Scotland. There are an estimated 700,000 unpaid carers, with around 20 per cent of carers aged over 65 and four per cent under the age of 16.¹ Under the Carers (Scotland) Act 2016, carers have a right to support, information and advice. However, a 2019 survey by the Coalition of Carers found that only 16 per cent of carers knew of the Act and what rights it provides; 33 per cent had heard of it but did not know what it was about; and 51 per cent had never heard of it.² Women are more likely to work part-time and provide unpaid care. This results in a financial penalty, affecting women more than men and which lasts into retirement.³ The IRASC highlighted that many carers are forced to give up work because of their caring responsibilities and that access to and options for respite care are limited.

The social care workforce is under immense pressure

10. The paid social care workforce provides support and care to people with a wide range of different needs in society, including learning disabilities, physical disabilities, and dementia. With around 209,690 people, it accounts for approximately eight per cent of all Scottish employment. There is increasing demand for social care and ongoing challenges with recruitment and retention ([Exhibit 1, page 9](#)).

11. In our 2016 [Social work in Scotland publication](#), we reported on the difficulties in recruitment, including low pay, antisocial hours and difficult working conditions, with women making up approximately 85 per cent of the workforce. The IRASC highlighted the gender inequality this creates because the predominantly female workforce is not adequately valued, engaged, or rewarded for its vitally important role. There is too much focus on costs, rather than on high-quality, person-centred care and support. The focus on costs leads to poor terms and conditions for staff and contributes to recruitment difficulties, rising sickness absence and high vacancy levels. This presents a risk to the capacity and quality of care services.



“When unpaid carers are dealing with caring 24/7 it is very difficult for them to have any energy left to ‘fight’ for social care support.”

Source: 4

Exhibit 1

Social care workforce

The social care workforce has high vacancy rates with many services facing recruitment problems.



209,690

people working in social care

- 159,260 full-time equivalents (FTE) in 2020
- ↑ an increase of 1.6% from 2019



36%

of services reported having vacancies in December 2020

- ↓ 3 percentage point decrease from 2019
- > three times higher than across all employers in Scotland (11%)

Services with high vacancy rates are:

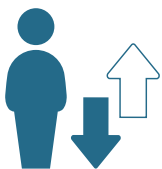
- housing support services (60%)
- care at home services (59%)
- care homes for older people (55%)
- care homes for adults (48%)



5.1%

FTE vacancy rate for all services at 31 December 2020

- ↓ down from 6.2% in 2019
- > more than two and a half times the overall vacancy rate across all establishments in Scotland (1.9%)



20%

are **not** on permanent contracts



11%

are on **zero hours** contracts



13%

of the workforce work over **50 hours a week**



15%

of social care workers work **unpaid overtime**



£9.79

average hourly pay

Source: Scottish Social Services Council (SSSC) workforce survey October 2021, FWC's Fair work in Scotland's social care sector 2019 report, Care Inspectorate and SSSC Staff vacancies in care services 2020 report, Scottish Government's Employer Skills Survey 2020

12. The Fair Work Convention (FWC) has been in place since April 2015 and acts as an independent advisory body to Scottish ministers. Following publication of its Fair Work Framework in 2016, the FWC established a social care inquiry because of concerns raised about the social care workforce during consultation on the framework. The overarching finding was that fair work is not consistently delivered in the social care sector. Despite some good practice and efforts by some employers, the wider funding and commissioning system makes it almost impossible for care providers to offer fair work.

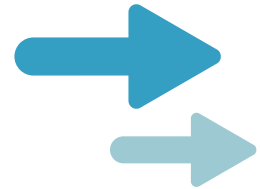
13. The Scottish Government established a Fair Work in Social Care Group, including representation from local government, private sector, third sector, trade unions, and COSLA. Since summer 2020 the group has been discussing improving pay and conditions and improving the staff consultative framework, called Effective Voice.

14. Since 2016, the Scottish Government has provided funding for adult social care staff to be paid the Real Living Wage. However, care providers have expressed concern that this may still not be enough to attract people into the sector. Recent announcements include:

- [Funding announced in March 2021](#) for adult social care workers to receive at least the Real Living Wage of £9.50 an hour. The Real Living Wage increased to £9.90 an hour in November 2021.
- [Winter funding announcement](#) in October 2021 included additional funding of up to £48 million this financial year to enable employers to provide an uplift to the hourly rate of pay for staff offering direct care within adult social care to a minimum £10.02 per hour.
- The [Scottish budget](#) in December 2021 announced funding for local government to deliver a £10.50 per hour minimum pay settlement for adult social care workers in commissioned services.

15. The Covid-19 pandemic has exacerbated the long-standing challenges facing the social care sector and put the workforce under immense pressure. This has led to increased workloads, staff burnout, and rising sickness levels. Additional pressures on unpaid carers, owing to the closure of day centres and respite services, have resulted in increased feelings of anxiety, depression, and mental exhaustion.⁴ Surveys of staff and providers show concerning issues:

- Almost a quarter of staff leave within the first three months of joining an organisation.⁵
- 88 per cent of social care providers said that recruitment and retention was problematic.⁶ Ongoing recruitment is a massive cost to the sector as providers are advertising vacancies on a rolling basis.⁷
- 63 per cent of Coalition of Care and Support Providers in Scotland (CCPS) members had to reduce the volume of care provided.⁸
- 7 per cent of CCPS members have returned care packages and 53 per cent have refused/would refuse new care packages.⁹
- 78 per cent of home care workers and 74 per cent of care home workers reported that they frequently did not have enough time with clients to deliver compassionate and dignified care.¹⁰
- 73 per cent of home care and care home staff reported they frequently had to do training in their own time.¹¹



Commissioning focuses on cost at the expense of high-quality, person-centred care and support.

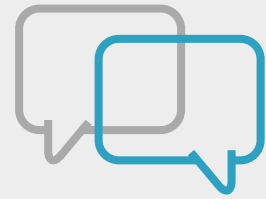
Commissioning tends to focus on cost rather than quality or outcomes

16. We have highlighted [the challenging task that councils face](#) responding to financial pressures and managing the market for providing social care services in their local area. There are tensions around making savings while ensuring high-quality services at a fair cost in an environment of increasing demand and financial pressures. However, there is scope for providers to be more involved in commissioning services and at an earlier stage. Our [local government financial overview](#) reported that 2019/20 saw a cash increase of £0.5 billion to local government, but reductions over the past seven years are still larger than in other areas of the Scottish Government budget.

17. Current commissioning and procurement procedures have led to competition between providers, at the expense of collaboration. The result is that price is often the main driver for decision-making. The Scottish Government states commissioners could be more flexible in how they procure care and support services, but that it is not being fully used by commissioners.¹² The IRASC highlighted that this focus on cost comes at the expense of high-quality, person-centred care and support. It has led to home care visits being planned on a 15-minute basis, which prioritises social care tasks at the expense of relationships. Short-term approaches to procurement also contribute to poor staff terms and conditions and to providers spending significant time and resources applying and reapplying for contracts.

18. The FWC concluded that low pay in the sector is a symptom of wider structural problems arising from the commissioning system for social care itself. The current method of competitive tendering is based on framework agreements where too often, care provider organisations do not know how many support hours are needed on a day-to-day basis. Employers pass this risk on to staff by giving them contracts that maximise employer flexibility (zero-hours, low-hours, and sessional contracts). This can mean workers having their shifts cancelled if demand falls or being asked to do extra hours at short notice if demand increases, leading to feelings of being always on-call.¹³

19. Voluntary and private sector providers deliver most social care services in Scotland, representing 20 and 57 per cent of registered services respectively.¹⁴ The sustainability of the social care market is key to maintaining Scotland's capacity to address individual care needs. The CCPS 2020 Business Resilience Survey reported that a third of respondents from voluntary services had decided to withdraw from or not to bid for contracts considered unsustainable.¹⁵ Scottish Care reported that half of private care at home services did not apply for local authority contracts in 2017 and 39 per cent handed work back to councils.¹⁶ This was largely because of funding levels for contracts, requirements or penalties in contracts, extent of travel, and a lack of available staff. With the growing financial and workforce pressures facing private and voluntary providers, it is important that Integration Authorities have contingency plans in place and that the financial health of key strategic providers is monitored.



“Everything has a cost, but it is more useful to look at things as a choice rather than a cost, some things are worth the investment.”

Source: 4

Capacity and cultural differences are affecting leadership

20. The health and social care sector needs stable and collaborative leadership to address the ongoing challenges, to remobilise services following the pandemic, and to implement significant reform. In recent years, we have highlighted significant challenges for leadership capacity across the public sector. Our [Local government in Scotland: Overview 2020](#) report emphasised the critical need for effective leadership at a time of increasing pressures and change. It highlighted that councils and Integration Authorities are experiencing high turnover of senior staff and are competing not only with each other for the best quality leaders but also with the private and third sectors. Similarly, our [NHS in Scotland 2020](#) report highlighted the continuing lack of stable NHS senior leadership, with high turnover and short-term posts.

21. The current model of governance for Integration Authorities is complicated, with decisions made at Integration Authority, council and health board level. We have found that [cultural differences between partner organisations](#) are a barrier to achieving collaborative working. Partner organisations work in very different ways, and this can result in a lack of trust and understanding of each other's working practices and business pressures. There can also be tendency to put the organisation first when alternative actions would benefit partners.

A lack of key data limits informed decision-making

22. The lack of relevant data, or analysis of primary, community and social care data, has been a common theme across a range of our reports. Good data and analysis will be essential for implementing social care reform. For example, in our [health and social care integration](#) report, we noted that, despite work to better analyse data, there were still gaps. That report also highlighted that an inability or unwillingness to share information was slowing the pace of health and social care integration. In October 2021, the Scottish Government and COSLA published a revised Digital Health and Care Strategy. The strategy includes a focus on harnessing data for the benefit of citizens and services, with further detail to be published this year on how this will be achieved.

23. Current limitations of social care data include:

- No individual social care record in the same way that each member of society has an NHS record. This makes it difficult to assess whether social care is meeting people's needs.
- No consistent method for recording unmet need. A person may be assessed as needing social care support but may not meet the eligibility criteria in place. This makes it difficult to assess the level of unmet need and therefore what more is required to deliver a person-centred, human-rights approach to social care.
- No coordinated approach to anticipating future demand for and costs of delivering services. Although some individual health and social care partnerships base their strategic plans on data for the prevalence of conditions in their area, for example heart disease, there is limited evidence of this being used in budget decisions.

Pressure on social care spending is increasing

24. A considerable amount of money is already spent on social care and pressures are growing because of increasing demand and demographic changes. In 2019/20, total social care expenditure was £5.2 billion, most of which was on adult social care – £4.0 billion (77 per cent) ([Exhibit 2, page 16](#)).

25. By 2038, forecasts suggest that nearly a quarter of people living in Scotland will be over the age of 65.¹⁷ Scotland's increasingly ageing population means that the demand for social care services will rise, and more resources will be required for social care over the long term. Around a fifth of the population of Scotland define themselves as having a disability and disability is more prevalent in older people. As our older population rises, the number of people with a disability, as a proportion of the population, is expected to increase too. For example, research by Horizon Housing in 2018 projected an 80 per cent increase in the population of wheelchair users by 2024.¹⁸

26. The Scottish Government has committed to increasing social care funding by at least 25 per cent in cash terms over the current parliamentary term. This should mean over £800 million of additional funding by 2026/27.¹⁹ Moreover, the UK Government's announced increase in national insurance contributions will provide an estimated additional £1.1 billion to Scotland by 2024/25, some of which will go towards funding social care.²⁰

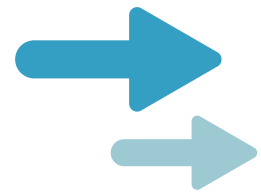


“Consultation has to be honest. You won't be able to deliver on everything people want, but you have to show them how they can be involved in change”

Source: 2

27. In previous reports we have highlighted the importance of public bodies developing medium- and long-term financial plans that take account of forecast demand. The current lack of multi-year budgeting has made managing costs and potential funding shortfalls more difficult in the medium to longer term. We have also commented on [the lack of progress in shifting resources](#) from acute to community settings and preventative approaches. A preventative, person-centred approach, as set out by Christie ten years ago, is key for improving outcomes and reducing inequalities.²¹ However, we repeatedly reported in our [Christie: 10-years on blog](#) that this is not being achieved consistently or at scale. Christie stated that one of the major barriers to preventative action was the extent to which resources are currently tied up in dealing with short-term problems. The report warned that without a shift to preventative action, increasing demand would swamp public services' capacity to achieve outcomes.

28. [Health and social care partnerships face ongoing challenges](#), with over two-thirds of Integration Authorities unable to achieve a balanced budget without additional funding from partners in 2018/19. Our report on [free personal and nursing care](#) found that abolishing charging led to councils developing eligibility criteria to manage the demand for services. Financial pressures across Scotland are leading to local variations in how those eligibility criteria are being applied to manage access to social care.

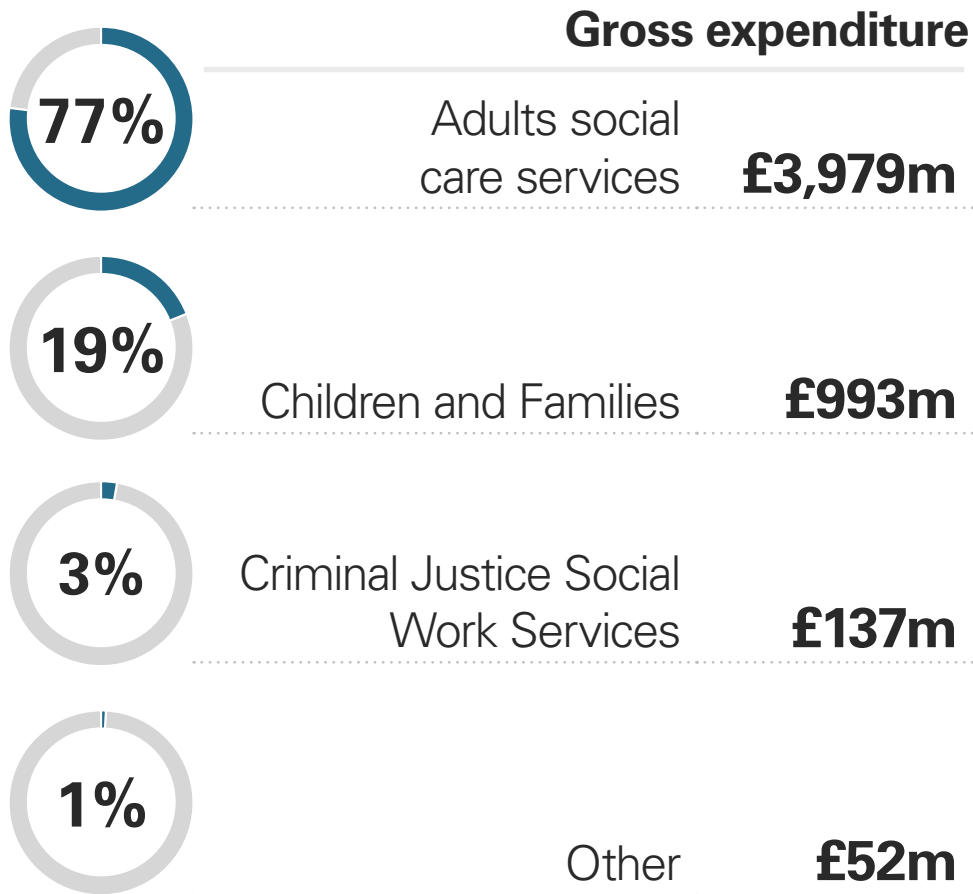


A preventative, person-centred approach, is key for improving outcomes and reducing inequalities.

Exhibit 2

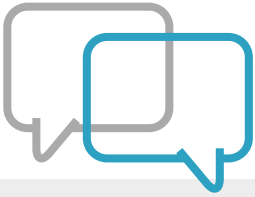
Social care expenditure in Scotland, 2019/20

Of the £5.2 billion spent on social care in 2019/20, £4.0 billion (77 per cent) was spent on adult social care.



Note: Adult social care expenditure includes an estimated £410 million from individuals funding all or part of their care in care homes. This means that total public funding for social care is £4.7 billion. Social care expenditure incurred by the NHS (e.g. occupational therapists) is not included as this is not routinely collected.

Source: Scottish Government collated information including Local Finance Returns 2019/20, Independent Living Fund Accounts 2019/20, National Care Home census 2019.



Quotes from people with experience of social care support and providers of social care.

“There are many, many people who do not speak the language, they will never know who to contact, where to phone, what they get or don’t get. Just think about it, their situations, where they’re just left, in such a dire situation sometimes.” Source: 1

“Disabled people are apprehensive about moving home from one local authority area to another because they know that they will have to go through yet another assessment process. Most of them will have battled with social services for years to get the support that they have currently and are not keen to have to repeat the trauma...” Source: 2

“We are hearing repeatedly from unpaid carers that carers assessments are not being undertaken, that they feel undervalued and their human rights as people are being ignored. Unpaid carers are relentlessly providing care, night and day, with many paying for provision themselves in order to get a break from their caring responsibilities.” Source: 4

“I think [we need] recognition that care work is really important and is essential. [...] I think if it was better pay and it was more secure and the hours were better than I wouldn’t be so afraid that my personal assistant would leave.” Source: 1

“It took 2 years and 6 different social workers to finally get a budget for my daughter.” Source: 2

“There is an understanding that eligibility criteria act as a device for local authorities to manage limited resources, however this has resulted in service provision being focused on critical care responses rather than prevention. Social care should be considered an investment and not a cost.” Source: 3

Social care next steps

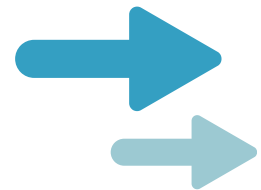
There is much to do to improve social care. Stakeholders have raised concerns about the scale of reform and how a lack of action now presents serious risks.

The Scottish Government is planning significant changes in social care over the next five years

29. On 1 September 2020, the Cabinet Secretary for Health and Sport confirmed the Scottish Government was commissioning [a review of adult social care](#). The cabinet secretary said that the pandemic had ‘shone a light on the pressing work we need to do to improve those services and support those who need them and those who work in them’. The key developments and anticipated timescales for [social care reform are set out on page 19](#).




30. The IRASC recommendations were focused on adult social care. The Scottish Government NCS consultation goes further and sets out a vision to create a community health and social care service that supports people of all ages and with a wider range of needs. This includes children’s services, community justice, alcohol and drug services, and social work. The proposals are not costed. It states that all proposals will be assessed for value for money as the consultation feedback is considered but there is still much to do to establish the true costs of reform.

31. It is still early days for the Scottish Government’s plans for reform. However, stakeholders have raised concerns about the extent of the proposals for reform and the time it will take to implement them. Many of the issues cannot wait for the Scottish Government to implement an NCS. Stakeholders told us of services in near-crisis and explained that a lack of action now presents serious risks to the delivery of care services for individuals. And this in turn will affect the delivery of the Scottish Government’s ambitions for social care in Scotland. The social care workforce was frequently described as undervalued, with low wages for the responsibilities of their work, and vacancies hard to fill owing to similar or better wages paid in retail and hospitality sectors.



Stakeholders have raised concerns about the extent of the proposals for reform and the time it will take to implement them.

Timeline for social care reform

2021 	3 February	the IRASC advisory panel published its report and made 53 recommendations for improvement
	16 February	the Scottish Government confirmed it accepted the IRASC recommendations
	24 March	the Scottish Government and COSLA issued a joint statement of intent outlining how they would work together to deliver the intentions of the IRASC
	20 July	the Social Care Covenant Group held its first meeting. Chaired by the Minister for Mental Wellbeing and Social Care and including members with first-hand experience, the group was set up to establish a common set of values and beliefs for social care
	9 August to 2 November	the Scottish Government held a wide-ranging consultation on a national care service (NCS) for Scotland
	August and October	the Scottish Government held a series of engagement events at which stakeholders, individuals, and communities came together to share their views on the consultation
	2 September	the Scottish Government awarded a contract to PricewaterhouseCoopers for setting up a programme management structure for an NCS
2022 	2 November	the Scottish Government tendered work on developing an operating model and business case for an NCS
	January/February	the Scottish Government expects to publish the results of the consultation in early 2022
	June	the Scottish Government has committed to begin the legislative process to set up an NCS
2026 	May	the Scottish Government expects that an NCS would be fully operational by the end of the current parliamentary term.

Implementing reform will take significant work, but some things cannot wait

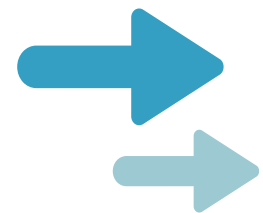
32. The Scottish Government's commitments to an NCS indicates that it recognises the significance of the challenge, but it is at an early stage, with little planning having yet taken place. As we and others have indicated, the need for improvements in social care are now urgent and the government and key stakeholders need to remain focused on making improvements in the areas we have highlighted. The need to address the significant and pressing challenges facing social care in Scotland cannot wait to be solved by a new NCS.

33. The pandemic has exacerbated the long-standing challenges facing the social care sector, highlighting the precarious situation of many vulnerable people who rely on social care or support. The Scottish Human Rights Commission (SHRC) reported on the negative impact Covid-19 had on people requiring support and their rights. The SHRC expressed deep concern about future levels of social care support likely to be available to people whose packages were reduced or withdrawn during the pandemic. It highlighted the need to invest in a social care system, based on human rights, that meets people's needs and improves outcomes.²²

34. Although there is still uncertainty about what social care reform will look like in terms of scope, the additional funding needed will be significant. It is important that the [additional investment set out in paragraph 26](#) is used effectively to make the changes required in social care and that services do not continue to be funded and delivered in the same way.

Next steps for the Scottish Government

35. Following the end of its consultation, the Scottish Government needs to establish what is included in an NCS and the legislative programme needed to progress it. It should also identify what can be taken forward now without legislation, which could provide a strong foundation for an NCS. Considerable work has already been carried out in some areas on the improvements required, for example on the workforce (Fair Work Commission) and commissioning (CCPS, Healthcare Improvement Scotland).



The Scottish Government should identify where improvement can be made now, drawing on existing work and recommendations and bringing together key stakeholders.

36. It is important the Scottish Government develops a clear scope quickly, with timescales for implementing each workstream, to remove uncertainty about the future direction of social care. The Scottish Government needs to consider the following in developing a plan:

- the functions where there may be value in adopting a national approach to achieve consistency and equity
- areas where improvement can be made now, drawing on existing work and recommendations, by bringing together key stakeholders with a clear remit to deliver the changes required
- developing an understanding of the longer-term costs and funding, including effective exit strategies from current services, identifying double-running costs while setting up new services, and moving more resources into preventative services
- prioritising developing a long-term, integrated workforce plan to address the crisis in the social care workforce and to implement the FWC's recommendations
- developing an understanding of what a preventative and human rights-based approach to social care looks like and a plan for co-producing it. This includes how it will continue to embed the voice of care experienced people in all aspects of developing, planning, and delivering effective social care for people who require support and their carers.

37. The Scottish Government will need to link plans for social care with developments in other policy areas, such as the NHS and housing. This includes the Scottish Government's plans to set up a new care and wellbeing portfolio to focus on reducing inequality, prioritising prevention and early intervention, and improving health and wellbeing outcomes.

38. Lessons also need to be learned from past restructuring and public service reform, for example health and social care integration, police and fire reform, college sector regionalisation, and the development of social security responsibilities in Scotland. Our reports in these sectors have found that reform is challenging and public bodies have experienced difficulties implementing elements of reform – expected benefits are not always clearly defined and, even if they are, reform does not always deliver the expected benefits, particularly in the short term. Any difficulties in implementing social care reform could have a significant negative impact on vulnerable people who rely on care and support. Key learning points include the importance of including:

- realistic costs in financial memorandums accompanying parliamentary bills for legislative change
- a comprehensive business case, clearly setting out the purpose and objectives of reform, timescales, key roles, responsibilities and accountability, risks, and the budget
- evidence to support major changes and being clear about how they will improve outcomes, options appraisal, and economic modelling
- good baseline information and a clear plan for measuring performance and improvement
- governance, accountability, roles and responsibilities in the new structure, and ensuring a shared understanding and agreement among key stakeholders
- strong, consistent strategic leadership from the outset
- an understanding of the time and effort needed to implement major change and complex restructuring, and of the cultural differences between partners.

Endnotes

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Social care

Briefing

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Audit team

The core audit team consisted of: Jillian Matthew, Shelagh Stewart, Christopher Lewis and Aileen Campbell under the direction of Mark MacPherson.



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NHS in Scotland 2021



AUDITOR GENERAL 

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Audit team

The core audit team consisted of: Leigh Johnston, Derek Hoy, Eva Thomas-Tudo, Claire Tennyson and Lucy Ross under the direction of Angela Canning.

Key messages

1 **The NHS in Scotland is operating on an emergency footing and remains under severe pressure.**

The success of the vaccinations programme has reduced deaths but the ongoing impact of responding to variants of Covid-19 has created a growing backlog of patients waiting much longer for treatment. The backlog poses a significant risk to the Scottish Government's recovery plans, which aim to transform how care is delivered. Reform is key to the sustainability of the NHS, and it must remain a focus, building on the innovation seen throughout the pandemic. Crucially, the public must be kept aware of and involved in changes to service provision. But transforming services will be very difficult to deliver against the ongoing competing demands of the pandemic and an increasing number of other policy initiatives, such as plans for a National Care Service.

2 **NHS and social care workforce planning has never been more important.**

Frontline NHS and social care staff, leaders and civil servants have shouldered a heavy burden over the last two years, and this has affected their wellbeing. The Scottish Government has introduced measures to support staff and is monitoring their effectiveness. But it must also prioritise addressing workforce availability challenges if its recovery plan is to be successful. Its plans to recruit and retrain staff are ambitious and will be challenging to achieve given the NHS's historical struggles to recruit enough people with the right skills.

3 **The NHS's ability to plan for recovery from Covid-19 remains hindered by a lack of robust and reliable data across several areas.**

This includes workforce data, as well as primary, community, social care and health inequality data. The collection and use of this data must improve to support decision-making and to ensure policy decisions are delivering the best outcomes for people.

4 **The NHS was not financially sustainable before the pandemic and responding to Covid-19 has increased those pressures.**

In 2020/21, the Scottish Government allocated £2.9 billion for pandemic-related costs. It has committed additional funding for health and social care in 2021/22 and beyond but there is uncertainty about future Covid-19 funding levels and the longer-term financial position. The Scottish Government plans to bring financial planning, service planning, workforce planning and capital investment together under a new Care and Wellbeing Portfolio. This has the potential to help the NHS become sustainable, but it is very early days. The key to financial stability remains a clear focus on the Scottish Government's long-standing commitment to transform how health and social care services are delivered.

Recommendations

The Scottish Government should:

- address the wellbeing risks affecting staff in the Scottish Government’s Health and Social Care directorate as well as the NHS and social care workforce ([paragraph 18](#)).

The Scottish Government and NHS boards should:

- work with partners in the social care sector to develop a long-term, sustainable solution for reducing delayed discharges from hospital ([paragraph 15](#))
- publish data on performance against the clinical prioritisation categories, to enable transparency about how NHS boards are managing their waiting lists ([paragraph 39](#))
- work with patients on an ongoing basis to inform the priorities for service delivery, and be clear on how services are developed around patients’ needs ([paragraph 57](#))
- take a cohesive approach to tackling health inequalities by working collaboratively with partners across the public sector and third sector, and be transparent on how it will do this ([paragraphs 62 and 63](#))
- improve the availability, quality and use of workforce data to ensure workforce planning is based on accurate projections of need ([paragraph 87](#))
- monitor and manage risks around the impact of additional work outlined in the NHS recovery plan on the NHS workforce, to make sure recovery does not negatively affect staff wellbeing ([paragraph 90](#))
- communicate widely with the public on changes to how services are delivered so that people are aware of how best to access services, and monitor the effectiveness of that communication ([paragraph 95](#))
- prioritise the prevention and early intervention agenda as part of the recovery and redesign of NHS services, to enable the NHS to be sustainable into the future ([paragraph 98](#))
- improve the availability, quality and use of data on primary, community and social care so that service planning is based on accurate measures of existing provision and demand ([paragraph 99](#)).

Introduction

1. The Covid-19 pandemic continues to provide a unique and difficult challenge for the NHS in Scotland. This report builds on our coverage of the response to the pandemic in our [NHS in Scotland 2020](#) report.¹ It also follows our Covid-19 briefings on [personal protective equipment](#) and the [vaccination programme](#).^{2 3} The report examines the continued impact of the pandemic on services and people's health in 2021. It also considers the Scottish Government's recovery plans for the NHS and looks at how services might be delivered in the future to better meet changing demand. We also provide an overview of financial performance across the NHS in Scotland in 2020/21 and consider the financial challenges that lie ahead. Our audit approach is set out in the [Appendix](#).

2. The Scottish Government and the NHS continue to respond to Covid-19 as the pandemic progresses, while pushing ahead with plans for recovery. Policy and guidance are being updated frequently and our findings reflect the situation at January 2022, using information available before publication. The Scottish Government and the NHS are working in a quickly changing environment, as the emergence of the Omicron variant in late 2021 has shown. A lot of the work we cover in the report is at an early stage. It is too early for us to make judgements on some of these programmes of work.

3. We would like to acknowledge the support and assistance provided by the Scottish Government and NHS boards that has enabled us to prepare this report.

The ongoing response to the pandemic

The NHS continues to operate under extremely challenging circumstances with an ongoing focus on the response to Covid-19 and providing emergency and urgent care

4. The NHS in Scotland is still operating in extremely challenging circumstances. NHS staff have continued to demonstrate their extraordinary commitment to public service, working under significant pressure for a period longer than anyone could have predicted at the outset.

5. Responding to the Covid-19 pandemic is still putting NHS boards under considerable strain and the Scottish Government has confirmed that the NHS will continue to operate on an emergency footing until at least March 2022. This means that non-urgent care and treatment may continue to be postponed, so that NHS boards can manage the immediate demands of responding to Covid-19 and continue to provide emergency and urgent care.

6. The ongoing need to implement public health measures to prevent and control infection continues to affect NHS capacity and resources. The Scottish Government and the NHS have put in place several programmes of work as part of the ongoing response:

- **The Covid-19 vaccination programme.** In September 2021, we published a [briefing paper](#) on the rollout of the Covid-19 vaccination programme. The NHS has made excellent progress in vaccinating a large proportion of people aged 18 years and over.⁴ The programme has since been extended to offer vaccines to children aged five years and over, and to offer third doses for more vulnerable people and booster vaccinations for adults aged over 18 years. Uptake has been very high: at 16 February 2022, 92.2 per cent of those aged 12 years and over have received at least one dose of a Covid-19 vaccine.⁵
- **Test and Protect.** Scotland's approach to testing and contact tracing has developed as the pandemic has progressed. At 16 February 2022, more than 15.3 million PCR Covid-19 tests had been carried out, and more than 1.1 million of these were positive.^{6 7} In December 2021, the Scottish Government published an evaluation of the asymptomatic testing programme.⁸ This found that between 25 November 2020 and 27 June 2021, more than

**Covid-19:
Vaccination
programme
September 2021**



7,000 positive cases were identified through this programme. These cases may not have otherwise been detected if they remained asymptomatic or may have been diagnosed later once symptomatic. The evaluation found that there were some barriers to maximising the impact of the programme, including concerns about the perceived reliability of the tests, and the consistency of people self-reporting results.

- **Distribution of personal protective equipment (PPE).** PPE has been supplied to the NHS and social care services, free of charge, throughout the pandemic. The Scottish Government has committed to continue this until at least March 2022. This is currently expected to cost £158.9 million in 2021/22. It is not yet clear what arrangements will be in place after March 2022. Our briefing paper on [PPE](#) (June 2021) noted that the Scottish Government and NHS National Services Scotland (NHS NSS) have been working with partners to develop a longer-term approach to supplying and distributing PPE.

7. NHS boards' ability to implement their remobilisation plans for 2021/22 is highly dependent on how the pandemic progresses. These outlined NHS boards' priorities for increasing activity while maintaining their capacity to treat Covid-19 patients.

8. The assumptions in these plans understandably included a lot of caveats because of the uncertain ongoing impact of the pandemic on the NHS. The Scottish Government reviewed the strength and content of the remobilisation plans and identified several themes, including:

- good coverage of priorities encompassing acute, primary, community and social care
- the importance of looking after the wellbeing of the workforce
- a clear commitment to doing things differently, building on lessons learned and on innovations such as the redesign of urgent care and Near Me
- the importance of working in partnership with the public sector and third sector, with staff and clinical colleagues, and with local communities.

9. The review also highlighted several risks that had been identified by NHS boards and that could considerably affect the scale and pace of remobilisation during 2021/22. These include:

- uncertainty about how the Covid-19 pandemic will develop and the potential impact of future surges on the NHS
- workforce issues, including the need to make sure that staff have time and support to rest and take leave and concerns about sustainability because of retirements, recruitment challenges, redeployment and having the appropriate skills mix

**Covid-19:
Personal
protective
equipment**
June 2021



- concerns about the longer-term impact of Covid-19 on the population and the way in which health and social care services will be delivered. Examples include the resources needed to further develop the role of public health services; the ongoing need for enhanced infection prevention and control measures; and the impact of unidentified and unmet healthcare needs on the demand for services.

The Scottish Government and NHS boards took action to prepare for a challenging winter

10. The Scottish Government acknowledged that winter 2021/2022 was likely to be extremely challenging for the NHS and, along with NHS boards, took action to prepare. The usual winter pressures, such as respiratory illnesses and falls, need to be managed along with Covid-19. The NHS has been rolling out its most extensive flu vaccination programme yet to minimise the spread of infection and the impact on services.

11. The Scottish Government asked NHS boards to update their remobilisation plans in Autumn 2021, to help ensure they were well prepared for the winter. In addition, in October 2021, the Scottish Government published a health and social care winter overview, outlining its winter planning preparations.⁹ This was based on four principles:

- maximising capacity through investment in staffing, resources and facilities
- caring for staff by ensuring timely access to wellbeing support, so that they can continue to work safely and effectively
- reducing delayed discharge from hospitals and increased access to care in a range of community settings
- improving outcomes by investing in delivering the right care in the right setting.

12. The emergence of the Omicron variant at the start of winter 2021/22 demonstrated how the uncertain path of the pandemic can impact on NHS services. Covid-19 case numbers spiked dramatically throughout December and into early January followed by a spike in hospital admissions and moderate increases in deaths and ICU stays. This added to the pressure on the NHS during an already difficult winter season. This was further exacerbated by staff absences owing to Covid-19 while case numbers grew and isolation guidelines were tightened.

13. The Covid-19 vaccine booster programme was accelerated in line with updated clinical guidance following the emergence of the Omicron variant. While this was expected to reduce the health impact of the virus it added to the pressure on vaccination teams.

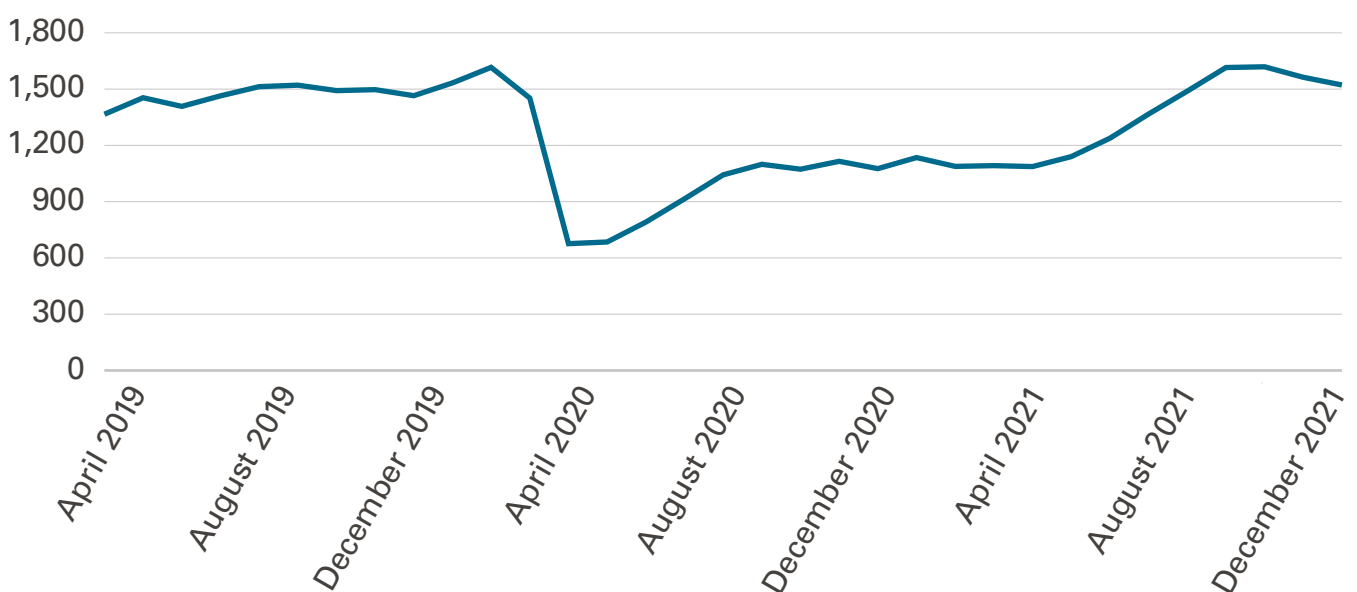
14. At the start of the Covid-19 pandemic, the Scottish Government introduced a rapid discharge strategy aiming to increase capacity in acute hospitals. This was effective, resulting in a substantial drop in delayed discharges between March and April 2020 ([Exhibit 1](#)). Delayed discharges gradually increased after April 2020 and had reached pre-pandemic levels by September 2021, putting additional pressure on NHS hospitals. The Scottish Government has said that this is because there have been increasing numbers of people admitted to hospital requiring care packages on discharge.

15. In its health and social care winter overview, the Scottish Government committed to providing £62 million, to increase the capacity for providing care at home, and funding of £40 million, to move people delayed in hospital into care homes on a short-term basis. This aimed to free up capacity in hospitals over the winter. By December 2021 there had been a small decrease in the average daily bed days occupied by delayed discharges ([Exhibit 1](#)). The measures to reduce delayed discharges, particularly during the first wave of the pandemic, were effective in the short term but a longer-term, more sustainable solution is needed.

Exhibit 1.

Average daily bed days occupied by patients whose discharge from hospital was delayed – April 2019 to December 2021

There was a substantial decrease in delayed discharges at the start of the Covid-19 pandemic, but they have since returned to pre-pandemic levels.



Source: Public Health Scotland

The unprecedented pressures of the pandemic continue to limit the capacity of the NHS workforce

16. Scottish Government and NHS staff have been working relentlessly to support the ongoing response to the pandemic and deliver services. Staff absences attributable to Covid-19 continue to limit capacity (Exhibit 2, page 11).¹⁰ Vacancy rates for nursing and midwifery, and allied health professionals, such as physiotherapists, were higher in September 2021 than in any of the previous four years.¹¹

17. The Scottish Government recognises that the risks relating to workforce capacity and wellbeing are significant. This has been reflected throughout the year in the Scottish Government's Health and Social Care Risk Register. The Scottish Government has introduced a range of controls to mitigate the risks. For example, it developed a recruitment plan to address winter pressures and winter disease. It also set up a Sustainable Vaccination Workforce Group to ensure that delivering the vaccination programme did not put further pressure on the wider healthcare system. It is too early to tell how effective these measures have been.

18. The workforce risks included in the Health and Social Care Risk Register refer only to health and social care staff. The Scottish Government should also consider risks affecting staff in the Scottish Government's Health and Social Care directorate.

19. Our NHS in Scotland 2020 report highlighted the negative impact of the pandemic on NHS staff wellbeing. This impact persists almost two years into the pandemic. Staff surveys carried out by trade unions and regulators continue to show a high number of staff saying their physical and mental wellbeing has been negatively affected. The results of the annual iMatter staff experience survey are currently being analysed and the Scottish Government intends to publish the report in early 2022.

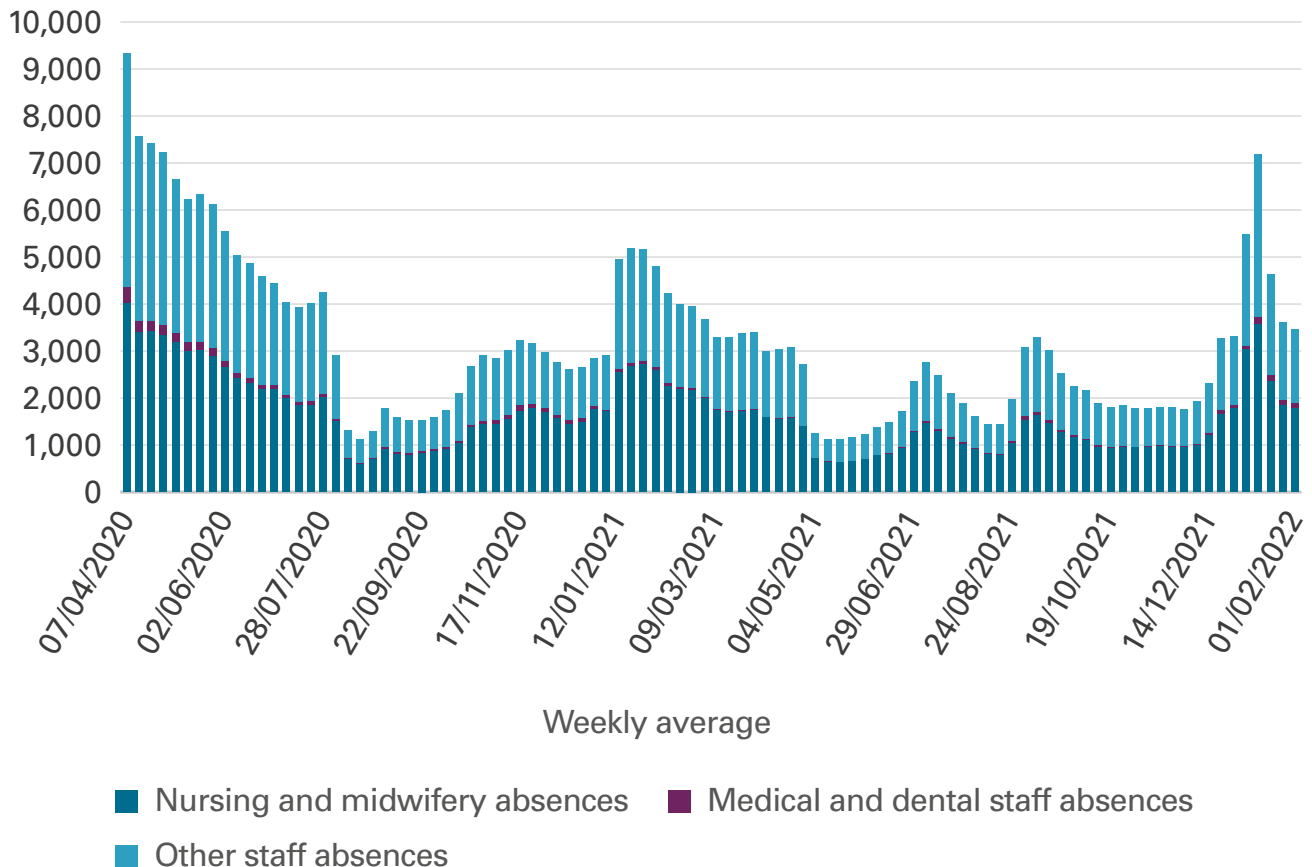
20. The 2021 Royal College of Nursing (RCN) Employment survey found that 40 per cent of nursing staff in Scotland are working beyond their contracted hours on most shifts.¹² Also, 67 per cent said they were too busy to provide the level of care they would like and 72 per cent said they were under too much pressure at work. It also found that 61 per cent are thinking about leaving their current position, with the main reasons being feeling undervalued, feeling under too much pressure, low staff levels and low pay. In comparison, 36 per cent of respondents to the RCN UK-wide Pay and Working Conditions Survey at the start of the pandemic said they were thinking of leaving their current position.¹³

21. The percentage of sickness absence attributable to stress and/or poor mental health increased for most NHS boards in 2020/21, compared with 2019/20. It is not clear whether those increases were caused by work-related stress or poor mental health owing to the pressures of the pandemic. The data also needs to be considered in the context of overall lower rates of non-Covid-19 sickness absence in 2020/21.

Exhibit 2.

The number of NHS staff absent because of Covid-19 – April 2020 to February 2022

Staff absence due to Covid-19 has varied but has been high throughout the pandemic.



Note: This graph shows the weekly average of daily absences.

Source: Scottish Government

The Scottish Government and NHS boards worked quickly to support staff wellbeing, but it is too soon to assess the effectiveness of the measures put in place

22. The Scottish Government and NHS boards worked quickly to increase the support available for the health and social care workforce. In 2020/21, the Scottish Government allocated £8 million for wellbeing support and announced a further £4 million in October 2021 to support wellbeing during the winter pressures.^{14 15} Seven measures have been introduced at a national level to support staff. These include access to support via a National Helpline, an online National Wellbeing Hub and a

Workforce Specialist Service offering specialist support in understanding the mental health needs of health and social care professionals who may be reluctant to seek help or struggle to find confidential care.

23. The measures put in place so far are appropriate, but it is too soon to fully assess their effectiveness. Governance arrangements for the programme of work are in place and include project teams, an oversight group and a programme board. The Scottish Government is monitoring the uptake of the measures and gathering feedback from service users.

24. The Scottish Government has reviewed the first 100 service users of the Workforce Specialist Service, usage of the National Wellbeing Helpline and examined analytics of the National Wellbeing Hub. Feedback has suggested that they have had a positive impact on wellbeing, although the National Wellbeing Helpline has had low call volumes. The Scottish Government will continue to evaluate the staff support measures it has introduced.

25. The scale of need for support is not clear. It is important that the Scottish Government continues to engage with the health and social care workforce and take account of the experiences of different staff groups as this programme of work develops.

26. The Scottish Government established a short life working group, including representatives from the health and social care sector, to provide recommendations to support workforce recovery. These fed into the NHS recovery plan published in August 2021.¹⁶ The Scottish Government is exploring opportunities for a panel of health and social care staff to share their experiences. Our [social care briefing](#), published in January 2022, highlights the immense pressure social care staff are under and the ongoing challenges with recruitment and retention within the sector.¹⁷

27. The Scottish Government told us that there is not a culture of seeking help in the health and social care sector. Support needs to be improved, for example by ensuring that wellbeing is part of conversations between staff and their managers. Achieving this will take time and involve managing the tension between the competing demands of staff wellbeing, the pandemic response, and remobilisation.

The Scottish Government and NHS are implementing lessons learned during the pandemic

28. Some changes brought in during the pandemic were specific to the response required and will not be adopted permanently. But other changes can bring ongoing benefits to health services and can aid the recovery effort and improve future service delivery.

29. The Scottish Government and NHS have acted quickly to learn from changes brought in during the pandemic and have started to embed that

**Social care
briefing**
January 2022



learning across NHS services. The Scottish Government commissioned a report, published in August 2021, on lessons identified from the health and social care response to Covid-19 in Scotland during the first six months of the pandemic.¹⁸

30. The report concluded that a considerable amount of work had gone into identifying what had worked well and what opportunities exist for new ways of working. It identified clear examples of good practice at individual board level and through national programmes. It also recommended clearly defining roles and responsibilities for implementing lessons learned exercises, with the Scottish Government coordinating and overseeing to avoid overlap and duplication.

31. The findings have informed other work, for example, the NHS recovery plan, the Programme for Government, and the development of a Care and Wellbeing Portfolio ([paragraph 103](#)). The Scottish Government created an action tracker outlining progress against recommendations and additional commitments. It shows where lessons could inform future pandemic preparedness and the development of policy and reform work. It also outlines how lessons identified are being addressed in the creation of its Care and Wellbeing Portfolio.

32. It is important that new ways of delivering services continue to be evaluated to assess the ongoing appropriateness and effectiveness of the changes, and to avoid exacerbating or creating health inequalities.

Scottish ministers are setting up a public inquiry to investigate the handling of the Covid-19 pandemic in Scotland

33. In December 2021, the Deputy First Minister [announced](#) terms of reference and the appointment of a chair for a public inquiry into the handling of Covid-19 in Scotland.¹⁹ The inquiry will look at the strategic response to the pandemic and cover 12 areas of investigation, to identify lessons to be learned and recommendations. It will look across pandemic preparedness, the direct and indirect health impacts, education and financial support. The inquiry will cover the period from 1 January 2020 to 31 December 2022 but will also include pandemic planning undertaken before then. The terms of reference for the inquiry were set by the Scottish Government and informed by [public engagement](#).

The continuing health impact of Covid-19

The pandemic continues to have an impact on the health of people in Scotland, but fewer people are dying from Covid-19

34. By the end of January 2022 Covid-19 had caused or contributed to more than 12,900 deaths in Scotland. The number of people dying from Covid-19 has been significantly lower since the rollout of the vaccination programme from late 2020, despite higher numbers of positive cases ([Exhibit 3, page 15](#)).

35. From September 2021, there has been another increase in people with Covid-19 being admitted to hospital. This is putting considerable pressure on hospitals at a time when they are already under enormous strain. There is also the risk that if new variants of the virus continue to emerge, the vaccines may become less effective.

36. On average there has been a higher number of deaths from other causes during the pandemic. From the week beginning 24 May 2021, deaths were above average levels for 32 consecutive weeks. For 2021 as a whole, excess deaths were ten per cent above the average for the five-year period 2015 to 2019.²⁰ The Scottish Parliament has launched an inquiry to investigate what factors have led to this increase.

The Covid-19 pandemic has led to a considerable backlog of people waiting for NHS diagnosis and treatment

37. Responding to the Covid-19 pandemic has severely affected the ability of NHS boards to continue to see and treat people with other healthcare needs. The Scottish Government directed NHS boards to pause non-urgent treatment and screening programmes during the first wave of the pandemic. The NHS has been working to resume the full range of healthcare services but capacity in hospitals continues to be limited. This has led to increasing numbers of people waiting much longer for diagnosis and treatment ([Exhibit 4, page 16](#)).

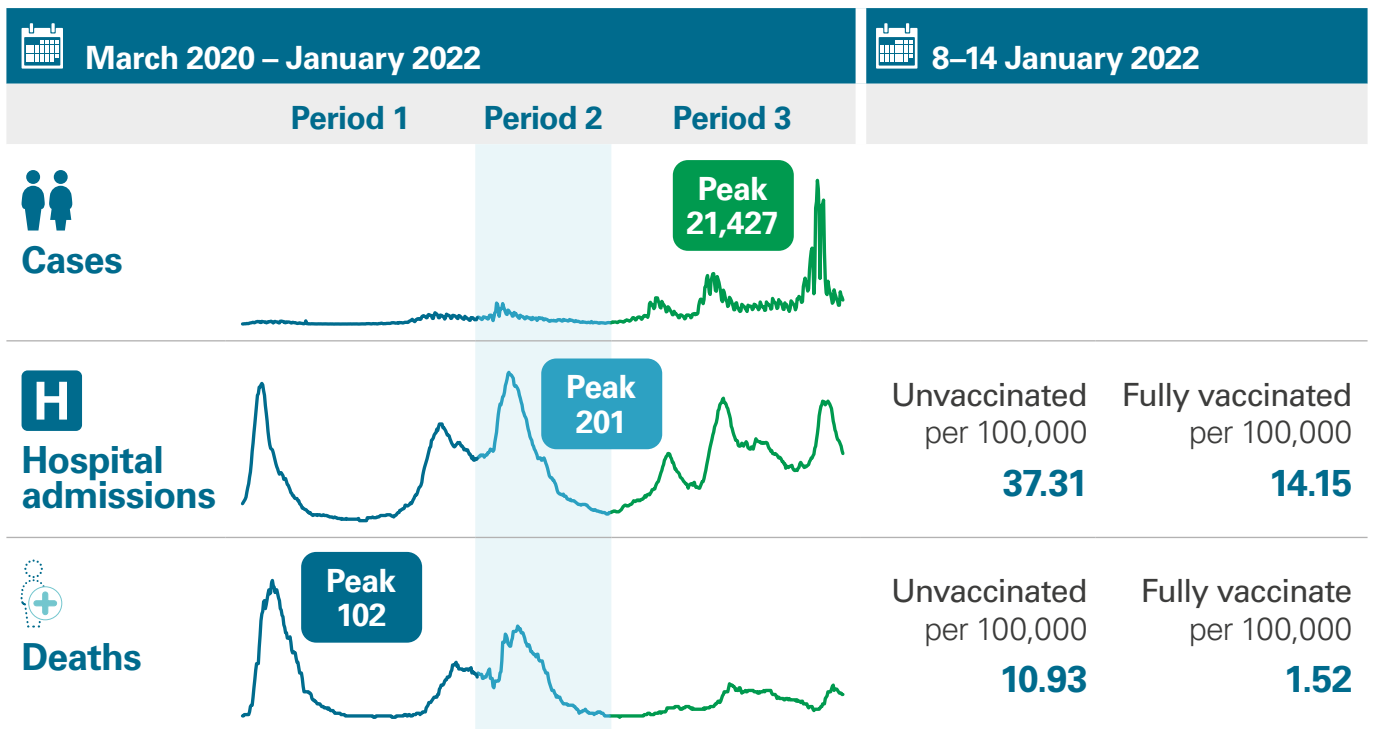
38. In November 2020, the Scottish Government published a clinical prioritisation framework outlining how NHS boards should prioritise patients for treatment during the Covid-19 pandemic.²¹ This approach means that patients in most urgent need should be seen first and those of lower clinical priority will need to wait longer. Patients are categorised in priority levels as follows:

- Level 1a emergency – operation needed within 24 hours
- Level 1b urgent – operation needed within 72 hours
- Level 2 surgery – scheduled within four weeks
- Level 3 surgery – scheduled within 12 weeks
- Level 4 surgery – may be safely scheduled after 12 weeks.

Exhibit 3.

Covid-19 cases, deaths and hospital admissions – March 2020 to January 2022

The Covid-19 vaccination programme has helped to reduce the number of people needing hospital treatment or dying from Covid-19.



Period 1 – Before the vaccination programme

Period 2 – 8 December 2020: Vaccination programme began

Period 3 – 7 May 2021: 98% of priority groups 1–9 had received their first dose of a Covid-19 vaccine

Notes:










1. The data for Covid-19 deaths and hospital admissions are based on the average number of registered deaths and the average number of people admitted to hospital over the previous seven days.
2. People who are fully vaccinated are defined as having a third dose or booster shot.
3. The hospitalisation and mortality rates per 100,000 are age-standardised per 100,000 people per week, standardised to the 2013 European Standard Population.

Source: Public Health Scotland

Exhibit 4.

National trends in demand for hospital services and activity April 2019 – September/December 2021

Hospital activity is increasing but remains lower than pre-pandemic levels. Demand for services and the numbers waiting considerably longer for tests and treatment have increased.

Demand		% change	
April 2019 to September 2021			
Number waiting for diagnostic tests	92,239		125,557 ↑ 36.1%
June 2019 to September 2021			
Number waiting for an inpatient or day case admission	75,608		106,496 ↑ 40.9%
Number waiting for a new outpatient appointment	323,408		425,242 ↑ 31.5%
Activity		% change	
April 2019 to December 2021			
Number of scheduled elective operations in theatre system	27,204		17,836 ↓ -34.4%
April 2019 to September 2021			
Number of inpatient and day case admissions	70,691		45,449 ↓ -35.7%
Number of new outpatient appointments seen	361,944		286,935 ↓ -20.7%
Length of waits		% change	
April 2019 to September 2021			
Number waiting longer than 6 weeks for diagnostic tests	16,446		53,023 ↑ 222.4%
June 2019 to September 2021			
Number waiting longer than 12 weeks for an inpatient or day case admission	23,930		66,602 ↑ 178.3%
Number waiting longer than 12 weeks for a new outpatient appointment	86,450		220,888 ↑ 155.5%

39. We recommended in our [NHS in Scotland 2020](#) report that data on waiting times based on the categories in the clinical prioritisation framework should be published. This will enable transparency and scrutiny of how NHS boards are managing their waiting lists. Public Health Scotland and NHS boards continue to progress this recommendation and the Scottish Government should work with them to publish this information as soon as possible.

**NHS in Scotland
2020**

February 2021



40. Referrals are increasing but the impact of delayed or missed diagnosis is a big risk. There is evidence that some people avoided accessing health services, particularly during the first months of the pandemic. This creates the risk that health conditions will go undetected for longer, leading to potentially worse outcomes for people.

41. The first port of call for most people with medical concerns is their GP, who can refer them to specialist services where required. Data on the number of GP appointments carried out is not available, so the extent to which people avoided seeing their GPs during the Covid-19 pandemic is based on survey information and referrals to hospital services.

42. A survey by YouGov has been carried out since the start of the pandemic, to monitor public opinion in Scotland. In December 2021, it found that 25 per cent of respondents would avoid contacting a GP for immediate medical concerns unrelated to Covid-19. This has improved since April 2020 (when it was 45 per cent), but it indicates the significant unknown need that is present.²²

43. Referrals for outpatient appointments, cancer treatment and psychological therapies decreased significantly between April and June 2020. This is concerning, as it is unlikely to be because of a reduced occurrence of illness. There are longer-term risks associated with delayed or missed diagnosis, such as people becoming more acutely unwell and requiring more intensive treatment.

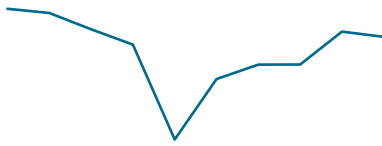
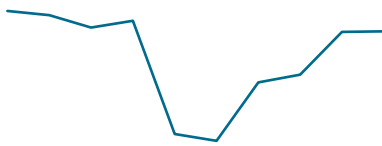
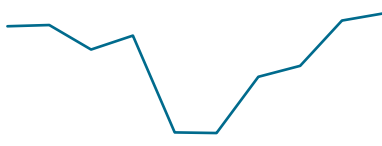

44. Referrals increased throughout 2021, indicating that more people are now seeking help for medical concerns than at the start of the pandemic ([Exhibit 5, page 18](#)). Referrals for psychological therapies have now exceeded pre-pandemic levels, and similar trends may be seen in other specialties in future.

45. Clearly the pandemic is having an impact on people's health beyond the direct effects of Covid-19. The scale of delayed diagnosis and treatment and what this means for NHS services and patients is not yet known. The Scottish Government does not yet have an overall strategy for monitoring the wider health impact of Covid-19. Public Health Scotland is monitoring some specific areas, such as the number of undiagnosed cancer cases. But a cohesive strategy is needed to better understand what the wider health impact of Covid-19 will be on NHS services and inform future service provision.

Exhibit 5.

Trend in referrals – April 2019 to September 2021

There were significantly fewer referrals for outpatient appointments, cancer and psychological therapies at the start of the pandemic, but levels have been increasing steadily since.

	April 2019 to September 2021		% change	
Number of additions to the outpatient waiting list	464,691		403,770	↓ -13.1%
Referrals to start cancer treatment within 31 days of decision to treat	6,582		6,329	↓ -3.8%
Referrals to start cancer treatment within 62 days of referral	3,907		4,011	↑ 2.7%
Referrals for psychological therapies	38,314		40,528	↑ 5.8%

Source: Public Health Scotland

Demand for urgent and emergency care is putting significant pressure on hospitals

46. During the first few months of the pandemic, the number of people attending accident and emergency departments (A&E) fell significantly, and there were fewer emergency hospital admissions. These have both now increased and are similar to pre-pandemic levels.

47. Additional measures to prevent the spread of Covid-19, such as enhanced infection prevention and control measures, impact on productivity and flow in A&E.²³ This means that it is much more challenging to see and treat people within the four-hour target. For example, between 27 December 2021 and 23 January 2022, 72.9 per cent of unplanned attendances at A&E were seen within four hours, compared with 84 per cent between 30 December 2019 and 26 January 2020.²⁴

48. The Scottish Ambulance Service (SAS) has also been under significant pressure. The need for additional PPE has increased the length of time that ambulance crews are spending with patients at the scene, and ambulances are also waiting outside hospitals for considerably longer. This is limiting the ability of ambulance crews to respond to other calls and leading to longer wait times for people who need an ambulance. SAS has required military support to supplement ambulance drivers and staff mobile testing centres. In September 2021, 225 military personnel were drafted in to support SAS.

49. SAS is working to improve the situation. It has accelerated plans to establish a navigation hub to direct paramedics to the most appropriate care for their patients. It is also in the process of recruiting GPs to assess the needs of patients waiting for an ambulance to prioritise their urgency more effectively.

Referrals for mental health services are now exceeding pre-pandemic levels, reflecting the impact of Covid-19 on people's mental health

50. The pandemic has had a considerable impact on mental health. It has been a difficult period for everyone, and lockdowns and physical distancing meant that some people were isolated from friends and family for months. There was, however, a considerable decrease in referrals for both adult and children's mental health services in 2020/21.²⁵ This is likely to reflect the impact of school closures and limited access to GPs and other services from which referrals are often made, rather than a reduction in demand.

51. In October 2020, the Scottish Government published its mental health transition and recovery plan, to respond to the mental health impacts of the pandemic.²⁶ The plan contains more than 100 actions, and the Scottish Government has committed £120 million in 2021/22 to take this work forward.²⁷ Referrals to mental health services and the number of appointments offered have now returned to pre-pandemic levels. In 2022, we plan to carry out further performance audit work on mental health services.

The Scottish Government has started to plan for Long Covid rehabilitation, but the extent of this condition is still unknown

52. Long Covid consists of prolonged symptoms, following a Covid-19 infection, that continue for more than four weeks and are not explained by an alternative diagnosis. In January 2022, an estimated 1.9 per cent of people in Scotland²⁸ were experiencing Long Covid symptoms.²⁹ The prevalence of Long Covid in Scotland is based on self-reported data, so this figure may not accurately represent the number of people with the condition. The figure only covers people living in individual

households and does not cover those in communal places of residence, such as care homes.

53. The Scottish Government has funded nine studies to develop the clinical knowledge base for Long Covid and its impact on people's health, which will also inform planning for the expected demand on NHS services.

54. In September 2021, the Scottish Government announced a £10 million Long Covid Support Fund and published its approach to supporting those affected. The approach is based on four key elements: self-management, primary care and community-based support, rehabilitation support, and secondary care services.³⁰ Many people are able to recover from Covid-19 at home, and the Scottish Government plans to promote self-management where possible. Self-management will also reduce any additional pressure being placed on NHS services. Several pieces of work are under way, including a self-management marketing campaign launched in October 2021.

The Scottish Government aimed to make public health measures inclusive, but some people were disproportionately affected

55. The Scottish Government and NHS Scotland took action to make attempts to control the virus as inclusive as possible. The Scottish Government carried out equality impact assessments (EQIAs) of several measures introduced to respond to the pandemic, such as the expansion of the Near Me video consulting programme. Other measures taken to support an inclusive approach included the following:

- **Covid-19 vaccination programme** – the Scottish Government and NHS boards worked with partners to increase vaccination uptake and reduce vaccine hesitancy through methods such as improving the accessibility of information, tailoring messages to specific communities and outreach work targeting groups that may be less likely to come forward for vaccinations.
- **Test and Protect** – working with partners to reach under-represented groups, for example by improving access to testing in targeted settings such as places of worship, making contact tracing scripts more accessible for non-native English speakers and people with other needs, and providing financial support for those self-isolating.

56. The Health and Social Care Alliance Scotland was invited by the Scottish Government to lead engagement work on people's experience of changes to health and social care during the pandemic.³¹ The findings of this work included variation in access to services, such as GP services and specialist services. For some, such as those with chronic pain, the reduced access to support resulted in concerns about managing their health. Disability Equality Scotland also reported that disabled people

were anxious about the impact of cancelled or postponed appointments on their health.³²

57. The Scottish Government and NHS boards should work with patients on an ongoing basis to inform the priorities for service delivery and be clear on how services are developed around patients' needs.

A collaborative approach is required to tackle long-standing health inequalities

58. Our [NHS in Scotland 2020](#) report highlighted that some people have been more adversely affected by the pandemic than others. Those from the most deprived areas and from some ethnic minority backgrounds were more likely to die from Covid-19. Further data has shown that disabled people were more likely to have died from Covid-19.³³ Adults with learning disabilities were also at a greater risk of being hospitalised or dying from Covid-19.³⁴

59. The pandemic has exacerbated long-standing health inequalities. Life expectancy in Scotland had not changed since 2012–14, and the number of years that people live in good health has started to decrease. The trends in healthy life expectancy show that people living in more deprived areas could expect to live more than 20 fewer years in good health than those living in less deprived areas.³⁵

60. Health inequalities continue to be a significant problem in Scotland since we last reported on this topic.³⁶ The disproportionate impact of Covid-19 on certain groups has led to the Scottish Government increasing its focus on tackling health inequalities, but there is no overarching strategy. Several programmes of work are under way targeting specific areas, for example on improving women's health and mental health, and improving race equality.

61. In September 2021, the Scottish Government published its [Race Equality: Immediate Priorities Plan](#).³⁷ This aims to ensure a fair and equal recovery from Covid-19 for minority ethnic communities. It sets out the work taking place on race equality across government, as well as the actions being taken to implement the recommendations from the Expert Reference Group for Covid-19 and Ethnicity.

62. While it is positive that these programmes of work are taking place, it only targets some of the groups experiencing health inequalities. For instance, there are no separate plans for people with disabilities or those experiencing homelessness. The Scottish Government should develop an overarching strategy for tackling health inequalities and develop work programmes for all target groups.

63. Improving health and reducing health inequalities require holistic action across the Scottish Government and its partners. Public sector partners can play an important role in changing behaviours. As well as

**NHS in Scotland
2020**
February 2021



providing health services, it is necessary to create the conditions that lead to good health, such as employment, education and good quality housing. Better health will also have wider benefits to society and the economy.

64. In December 2020, the Scottish Government established the new Health Inequalities Unit (HIU) within its Population Health Directorate. The HIU aims to embed equity and human rights in the response to the pandemic and across wider healthcare services.

65. The HIU is developing a single health equity vision. This aims to provide NHS boards with clear priorities, but this work is at a very early stage. The HIU includes a fair health team that focuses on the social and economic drivers of health inequality, such as low income, inadequate housing and poverty. The team will work with other government departments including education, social justice and housing, to bring a cross-government approach.

66. The work of the HIU will be crucial to building a sustained approach to reducing health inequalities. Such work should focus on cross-government initiatives and emphasise tackling the wider factors contributing to inequality. The fair health team will have a role in driving this work forward.

Public Health Scotland has had an important role in responding to the pandemic, and work on its wider priorities is now under way

67. Public Health Scotland (PHS) became operational in April 2020, at the start of the pandemic. PHS was established to enable and support local and national bodies to work together to improve health and wellbeing in communities. It has a key role in working with its partners to reduce health inequalities.

68. Since PHS was established, its focus has largely been on responding to the pandemic. This has included developing the Covid-19 daily dashboard, providing public health advice and supporting the Covid-19 vaccination programme. As a newly established body, PHS has also been developing its leadership and organisational structures.

69. PHS has identified priorities as part of its strategic plan 2020–23 and delivery plan 2021–23.^{38 39} These are Covid-19; mental wellbeing; communities and place; and poverty and children. These are complex challenges that will need collective action from PHS and partners across government and the public sector and third sector. Despite the pandemic being a core focus for PHS so far, several pieces of work are now under way, including:

- working with Police Scotland to produce real-time data on suicide and drug-related deaths to allow preventative action

- working with partners to support communities and local planning partners to better consider how climate change will affect their local area and on health and wellbeing
- working with children to develop mental health indicators that capture the key issues for children and young people
- providing guidance to local government on housing and homelessness.

More robust data is needed to understand and respond to long-standing health inequalities

70. Data on health inequalities is often confined to focusing on deprivation and sex, and less data is available on characteristics such as disability and ethnicity. The Scottish Government recognises this and has initiated programmes of work to improve the availability of data that can help inform decision-making. For instance, data is now being collected on Covid-19 vaccination uptake by ethnicity. This provides a better understanding of any inequity in the uptake of the Covid-19 vaccines, which will also allow appropriate action to be taken to increase uptake where it is lower in specific minority ethnic groups.

71. The Scottish Government is developing the Equality Data Improvement Programme. This aims to better understand what equality data is available and the barriers to collecting it, and to promote good practice in collecting better evidence. Some pieces of work have progressed quickly, for example the Scottish Government's chief statistician is leading a programme of work to improve data collation and analysis, by linking healthcare data with other datasets such as census and university data. This aims to improve the analysis of equality characteristics and to enable more preventative work to take place when tackling health inequalities ([Case Study 1](#)).

Drug- and alcohol-related deaths remain a serious concern

72. Despite Covid-19 being at the centre of government activity, other significant public health challenges remain. Drug and alcohol-related deaths have increased year on year, with 1,339 drug-related deaths and 1,190 alcohol-specific deaths registered in 2020. Deaths are higher among those living in deprived areas. Scotland's drug related death rates are the worst in Europe, and alcohol specific deaths rates are one of the worst in the United Kingdom.^{40 41}

73. A cross-government approach will be fundamental to providing holistic support for people at risk of drug and alcohol misuse. In the 2020/21 Programme for Government, the Scottish Government committed to investing an additional £250 million over this Parliament's term specifically to tackle the drug death emergency.⁴² This will focus on community based support, quick access to treatment and expanding residential rehabilitation.

Case Study 1.

Data linkage to identify the risk factors to homelessness

Linking health data with data on homelessness has illustrated the impact that data can have on outcomes for vulnerable people.

Work led by the Scottish Government's chief statistician has connected these datasets to identify what happened to people before they became homeless. For example, people often go to see their GP about alcohol or drug use, and this information can be linked to other issues such as domestic abuse or involvement in the justice system. Using data in this systematic way helps to predict who is at risk of losing their homes, so that they can receive support to prevent them from becoming homeless in the first place. The use of data in this way supports a multi-agency and preventative approach to homelessness.

Source: Scottish Government



74. The Scottish Government has also committed to publishing quarterly data on drug-related deaths, to enable enhanced monitoring. Data from January to September 2021 shows a four per cent improvement compared to the same period in 2020.⁴³ But suspected drug deaths remain at a high level and there continues to be an upward trend over the period for which data is available. It is likely that results from new initiatives will take longer to show.

75. We published a drug and alcohol [briefing](#) in 2019 and plan to publish a further update in March 2022.⁴⁴ This will summarise the ongoing challenges for drug and alcohol services and the improvements needed.

**Drug and alcohol services:
An update
May 2019**



NHS recovery and remobilisation

The Scottish Government's plans for the recovery and redesign of NHS services are ambitious but will be challenging and take a long time to realise

76. The Scottish Government and NHS Scotland are having to balance the immediate priorities of responding to Covid-19 and tackling the ever-increasing backlog of patients waiting to be seen. At the same time, they are planning for how healthcare services can be delivered more sustainably in the future. There is a long road ahead, and it will be challenging to make sufficient progress while dealing with the substantial pressures already in the system, which have been exacerbated by the pandemic.

77. The Scottish Government recognises that innovation and service redesign will be essential for the recovery of NHS services. It has published its NHS recovery plan, which aims to address the substantial backlog in planned care while continuing to meet ongoing urgent health and care needs.⁴⁵ The NHS intends to achieve this by increasing the capacity of healthcare services and redesigning patient pathways.

78. Key actions will include opening National Treatment Centres (NTCs) across Scotland to help increase inpatient and day case activity to 20 per cent above pre-Covid levels by 2025/26. Within the same timescale, redesigning care pathways is expected to contribute to an increase in outpatient activity to ten per cent above pre-pandemic levels. The Scottish Government has developed a Centre for Sustainable Delivery (CfSD), which aims to support boards to redesign how services are delivered and embed best practice across Scotland.

79. The ambitions in the plan will be stretching and difficult to deliver against the competing demands of the pandemic and an increasing number of other policy initiatives, such as plans for developing a National Care Service (NCS). The recovery plan will involve new ways of delivering services and these will take a lot of work. There is not enough detail in the plan to determine whether ambitions can be achieved in the timescales set out.

80. In our [NHS in Scotland 2017](#) report we noted the growing complexity in how healthcare is planned, with a mix of local, regional and national planning.⁴⁶ The NTCs, CfSD and the NCS have the potential to add to this complexity. It is not yet clear how planning across these

**NHS in Scotland
2017**
October 2017



different levels will work in practice. It is important that roles and responsibilities, and how they link together, are well defined to ensure:

- there is clear accountability
- it is clear how public money is being used
- the public are easily able to access health and social care services that are joined up effectively.

81. We welcome the Scottish Government's commitment to publishing annual updates on the NHS recovery plan to inform the public on the progress being made.

There are several risks associated with the successful recovery and redesign of NHS services

82. Making significant and ambitious changes in how services are delivered inevitably involves risks. The Scottish Government and the NHS must manage these risks carefully if the objectives set out in the recovery plan are to be achieved.

83. The NHS recovery plan and other key strands of recovery, such as the new Care and Wellbeing Portfolio and the new Digital Health and Care Strategy ([paragraph 108](#)), show that the Scottish Government and the NHS have plans in place to manage some of the risks. But it remains to be seen how some other risks will be managed. These are set out in the rest of this section.

New Covid-19 variants could derail recovery plans

84. The emergence of the Omicron variant towards the end of 2021 shows that the future course of the Covid-19 pandemic, and the impact on people's health and NHS services, remains uncertain. There is potential for any new variant to spread more easily, to be more resistant to vaccines, or to result in more severe symptoms. These possible outcomes could all potentially divert efforts away from recovery and back towards the immediate pandemic response.

The Scottish Government must prioritise addressing workforce availability challenges if its recovery plan is to be successful

85. The workforce commitments set out in the recovery plan are significant and build on substantial existing commitments from previous plans ([Exhibit 6, page 27](#)).

86. The additional numbers of staff needed to meet the plan's ambitions, alongside existing and potential recruitment challenges, mean that the Scottish Government will need to use innovative recruitment methods to fill positions. The recovery plan includes a commitment to invest £11 million over the next five years in new national and international

recruitment campaigns and establish a Centre for Workforce Supply. There are also plans to increase the number of undergraduate places to study medicine by 100 per year.

87. We have highlighted in previous reports that the NHS has struggled to recruit enough people with the right skills to certain positions, and that the UK's departure from the EU could further reduce the pool of workers available in future years.⁴⁷ We also highlighted a lack of robust and reliable workforce data in our [NHS workforce planning – part 2](#) report, particularly in relation to primary care.⁴⁸ We are yet to see evidence that this has improved, and there is a risk that it inhibits effective workforce planning. It will also make it difficult to monitor progress in achieving workforce objectives.

**NHS workforce
planning – part 2**
August 2019



Exhibit 6.

New and existing workforce commitments

Existing commitments from the Integrated National Workforce Plan 2018

- 800 new mental health workers by 2022
- 500 advanced nurse practitioners
- Increase the GP workforce by 800 by 2027
- 225 new advanced musculoskeletal practitioners by 2024/25
- 30 new reporting radiographer training places over the next three years
- 30 new training places in cardiac physiology



Staffing commitments – NHS Recovery Plan 2021/26

- 1,500 new clinical and non-clinical staff for National Treatment Centres by 2026
- 1,000 additional staff in primary care mental health
- 100 more undergraduate medical places per annum and more widening access places
- New recruitment campaigns and establish a Centre for Workforce Supply (£11 million)
- Youth employment opportunities through the Young Person's Guarantee
- Additional training opportunities through the NHS Academy

Source: Scottish Government

88. The Scottish Government, in conjunction with the Convention of Scottish Local Authorities (COSLA), aims to publish a new national workforce strategy for health and social care in early 2022. This will include high level objectives, an action plan covering the short, medium and long term, and projections for anticipated workforce growth. It is crucial that this strategy is aligned with the NHS recovery plan and leads to a more integrated approach to workforce, service and financial planning. Recovery ambitions cannot be met if the right people with the right skills are not in place. We plan to carry out further audit work on this in due course.

Meeting ambitious targets must not come at the expense of staff wellbeing

89. There is clear commitment at Scottish Government and NHS board level to support staff wellbeing, and it features prominently in the NHS recovery plan. However, the plan also outlines significant additional demands on NHS staff that could negatively impact their wellbeing. The ambition to significantly increase activity could undermine the desire to improve staff wellbeing.

90. It will be important for the Scottish Government and health and social care bodies to work together to monitor the progress and evaluate the effectiveness of the new staff wellbeing measures ([paragraph 22](#)), and to better understand and provide for staff support needs.

Supporting and developing NHS leaders is vital

91. Leaders in the NHS and Scottish Government have been under considerable pressure throughout the pandemic. The planned NCS will see responsibility for social care transfer from local authorities to Scottish ministers. It will require significant reform which will add further pressure, along with the challenges of responding to the pandemic and the recovery and redesign of NHS services. We set out key risks and challenges in developing a NCS in our [response](#) to the Scottish Government's consultation.⁴⁹

92. The recovery and reform of health and social care services needs stable, effective and capable leadership. We have previously highlighted issues with high turnover and short tenures in some NHS leadership positions, as well as concerns about a lack of succession planning and support for new leaders.

93. Over three years ago, the Scottish Government introduced Project Lift. This is a leadership development programme designed to create a more person-centred approach to leadership in the health and social care system. The Scottish Government is now developing a National Leadership Development Programme (NLDP), building on the progress made under Project Lift. The NLDP is at an early stage and is initially

focusing on senior and executive leaders. We will continue to monitor the impact of the NLDP in future audit work.

94. The NLDP includes a workstream on succession planning, aimed at creating a system to identify and develop talent for senior leadership roles. In our [NHS in Scotland 2018](#) report we found that a similar succession planning programme was under way.⁵⁰ It is not clear how the new workstream links to this previous work.

**NHS in Scotland
2018**
October 2018



The Scottish Government needs to ensure that new ways of delivering services are clearly communicated

95. The Scottish Government and NHS boards need to continually engage with the public in a meaningful way to shape priorities for recovery and develop sustainable, person-centred ways of delivering health and social care services. The public will have to access services differently, and that will require a culture change. The Scottish Government and NHS need to clearly communicate to the public any changes to how services should be accessed.

96. The Scottish Government commissioned Health and Social Care Alliance Scotland to engage with the public to identify priorities for accessing services. The priorities it identified put people at the centre of decision-making. The Scottish Government and NHS boards should incorporate these priorities into their plans for the recovery and redesign of NHS services.

The Scottish Government and NHS need to prioritise prevention, early intervention and equity in their recovery plans

97. Early intervention and preventative care are fundamental to the long-term sustainability of NHS services and can help reduce health inequalities. The Scottish Government and NHS need to make sure that the importance of prevention is not lost as they continue to respond to the pandemic and transform how care is delivered. In his [September 2021 blog](#), the Auditor General for Scotland discussed the slow progress in making the shift towards prevention and in improving long-term outcomes for individuals and communities set out in the Christie report.⁵¹

98. The NHS must prioritise this while also dealing with immediate pressures based on clinical priority and urgency. It will have to address the challenge of moving funding into early intervention and preventative care when there are existing pressures in emergency and planned healthcare.

The collection and use of health and social care data must improve to support decision-making and monitor progress in delivering outcomes

99. The lack of, or analysis of, primary, community and social care data has been a common theme in Audit Scotland reports for several years. This data is important for informed decision-making, planning and scrutiny. It is also needed to demonstrate whether, and the extent to which, government policies and initiatives are delivering improved outcomes. There should be stronger data linkages across the NHS and public sector to help deliver better outcomes for people.

100. Data is a prominent theme throughout the refreshed Digital Health and Care Strategy ([paragraph 108](#)). It commits the Scottish Government and COSLA to developing a Data Strategy for Health and Social Care. It also acknowledges the impact that poor data sharing and access to health records can have on the delivery of care and continuity between services. Information governance, assurance and cyber-security will be key elements of the data strategy.

Meeting net zero targets could make the recovery process more challenging

101. Like all public bodies in Scotland, NHS boards are required by law to reduce carbon emissions and become net zero by 2045. NHS Scotland aims to bring this forward to 2040 following consultation on its draft NHS Scotland Climate Emergency and Sustainability Strategy.⁵²

102. Net zero requirements add to the challenges of the NHS recovery process and will need additional investment. It is vital that the Scottish Government and NHS make the most of the opportunities arising during the pandemic to reduce carbon emissions in the health sector.

The Scottish Government is developing a Care and Wellbeing Portfolio to improve outcomes and health and social care services

103. The Scottish Government has recognised that a new long-term strategy is needed for health and social care to direct and oversee the recovery and redesign of services. It has set up a Care and Wellbeing Portfolio to set the strategic direction for health and social care in Scotland and to oversee four programmes of work. The programmes and their aims are:

- **integrated planned care** – to be flexible and adaptable to respond to emerging challenges, embrace rapid change in the delivery of health and care services and be inclusive in the approach to recovery, and promote transformation and innovation to deliver a world class service

- **integrated unscheduled care** – to take a whole system approach to the redesign of services, with an overarching aim of improving outcomes for people and delivering the right care in the right place
- **preventative and proactive care** – to proactively keep people well, independent and in the most appropriate care setting for their needs
- **place and wellbeing** – communities, third sector and public sector organisations working jointly to drive improvement in health and wellbeing and reduce health inequalities of the population within local communities.

104. The Care and Wellbeing Portfolio is at an early stage of development. It has considerable potential and ambitious aims but achieving these will be challenging. The Scottish Government is committed to designing a new coherent and sustainable system, focused on reducing inequality, prioritising prevention and early intervention, and improving health and wellbeing outcomes.

105. Its objectives include developing a decision-making framework that prioritises prevention and early intervention. This is promising, but more detail is needed to determine how it will work in practice.

106. This work will require long-term, dedicated resources and commitment from leaders. It should take a whole-system approach, involving staff across government and other partners across public services and the third sector. The portfolio should embed service redesign, workforce planning, financial planning and capital investment in its approach and governance structure, to ensure that strategies are aligned and are working towards the same goals.

The NHS has implemented a range of new ways of working to improve access to healthcare services

107. Several new ways of working have been introduced throughout the pandemic to enable the NHS to improve access to healthcare services not related to Covid-19. The pandemic has also accelerated improvements that were already under way. The examples shown in [Exhibit 7 \(page 32\)](#) demonstrate the range of and potential for new ways of delivering services emerging from the crisis.

The Scottish Government is committed to embracing digital technologies

108. The Scottish Government is committed to increasing the use of digital technologies as part of the recovery and remobilisation of NHS services. The Scottish Government and COSLA published a revised Digital Health and Social Care Strategy in October 2021.⁵³ It highlights the progress made during the pandemic, and identifies gaps that need to








Maintaining patient access

The rapid rollout of NHS Near Me and other non-face-to-face consultations helped to maintain some access to healthcare services during the early stages of the pandemic ([Exhibit 7](#)).

Exhibit 7.

The NHS has introduced innovative new ways of working throughout the pandemic

There is scope to roll out new ways of delivering services beyond the pandemic with potential benefits to future healthcare provision

Theme	Case study	Benefits
 <p>Maintaining patient access</p>	<p>The rapid rollout of NHS Near Me and other non-face-to-face consultations helped to maintain some access to healthcare services during the early stages of the pandemic.</p>	<p>Reduced need for physical attendance at a hospital or GP practice, helping maintain patients at home during the pandemic while reducing the risks associated with delayed diagnosis. There are also timesaving, environmental and travel safety benefits. It helps to reduce the number of missed appointments and cuts back on PPE usage.</p>
 <p>Technological innovation in treatment, diagnosis and monitoring</p>	<p>Rollout of faster, simpler alternatives to endoscopic procedures for diagnosing conditions like Barrett's Oesophagus, a known risk factor for oesophageal cancer.</p>	<p>Procedures can be carried out in locations other than traditional hospital environments, like community health centres and GP practices. It frees up senior staff and capacity within endoscopy units and reduces the cost and time needed to diagnose and treat patients.</p>
 <p>Using data to improve services</p>	<p>PHS is collaborating with some Scottish universities on the EAVE-II study, which tracks the progress of the Covid-19 pandemic in near real-time across Scotland.</p>	<p>EAVE II shows the difference Covid-19 vaccines make, but it shows that by linking data we can learn about the difference a whole series of interventions can make to Scotland's health. This approach offers opportunity to study other conditions, to describe their risk and the public health benefit of treatments in the future.</p>
 <p>Introducing new operational models</p>	<p>The Redesign of Urgent Care (RUC) programme is designed to address the demand issues in urgent and unscheduled care.</p>	<p>The Scottish Government continues to review the new model, but if successful it should reduce A&E waiting times and relieve pressure on A&E staff and ambulance services.</p>
 <p>Multi-agency and collaborative working</p>	<p>Local multidisciplinary teams from NHS boards and councils enhanced the oversight of local care homes and wider social care services during the pandemic.</p>	<p>The relationships built up in these multidisciplinary teams enhanced support for social care services. These relationships will hopefully lay the foundations for further collaborative working and strengthen health and social care integration.</p>

Source: Scottish Government and Audit Scotland

be addressed, particularly digital exclusion. The Accounts Commission's September 2021 [blog post on digital exclusion](#) highlights how Covid-19 has exacerbated inequality in this area.

109. The revised strategy aims to improve the care and wellbeing of people in Scotland by making best use of digital technologies and delivery of services. It has three main aims:

- **Aim 1** – Citizens have access to, and greater control over, their own health and care data, as well as access to the digital information, tools and services they need to help maintain and improve their health and wellbeing.
- **Aim 2** – Health and care services are built on people-centred, safe, secure and ethical digital foundations that allow staff to record, access and share relevant information across the health and care system, and to use digital technology confidently to improve the delivery of care.
- **Aim 3** – Health and care planners, researchers and innovators have secure access to the data they need to increase the efficiency of our health and care systems and develop new and improved ways of working.

110. Adopting digital technologies will be crucial to the transformation needed to make sure NHS services are sustainable in the future. But this cannot be done in isolation. It must be part of wider overall service redesign plans that are built around the needs of patients and staff.

NHS finances

The Covid-19 pandemic resulted in significant additional expenditure across the NHS in 2020/21

111. Responding to the Covid-19 pandemic resulted in significant additional costs. In 2020/21, £2.9 billion of funding was allocated across health and social care for Covid-19-related costs.⁵⁴ Of this, £1.7 billion was allocated to NHS boards and integration authorities (IAs). In 2020/21, NHS boards' total funding allocation was £16.3 billion ([Exhibit 8, page 35](#)). This is 19 per cent more in cash terms than in 2019/20 (£13.7 billion).

112. The Scottish Government provided clear direction to NHS boards about how Covid-19 expenditure should be monitored and reported throughout 2020/21. External auditors found that financial management associated with Covid-19 expenditure was appropriate across all NHS boards, with a clear distinction between reporting of Covid-19 and non-Covid-19 expenditure. Our [NHS in Scotland 2020](#) report sets out detail of the monitoring and reporting arrangements in place during 2020/21.

**NHS in Scotland
2020**
February 2021



Covid-19 had a considerable impact on NHS boards' ability to achieve efficiency savings

113. Responding to the Covid-19 pandemic has had a considerable impact on NHS boards' ability to deliver efficiency savings. In recognition of this, in February 2021, the Scottish Government stated that it would fully fund NHS boards and Health and Social Care Partnerships (HSCPs) to achieve financial balance for 2020/21.⁵⁵

114. Several NHS boards relied on this support from the Scottish Government in 2020/21. In total, the Scottish Government allocated £102 million to 14 NHS boards for this purpose. The shortfall is recurring, and boards will need to achieve the savings in future years, adding to the substantial financial pressures which existed in the NHS before the pandemic.

115. The Scottish Government is providing additional support to six NHS boards facing a particularly challenging financial position. As part of this, since autumn 2021 these NHS boards have been submitting monthly plans to the Scottish Government on how they plan to achieve savings, with the aim of improving their positions by the start of the 2022/23

Exhibit 8.

A breakdown of NHS funding in 2020/21 and key areas of spending

Total Scottish Government health budget including Covid-19 funding



35%
of total Scottish budget



Of which is Covid-19 funding



£1.7bn
Central Spend

NHS Scotland including Covid-19 funding



Revenue

£13.7bn Territorial boards
£2.1bn National boards

Capital

£391m Territorial boards
£89m National boards

Examples of key areas of spend



£8.6bn
Staffing costs
£7.6bn in 2019/20



£2.7bn
Drug and medical supplies
£2.4bn in 2019/20

Notes:

1. Staffing costs include medical and dental (£2bn), nursing (£3.3bn), and other (£3.3bn).
2. Drugs and medical supplies includes prescribed drugs secondary care (£818m), prescribed drugs primary care (£1.1bn), PPE and testing kits (£286m), and medical supplies (£492m).
3. Central spending is the amount spent centrally on behalf of NHS boards – this includes initiatives such as non-discretionary payments (Family Health Services), the £500 thank you payments and the nursing bursary.

Source: Scottish Government 2020/21 Spring Budget Revision, Scottish Government 2020/21 consolidated accounts

financial year. These boards are NHS Ayrshire and Arran, NHS Borders, NHS Dumfries and Galloway, NHS Fife, NHS Highland and NHS Orkney.

116. NHS Tayside has been subject to ongoing parliamentary attention in recent years. In December 2020, we presented a [sixth consecutive Section 22](#) report to the Scottish Parliament on NHS Tayside.⁵⁶ This found that NHS Tayside was making progress under its new executive leadership team, financial management was stronger and there were some improvements in service performance. However, there were still

**The 2019/20 audit
of NHS Tayside
December 2020**



Case Study 2. NHS Tayside

The board operated within its revised financial targets for 2020/21 and achieved its planned efficiency savings of £28.1 million. This was after repaying £3 million to the Scottish Government of its outstanding £7 million borrowed and returning £7 million of its allocated funding to the Scottish Government for re-allocation in 2021/22. In common with all NHS boards, the Covid-19 pandemic has had a significant impact on the focus and priorities of NHS Tayside, and the effect of this on the board's longer-term financial position and savings targets is still uncertain.

Improvements are being made in mental health services in Tayside although significant work is still required. NHS Tayside is considering its response to the recent independent inquiry into mental health services in Tayside, Trust and Respect, Progress Report 2021. The Minister for Mental Wellbeing and Social Care has recently appointed an independent group to provide oversight and assurance, and support progress in improving Tayside's mental health services. We will monitor the board's progress in this area in 2021/22.

In June 2021, the Scottish Government de-escalated NHS Tayside from stage 4 on the escalation framework to stage 2, in relation to financial position, governance and leadership, and performance; and to stage 3, in relation to mental health performance. This further reflects the improvements made by the board.

Source: Audit Scotland



matters to be addressed. The 2020/21 annual audit found that NHS Tayside is continuing to make progress ([Case Study 2](#)).

NHS boards face an uncertain and challenging financial position in 2021/22 and beyond

117. The NHS was not financially sustainable before the Covid-19 pandemic, with boards relying on additional financial support from government or non-recurring savings to break even. The scale of the financial challenge has been exacerbated by the pandemic. The cost of delivering services has risen and additional spending commitments made by the Scottish Government add to NHS boards' financial pressures.

118. The Programme for Government 2021-22 sets out the Scottish Government's intention to increase funding for frontline healthcare services by at least £2.5 billion by 2026/27.⁵⁷ It also commits to increasing primary care funding by 25 per cent, and to reviewing the NHS funding formula to ensure that the funds are distributed equitably. The Scottish Government has not yet set a date for this review to be completed.

119. The Programme for Government also sets out the commitment to invest £10 billion over the next ten years to replace and refurbish healthcare facilities across Scotland. Of this, a considerable amount, £400 million, will be spent on the NTCs. The Scottish Government has also now committed to bringing forward its target date for the NHS estate to achieve net zero emissions from 2045 to 2040. This will require substantial investment and it is not yet clear whether additional capital funding will be needed to achieve this over and above the £10 billion already announced.

120. The Scottish Government required NHS boards to produce one-year financial plans for 2021/22 because of the ongoing uncertainty about the costs and financial impact of Covid-19 and about what funding would be available. In September 2021, NHS boards and HSCPs submitted updated projections of the costs associated with Covid-19 and remobilisation for the 2021/22 financial year. These showed that they expect to spend £1.5 billion, including predicted unachievable savings of £116.6 million. The main areas of expected spending are as follows:

- Covid-19 vaccination programme – £203.7 million
- testing – £184.6 million
- additional PPE – £158.9 million
- additional staff costs – £95.1 million.

121. The Scottish Government has confirmed that all frontline health-related Barnett consequentials received from the UK Government would continue to be passed on to health and social care in Scotland.⁵⁸ At

February 2022, the Scottish Government has confirmed £2.5 billion in Covid-19 health-related consequential in 2021/22.

122. There is uncertainty in the longer term about what Covid-19 related expenditure will be needed and about what funding will be available. NHS boards should return to medium-term financial planning in 2022/23, to help identify the known factors in NHS funding over the next three to five years and ensure a balance between policy ambitions and available resources.

123. The Scottish Government is working with NHS boards to determine which Covid-19 related costs are likely to become recurring. Uncertainty about how the pandemic will progress makes this particularly challenging. Greater certainty about costs would enable the Scottish Government to develop more accurate funding requirements for NHS boards and would enable NHS boards to develop more accurate financial plans.

124. The Scottish Government has committed to revising the health and social care medium-term financial framework. The timing of this will depend on the impact of Covid-19 across health and social care and planned reforms, including the impact of the Care and Wellbeing Portfolio and establishing an NCS.

Endnotes

- 1** NHS in Scotland 2020, Audit Scotland, February 2021.
- 2** Covid-19: Vaccination programme, Audit Scotland, September 2021.
- 3** NHS in Scotland 2020, Audit Scotland, February 2021.
- 4** Covid-19: Vaccination programme, Audit Scotland, September 2021.
- 5** Daily Trend of Vaccinations by Age Group and Sex, Public Health Scotland, February 2022.
- 6** PCR means polymerase chain reaction. These tests are a highly accurate way to diagnose certain infectious diseases, such as Covid-19.
- 7** Coronavirus (COVID-19): trends in daily data, Scottish Government, February 2022. COVID-19 Daily Dashboard, Public Health Scotland, February 2022.
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Appendix

Audit methodology

This is our annual report on the NHS in Scotland. Given the continuing challenges of the Covid-19 pandemic in 2021, the report focuses on:

- the ongoing response to the Covid-19 pandemic
- the health impact of the pandemic on the population of Scotland
- the impact of the pandemic on the NHS workforce
- the progress being made towards the recovery and remobilisation of NHS services
- the financial impact of the Covid-19 pandemic on the NHS in Scotland in 2020/21, and challenges for 2021/22 and beyond.

Because of the Covid-19 pandemic, the audit was carried out remotely. Our findings are based on evidence from sources that include:

- strategies, frameworks and plans for responding to Covid-19
- the audited annual accounts and auditors' reports on the 2020/21 audits of NHS boards
- activity and performance data published by Public Health Scotland
- publicly available data and information including results from surveys
- Audit Scotland's national performance audits
- interviews with senior officials in the Scottish Government and some NHS boards.

We reviewed activity and demand information at a national level to present the national picture. We focused on a sample of indicators that cover some of the main activities in the NHS.

NHS in Scotland 2021

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REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 15 March 2022

BY: Chief Internal Auditor

SUBJECT: Internal Audit Update of East Lothian Council and NHS
Lothian 2021/22 Audit Reports

10

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 Audit and Risk 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 elements of 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 All audit reports are available publicly for review at the following links; for East Lothian Council at [Audit & Governance Committee | East Lothian Council](#) and for NHS Lothian at [Audits \(nhslothian.scot\)](#).
- 3.3 One audit review reported to the most recent meeting of the NHS Lothian Audit & Risk Committee is summarised in Appendix 1.
- 3.4 This report entitled Violence and Aggression, and providing a grading of Limited assurance, highlights that whilst policies are in place setting out how staff can protect themselves, compliance with risk assessments, training and use, or otherwise of lone working devices needs improvement.

3.5 It is the responsibility of management within NHS Lothian to take appropriate action to resolve the issues raised in this audit review. However East Lothian IJB should be aware that within partner organisations compliance with control environments in certain areas will require to recover from the COVID pandemic in conjunction with operational recovery.

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

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DATE	7 March 2022

NHS Lothian Internal Audit Report 2021/22 Violence and Aggression

Assurance Rating: **Limited Assurance**

Date November 2021

Final Report

Contents

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1 Executive Summary

2 Management Action Plan

3 Appendices

Timetable

- Date closing meeting held: Client responded directly to draft report
- Date draft report issued: 21 September 2021
- Date management comments received: 11 October 2021
- Date Final report issued: 11 November 2021
- Date presented to Audit and Risk Committee: 22 November 2021

This report has been prepared solely for internal use as part of NHS Lothian's internal audit service. No part of this report should be made available, quoted or copied to any external party without Internal Audit's prior consent.

Executive Summary

Introduction

NHS Lothian has undertaken significant work to protect its employees from violence and aggression, in particular focusing on lone worker arrangements. There is a policy in place which includes setting out how staff can protect themselves, including what training is required.

Areas of work have been assessed for risk, with appropriate controls established over higher risk areas, for example lone workers and tracking devices/alerts issued. Detailed action plans are in existence which have been subject to scrutiny at the Staff Governance Committee. Staff Governance have sought appropriate assurances from management on how staff are protected at work, focused in particular on lone workers and whether they have devices, they are used and tracked, and how these devices work in practice to keep employees safe.

Scope

Our review focused on the design and operating effectiveness of the controls in place to protect staff from violence and aggression, including how the Violence and Aggression and Lone Working policies in place are applied and assurance achieved over the controls. We mapped, using the policies and other documented procedures, the end to end controls in place to protect employees and validated the operation of these controls, including the sources of assurances, which exist throughout the control environment.

Approach

Through our planning work we identified the following risks which formed the basis of the audit work undertaken.

- There is insufficient training on the policies leading to non-compliance;
- The policies are incomplete and/or have gaps which reduce the effectiveness of them;
- The policies are not used by employees and/or followed consistently;
- Risk assessments are outdated, not comprehensive and/or incomplete (e.g. Do not cover all areas of activity and all staff) exposing NHS Lothian to unforeseen risks;
- Risk mitigation plans and outputs from risk assessments are not implemented;
- Risk assessments and appropriate mitigation action plans are not communicated effectively;
- The Risk assessments are not routinely reviewed, and new/changed risks identified with action taken to mitigate those risks;
- Training programmes are not in place resulting in additional risk to NHS Lothian of non-compliance with policy;

- Training programmes are incomplete;
- Training does not capture new employees and/or refresher training for current employees;
- Training is not driven by the completed risk assessments;
- Training completion is not evidence or monitored or followed up;
- Management assurances are not based on accurate, timely data, resulting in gaps and/or false assurances;
- Operational effectiveness of the controls set out in the policies is not measured and reported through management channels;
- Reporting is incomplete/inaccurate to Staff Governance Committee resulting in limitations in assurance;
- Early warning mechanisms of non-compliance are not in place or ineffective; and
- Levels of assurance are not routinely reviewed at the level of review determined (management and then Staff Governance Committee) and action taken where appropriate.

A complete list of staff involved in the audit and documents reviewed can be seen at Appendix 1.

Acknowledgments

We would like to thank all staff consulted during this review for their assistance and cooperation

Limitations in Scope

Please note that our conclusion is limited by scope. It is limited to the risks outlined above. Other risks that exist in this process are out with the scope of this review and therefore our conclusion has not considered these risks. Where sample testing has been undertaken, our findings and conclusions are limited to the items selected for testing. This report does not constitute an assurance engagement as set out under ISAE 3000.

Executive Summary

Summary of Findings

We have concluded that the design and operating effectiveness of the controls in place to protect staff from violence and aggression provides **LIMITED ASSURANCE**.

The table below provides a summary of the findings. The ratings assigned are based on the agreed internal audit rating scale (**Appendix 3**).

Detailed findings, recommendations and agreed management actions are found in Section 2 of this report.

LIMITED assurance with improvement required

HIGH	MEDIUM	LOW	ADVISORY
3	3	1	-

Ref	Issue	H	M	L	A
2.1	The use of lone working devices does not adhere to policy	1	-	-	-
2.2	Completion of risk assessment and reduction documentation is inconsistent	1	-	-	-
2.3	Training is out of date or incomplete	1	-	-	-
2.4	There is limited assurance over the policy communication and understanding	-	1	-	-
2.5	Staff are not adequately supported in the completion of Purple Packs and actions are not managed effectively	-	1	-	-
2.6	Local Health and Safety Committees can provide only limited assurance with some evidence-based returns outstanding	-	1	-	-
2.7	Policies are out of date and require review	-	-	1	-
TOTAL		3	3	1	-

Conclusion

Overall, there is a reasonable framework of control around the Board's management of violence and aggression. Policies are in place to direct staff on their individual roles and responsibilities, which if followed should minimise the possibility of staff exposure to incidents of violence and aggression. However, some issues on the application of the controls have been noted.

Main Findings

The NHS Lothian Management of Violence and Aggression Policy and Lone Working Policy are both accessible to staff through the Health and Safety intranet pages. The Health and Safety Management System requires that a record of understanding of policies and procedures is provided as part of the annual violence and aggression assurance reporting exercise.

The NHS Lothian Violence and Aggression Policy advises that all service/department managers should complete the violence and aggression risk assessment tool (Purple Pack) to the appropriate stage.

Training around the adherence the policies is provided through a mix of online courses delivered through LearnPro and practical training delivered by the NHS Lothian Management of Aggression Team.

The Health and Safety Management System has in place a schedule of quarterly reporting providing evidence-based assurance on the implementation of the Violence and Aggression and Lone Working Policies.

The Management of Aggression team will also monitor incidents reported through DATIX to identify instances where policy had not been followed, taking action to support and educate staff where necessary.

Personal safety devices are available for individuals to use who are considered lone workers and therefore subject to an increased risk of incidents.

However, we have noted some areas of non-compliance with the policies in relation to the accurate completion of risk assessments, the completion of required training and the use, or otherwise, lone-working devices.

These findings are discussed in full within our Management Action Plan below.

Follow Up

The follow-up process is aligned with the meetings of the Board's Audit and Risk Committee. Audit Sponsors will be contacted on a quarterly basis with a request to provide the necessary evidence for those management actions that are likely to fall due before the next meeting of the Audit and Risk Committee.

Management Action Plan

Finding 2.1 – The use of lone working devices does not adhere to policy

High

All staff who are engaged in lone working activities must have a means of contacting others. Category 1 lone workers must adhere to their department's safe and well procedures and have access to a lone working device. The lone worker protection product 'Identicom' is a mobile communications device deliberately designed as an identity card holder allowing easy wear and discreet operation by the user should they feel their safety could potentially be compromised or if they are suffering verbal abuse or attack.

Each month, the supplier of the lone working devices, Reliance, provide analysis of the devices and their use. This includes:

- The different service areas and the number of devices held.
- Number of devices held at a departmental level and whether they are meeting the monthly operational testing target of 20 amber alerts stipulated by the supplier.
- Outstanding e-learning training on the use of the devices.
- Spare devices with whereabouts unknown.

Personal safety devices should be used as part of the working day, with an amber alert test completed at every new location to ensure the ongoing operational effectiveness of the devices. However, analysis of the May 2021 report from Reliance has indicated a number of instances of non-compliance with the benchmark requirement of 20 amber alert tests per month per device across the HSCPs, REAS, Facilities, Corporate Services, and Womens and Childrens. For example, the ELHSCP SE City are reported as having 13 devices, with an average amber alert of 3.08 tests per device.

It was also reported in May that there were 363 members of staff at that time who had not completed the e-learning module on the use of the devices, which is more than half of all category 1 lone workers. The completion of training on the use of the devices has been frequently reported as an issue.

Where safety equipment such as Identicom devices are supplied to staff they must be subject to regular testing to ensure their operational effectiveness. Training is also essential for staff to use them appropriately. Unless the policy is followed on the distribution and use of the lone working devices, there is a risk that staff are at an increased risk of injury from incidents of violence and aggression.

Recommendation

Personal safety devices are an essential tool in ensuring the safety and wellbeing of staff when working remotely. Management should raise the use of personal safety devices at a departmental level, reminding staff of their importance and the requirements on their use as laid out in the Lone Working Policy and local safe and well procedures. Staff should also be encouraged to complete the Learnpro training on the use of the devices.

A wider review on the distribution and use of the devices is also recommended, including the appropriateness of the frequency of testing for each device used, in addition to considering the effectiveness of the Lone Working Policy in directing staff on the use of the devices.

Management Response

NHS Lothian Health and Safety representatives are working with the supplier of the identicom lone working devices (Reliance) to identify the local Health and Safety Committees where the use of the devices is most prevalent, identifying single points of contact for each Committee

Thereafter individual contracts will be created between NHS Lothian and Reliance to introduce an increased level of control by assigning devices to individuals instead of departments. This will ensure:

- Individual responsibility for the device.
- Effective tracking of the devices.
- Targeted training on the use of the devices.
- More appropriate devices testing performance indicators.

It should be noted in this report that the identification of category 1 lone workers and their requirement for a device should be through the completion of the Purple Pack risk assessment.

Management Action Plan

Finding 2.1 – Continued

Management Action

Conclude review with Reliance and introduce new contracts for the use of the devices, including appropriate monitoring arrangements for each.

Once done, the a tracker spreadsheet will be developed recording who has been issued with a device and where they are based.

Responsibility

Local Health and Safety Committee Chairs

Target Date

31 August 2022

Management Action Plan

Finding 2.2 – Completion of risk assessment and reduction documentation is inconsistent

High

The NHS Lothian Violence and Aggression Policy requires that all service/department managers should complete the violence and aggression risk assessment tool (Purple Pack) to the appropriate stage. Completion of the Purple Pack is a key control in the identification and assessment of risks associated with violence and aggression at a ward or departmental level. They are also essential tools in the assessment of the training needs of staff.

Risk identification is informed by analysis of violence and aggression incidents recorded in DATIX in the previous 12 months, in addition to the completion of staff perspectives questionnaires to understand how well equipped they feel in dealing with incidents of violence and aggression.

All wards and departments are expected to complete the NHS Lothian General Violence and Aggression risk assessment regardless of the level of contact with patients or service users. Where high or medium risk is indicated from the assessment a full risk assessment should be completed in addition to risk reduction and training identification. The risk assessment and risk reduction process should be continual. A formal review should be carried out at least annually but can be done more frequently if required.

Through DATIX, we identified a sample of 24 wards and sites (in line with our internal audit methodology) where at least one incident of violence and aggression had been recorded between 31 May 2020 and 1 June 2021. The list of locations identified for testing is provided at Appendix 2, along with whether a Purple Pack had been provided in time for review.

In total, 15 Purple Packs were provided upon request (it is estimated by the Management of Aggression Team that approximately 1,000 completed packs should be held across all NHS Lothian wards and departments). Review of these noted a number of issues and these are listed below:

- 2 Packs had been reviewed and updated more than 12 months from the date of internal audit review, where these are expected to be reviewed annually.
- 3 Packs had been updated in June/July 2021, possibly in response to audit request submitted in early June and therefore, it is unclear if they were being kept up-to-date prior to the audit request.
- 2 Purple Packs related to areas within the new Department of Clinical Neurosciences had been completed in June 2020. These were initial assessments following the move from the WGH site and a second 6 monthly review had been scheduled for December 2020, which had not occurred.
- for 10, there was no evidence on the front of the packs to indicate that the completed risk assessment had been reviewed by the CNM/service Manager. This is a requirement on completion of the assessment and should ensure the complete and accurate recording of risks.
- Generally, the risk identification, risk assessment and analysis appears to follow the conditions of the Pack. However, some issues have been noted. Five locations had completed stage 3 - risk analysis when these areas are more likely to be low risk and therefore only the record of general risk assessment should be completed. This may be due to a misunderstanding of the requirement of the Pack and inefficient use of time in completing them.
- One location (RIE Ward 108) had completed the risk evaluation, however nothing had been recorded in the risk reduction action plan, despite several areas requiring urgent action.
- 3 locations had not completed the risk reduction review, reassessing all the risks previously identified.
- 2 locations had not fully completed the output from the Staff Perspective Questionnaires.

It is important to note that these are the findings from the 15 packs submitted from the sample selected. We cannot provide comment on the completeness or otherwise of the remaining 9 which were not returned as part of the internal audit request.

It was also noted from review of the action plans that actions are being recorded with a target date of 'ongoing'. Which does not support the effective review of their completion. Despite a number of actions requiring action to be taken promptly.

Management Action Plan

Finding 2.2 – Continued

Also, all completed Purple Packs should be sent to the Management of Aggression Team for information and independent review. As at 15 July 2021, 28 Purple Packs had been submitted. Of those 28, 2 were included in this review (SJH Emergency Department and Orchard Clinic – Hawthorn). Also, all Packs were according to the database awaiting review by the Management of Aggression Team. A significant number of Purple Packs could be in existence that are incomplete or have not adequately addressed all of the perceived risks. Without review by the Management of Aggression Team, there is the additional risks that errors or gaps in their completion are not being identified.

Recommendation

Sites and services should be reminded of the importance of the accurate and timely review and completion of the Purple Packs, and their relevance in the identification and management of risks associated with violence and aggression. Correctly used, the Purple Pack also directs staff on the review of violence and Aggression incidents reported through DATIX, in addition to the opinions of staff on their ward or department's preparedness in dealing with violence and aggression in the workplace.

All risks that have been identified as requiring action to be taken should be entered in the risk reduction action plans and an accurate date for completion recorded. A schedule of review should then be agreed locally.

All Purple Packs, once completed should be signed off by the CNM/department manager and forwarded on to the Management of Aggression team for review and recording.

Management Response

Following the HSE improvement notice issued to NHS Lothian in 2013 all services were asked to submit their Purple Packs for review. However this was unsustainable as too time consuming, with insufficient resource to carry out this task.

A recent service review of the Management of Aggression Team has been completed under the SBAR criteria, which has concluded that increased resource within the Management of Aggression Team should support audit and improvement around the completion of Purple Packs, in addition to providing the support and infrastructure necessary for managers in relation to risk assessment.

While management accept the need to undertake this action we are unable to do so at this time. It has been highlighted previously in 2014/15 and again in 2020 that there is a resourcing issue which is under active consideration as part of the Board's Financial Plan. Actions cannot take place without this resource.

Management Action

A programme of Purple Pack reviews will be scheduled by the Management of Aggression Team in line with future resourcing.

To support the completion of Purple Packs at a service level, this report and its findings and recommendations will be presented to the next meeting of the NSH Lothian Health and Safety Committee.

Responsibility

Chief Nurse for Clinical Education and Training

Target Date

31 August 2022

Management Action Plan

Finding 2.3 – Training is out of date or incomplete

High

The Purple Pack also requires the completion of a training analysis in order to get a baseline of current training levels for members of staff and support the local risk reduction strategies.

According to the pack, site-based staff are required, where necessary, to complete a number of other E-learning modules, including core skills, E-learning restraint, Theory and Breakaway, low level restraint and high level restraint. Lone workers should complete E-learning core skills, lone worker theory and breakaway. Completion rates for each of the LearnPro modules are listed below:

Core skills clinical – 8,375
Restraint – 3,482
Lone worker – 3,438

However, as there are no means of effectively monitoring the completion rates of the LearnPro modules, it cannot be reported whether this is a reasonable number or not.

A lone worker safety awareness module was introduced in January as an interim module for those staff who currently cannot access face to face training. This has been completed by 678 members of staff.

Where training is not provided through LearnPro, practical training is delivered by NHS Lothian's Management of Aggression Team. The Team will also provide support and guidance to areas on request or as a result of incidents of violence and aggression reported through DATIX. The Management of Aggression Team is notified of Violence and Aggression adverse events that are categorised in DATIX as moderate and above. These are reviewed and followed-up with the area and service specific training provided as necessary. For example, in April 2021 the Management of Aggression Team reviewed the seven moderate or major incidents reported in March 2021, providing advice to the wards/departments where necessary.

While it is noted that all bookable NHS Lothian Management of Aggression training had been suspended for a number of months during the pandemic, the local Health and Safety committee reports have reported a number of training sessions, where approval has been given by the Corporate COVID-19 Committee to resume face-to-face training in specific clinical settings (for example REAS), where there is an increased level of risk. Consequently Management of Aggression Team were able to deliver 424 face-to-face courses between June 2020 and August 2021. All training during that time was arranged only following a completed SBAR.

Review of the Purple Packs for 11 of the 15 provided noted a number of staff where either training had lapsed and refresher training was required, or there was no record of staff having received the necessary LearnPro and practical training. Although we are comfortable that the correct level of training has been identified according to the clinical area and individual roles and responsibilities (lone working etc.).

Also, some locations have reported difficulties in arranging practical training with the Management of Aggression Team. For example SJH Ward 1 (IPCU) highlighted that due to shortage of staff and work pressures only 19% of their nursing team have been unable to attend restraint training since taking post and are therefore unable to participate in the planned or emergency management of patients requiring physical interventions. However the Management of Aggression Team have recognised that there have been difficulties in booking training during the last 12 months, particularly as they are a relatively small team and working at times to capacity under the current restrictions.

Cashiers should complete the practical restraint course but the Cashiering Team Leader has not been able to book staff onto it for a number of years. It is a half day course and trying to get staff booked is challenging as they cannot shut services to allow staff to attend.

Management Action Plan

Finding 2.3 - Continued

Recommendation

The provision of training should be reviewed and a strategy identified to deliver training to those areas where practical training has lapsed and is out of date.

Local management should remind staff of the importance of completing the LearnPro training.

Elsewhere, the Management of Aggression Team should schedule a review of the training packages to ensure that the provision of training is assured in the longer term and clear to services what is mandated and relevant to certain staff groups.

Management Response

NHS Lothians Management of Aggression Team are still working to a reduced training programme, in accordance with the agreed SBAR. This includes focusing training on areas of higher risk and supported by the agreed extension of refresher criteria.

Training packages are regularly reviewed by the Management of Aggression Team but delivery is limited due to capacity. There will be a significant number of staff with lapsed training as regular refresher training has not been available to book and only offered to areas covered by SBAR.

Currently, NHS Lothian does not have the training resource to meet the training demand in NHSL particularly if the team are to develop a strategy from completed and submitted Purple Packs, in addition to complying with COVID 19 guidelines for training.

However, it is noted that training requirements are only identified by services where the Purple Pack has been completed.

While management accept the need to undertake this action we are unable to do so. It has been highlighted previously in 2014/15 and again in 2020 that there is a resourcing issue which is under active consideration as part of the Board's Financial Plan. Actions cannot take place without this resource.

Management Action

The management of Aggression Team will continue to deliver training to areas of higher risk and where training requirements have been identified. This assessment will utilise the DATIX incident management system in identifying those areas where a higher incidence of violence and aggression incidents have occurred.

Thereafter, and once resources allow, a training strategy will be developed from completed and submitted Purple Packs.

Responsibility

Chief Nurse for Clinical Education and Training

Target Date

31 August 2022

Management Action Plan

Finding 2.4 – There is limited assurance over the policy communication and understanding

Medium

The Health and Safety Management System requires that a record of understanding of policies and procedures is provided as part of the annual violence and aggression assurance reporting exercise. This includes both the Violence and Aggression and Lone Working Policies, in addition to those relevant to the wider Health and Safety Control Framework. This is the main control for providing assurance that policies and procedures are understood by staff at an organisational level.

Senior staff are required to record this for all staff in a record of understanding spreadsheet/document, and report this as part of the local Health and Safety Committee quarterly reporting schedule. The record of understanding template is available through the intranet for staff to utilise and features as part of the evidence based compliance/assurance information.

Review of the returns provided by the 13 local Health and Safety Groups has noted an inconsistency around how this particular information is provided and the relevant assurances obtained locally. For example, from reviewing a sample of four returns from the 13 provided in August 2020, the REAS Health and Safety Group report the percentage of staff that have signed the record of understanding (91%). Whereas the Edinburgh HandSCP Group reported only that the policies had been shared with staff and a record of understanding obtained. Elsewhere, other groups (i.e. WGH and Children's Services) have reported that the policies had been communicated, with no reference made to the record of understanding.

Without a agreed method for the monitoring and reporting of signed records of understanding. There is a risk that management are unable to adequately identify those locations where the number of staff signing them are below acceptable limits. There is also the added risk that some staff are not adequately aware of the Policies and there responsibilities contained therein.

Recommendation

It is recommended that local Health and Safety Groups advise directorates/services to utilise fully the record of understanding for the two policies. The collation and reporting if the number of staff completing the document is an area of good practice and should be encouraged when completing the quarterly return, which would allow the local Health and Safety Groups to identify areas of non compliance, and ensure that staff have an understanding of their content and individual responsibilities. As well as encouraging line managers to make sure that their staff have an understanding of the policies.

Management Response

Agreed, although it should be noted that the responsibility for this rests with the local Health and safety Committees, with the Management of Aggression Team in an advisory role only.

Management Action

An extensive Health and Safety Service review will shortly be undertaken to identify the required suitable resource levels that will be evaluated to meet NHS Lothian's needs and will include the ongoing 13x local HandS Committees support needs, including all necessary training requirements etc

Local Health and Safety Committee Chairs will be reminded of the assurance reporting exercise and the relevance of complete and accurate reporting information. With examples of good practice highlighted.

The provision of training, virtual or otherwise around assurance evidence will also be developed and distributed to the Local Health and Safety Committees.

Responsibility

Chair of NHS Lothian Health and Safety Committee

Target Date

31 August 2022

Management Action Plan

Finding 2.5 – Staff are not adequately supported in the completion of Purple Packs and actions are not managed effectively

Medium

Using the sample of Purple Packs reviewed, we contacted the individuals responsible for their completion in order to identify gaps, uncertainty or areas for improvement in the use of the Purple Packs. Staff were asked the following questions:

- How prepared are you in completing the Purple Pack? Have you received training?
- Do you feel that you are able to determine the level of risk identified through completion of section 2 of the Pack accurately? Recording Low Risk, or Medium/High/Very High (where completion of stage 3 is necessary)
- Do you feel that you are able to use the Risk Calculator effectively in the completion of the Individual Risk Analysis?
- Do you feel that you are able to complete the Action Plan in section 4 easily? Are you aware of any ongoing monitoring of the action plan, providing updates and closing off actions where necessary?
- How often do you complete the risk reduction review (annually or more frequently?)
- Do you know if the Packs are revisited during the year following update?
- Staff were also asked to provide any more information around their experience of completing the Pack

Responses were received from 15 members of staff. While some staff reported that they felt comfortable in using the packs, seven responders had indicated that training would have been appreciated by way of assuring themselves that they are completing the Packs appropriately. Particularly relating to risk identification and calculation.

It was also noted that the action plans are not being routinely reviewed and actions updated/closed-off. Staff are only likely to revisit the pack following an incident, which for some locations can be quite infrequent. Review of the Purple Packs has supported this finding in that there is no evidence of review and update of the actions occurring during the year.

The NHS Lothian Risk Assessment and Risk Reductions System is essential in the management of risks relating to violence and aggression and lone working, as such there is a risk that without full engagement by staff that this becomes an annual box-ticking exercise and does not ensure that risks are being managed effectively, resulting in a reactive rather than proactive approach to the management of risk.

Recommendation

It is recommended that the Management of Aggression Team carry out an exercise to identify those areas when completion of the Purple Pack has been challenging or the relevance to a non-clinical area uncertain. Appropriate training or advice should then be provided where necessary.

Staff should be reminded of the importance of using specific time-limited dates in their action plans. These should be revisited and reviewed/updated at a frequency relevant to the level of risk.

The Management of Aggression Team should also schedule a review of the purpose and Content of the Purple packs, which should consider the overall relevance of the packs for use in clinical and non-clinical areas. Going forward it might be more beneficial if the packs were tailored to better suit the ward or department completing them

Management Response

Following the HSE improvement notice issued to NHS Lothian in 2013 all services were asked to submit their Purple Packs for review. However this was unsustainable as too time consuming, with insufficient resource to carry out this task.

A recent service review of the Management of Aggression Team has been completed under the SBAR criteria, which has concluded that increased resource within the Management of Aggression Team should support audit and improvement around the completion of Purple Packs, in addition to providing the support and infrastructure necessary for managers in relation to risk assessment.

Management Action Plan

Finding 2.5 - Continued

Recommendation

It is recommended that the Management of Aggression Team carry out an exercise to identify those areas when completion of the Purple Pack has been challenging or the relevance to a non-clinical area uncertain. Appropriate training or advice should then be provided where necessary.

Staff should be reminded of the importance of using specific time-limited dates in their action plans. These should be revisited and reviewed/updated at a frequency relevant to the level of risk.

The Management of Aggression Team should also schedule a review of the purpose and Content of the Purple packs, which should consider the overall relevance of the packs for use in clinical and non-clinical areas. Going forward it might be more beneficial if the packs were tailored to better suit the ward or department completing them

Management Response

Following the HSE improvement notice issued to NHS Lothian in 2013 a schedule of targeted audits had been carried out for the Management of Aggression Team to review a sample of Purple Pack held by services. However this was unsustainable as too time consuming, with insufficient resource to carry out this task.

A recent service review of the Management of Aggression Team has been completed under the SBAR criteria, which has concluded that increased resource within the Management of Aggression Team should support audit and improvement around the completion of Purple Packs, in addition to providing the support and infrastructure necessary for managers in relation to risk assessment.

While management accept the need to undertake this action we are unable to do so at this time. It has been highlighted previously in 2014/15 and again in 2020 that there is a resourcing issue which is under active consideration as part of the Board's Financial Plan. Actions cannot take place without this resource.

Management Action

A programme of Purple Pack reviews will be Scheduled by the Management of Aggression Team in line with future resourcing.

To support the completion of Purple Packs at a service level, this report and its findings and recommendations will be presented to the next meeting of the NSH Lothian Health and Safety Committee.

Responsibility

Chief Nurse for Clinical Education and Training

Target Date

31 August 2022

Management Action Plan

Finding 2.6 – Local Health and Safety Committees can provide only limited assurance with some evidence-based returns outstanding

Medium

The Health and Safety Management System has in place a schedule of quarterly reporting providing evidence-based assurance.

The Staff Governance Committee has requested a level of assurance in the 12 key risk areas, one of which is the Management of Violence and Aggression. NHS Lothian's 13 Local Health and Safety Committees are required to submit to the Health and Safety Committee four quarterly reports, covering 3 topics each time. Violence and Aggression is reported as part of the quarter one return process, which is presented to the Health and Safety Committee in August of each year.

Documented information evidence is gathered at a ward/department level through the charge nurse/equivalent reports and fed through the reporting system to the Local Health and Safety Committees. The Management of Aggression intranet site provides a comprehensive list of all accepted assurance evidence, this can include:

- Policy communication and implementation.
- Up-to-date risk assessments in place and for medium/high risk wards/departments a completed Purple Pack.
- Training up-to-date as much as possible.
- Up-to-date lone working and alarm procedures.
- All adverse events are fully investigated per policy.

On 18 August 2020 it was reported to the NHS Lothian Health and Safety committee that from information contained within the reports submitted there were concerns relating to the completion of the Purple Pack, delays with violence and aggression training and the effectiveness of any safe and well procedures. While these concerns were in the main due to the impact of COVID19 (such as the suspension of bookable training). The Committee agreed for this time period that there was only limited assurance over the Board's management violence and aggression across the organisation.

Assurance is provided throughout the year through the submission of quarterly Violence and Aggression reports by the various local Health and Safety Committees. Information around the provision of training is reported in addition to the number of adverse events occurring across the directorate.

Analysis was carried out on the 13 local health and safety committee reports submitted in August 2020, with the following issues noted:

- The reports from the Midlothian HandSCP and Outpatient and Associated Services were dated 28 May 2019 and 10 February 2020 respectively. All other reports had been prepared during July/August of last year.
- 11 local committees reports recorded the number of reports required from wards and departments under their area of responsibility, compared with the number actually received. The two groups not reporting this information were West Lothian HandSCP and Facilities. Therefore it could not be determined how many reports had been provided for review that year for the two directorates and what information had been used to base the assurance report on.
- From the analysis possible, it was noted that 84% of all evidence based assurance reports required had been provided, areas with the lowest return rates were – Edinburgh HandSCP (72%), Midlothian HandSCP (67%), SJH (48%) and Corporate Services (87%).
- The format and layout of the local reports are inconsistent across the groups, with a greater level of detail and evidence reported by some group compared to others. For example, REAS report compliance levels against each of the evidence requirements, whereas facilities provide only a summarised report with no analysis or supporting data.

Without the submission and review of evidence-based assurance reports, there is a risk that arrangements for managing and controlling the risks associated with violence and aggression and lone working at a ward and department level are not being effectively controlled, and that the NHS Lothian Health and Safety committee has received insufficient assurance or otherwise over this.

Also, following the Committee agreement of limited assurance in 2020, it is unclear what improvement actions had been agreed to support the 2021 submission and the local Health and Safety Committees in obtaining and assessing the assurance evidence provided prior to the 2021 annual return.

Management Action Plan

Finding 2.6 - Continued

Recommendation

While it is likely that COVID-19, as well as departmental pressures and workloads have prevented the provision of ward and department evidence, all sites and staff should be reminded of the requirement to submit this information to their local Health and Safety Committee timeously.

A standard reporting format should be agreed and communicated to the chairs of the local health and safety committees with specific guidance on the information that is expected to be reported for review and assessment.

Furthermore, management, along with the Management of Aggression Team, should consider how the local Health and Safety Committees can be supported throughout the year in ensuring that the annual assurance exercise is effective and provides an accurate picture of the Board's exposure to the violence and aggression risks.

Management Response

Agreed

Management Action

The local Health and Safety committees will be supported by the Health and Safety Advisors to report against an agreed standard template that adds detail to the levels of assurance template that already exists. The local committees will be asked to report instances of harm as well as reported incidents.

Responsibility

Medical Director

Target Date

31 March 2022

Management Action Plan

Finding 2.7 – Polices are out of date and require review

Low

The NHS Lothian Management of Violence and Aggression Policy and Lone Working Policy are both accessible to staff through the Health and Safety intranet pages.

According to the Violence and Aggression Policy, this should be subject to a corporate compliance check using the NHS Violence and Aggression Performance Standard as a base line measure. The Policy should also be reviewed and revised by NHS Lothian's Health and Safety Committee every three years or as a result in any changes in legislation. Elsewhere, the Lone Working Policy should be reviewed within 2 years of its publication by the Lothian Partnership Forum.

The Violence and Aggression Policy was subject to a technical update in April 2018. This was authorised by the Health and Safety Committee in May 2018 and added to the intranet in August 2018.

The Policy should have been subject to a review exercise during May 2021, although this has not yet been carried out.

The NHS Lone working policy was authorised by the Lothian Partnership Forum in September 2015, with a review date of July 2017. The Policy was subject to a technical update in May 2018 and should have had a further review in May 2020. This has also not been completed.

Furthermore, while the policy has recorded that it is the responsibility of ward and departmental managers to undertake violence and aggression risk assessment using the Violence and Aggression Risk Assessment/Risk Reduction Tool (Purple Pack). However, there is no mention within the policy that the completed packs should be forwarded to the Management of Aggression Team for information.

Recommendation

It is advised that the Violence and Aggression and Lone Working Policies should be reviewed and, where necessary, updated. Update to the Violence and Aggression Policy should include the instruction for ward and departmental managers to forward completed Purple Pack risk assessment to the Management of Aggression Team

Management Response

Lone Worker policy was subject to technical update in May 2021. While it is noted that the Violence and Aggression Policy has passed its review date, this is on hold until the Scottish Government has issued its Once for Scotland Policies, likely to be in 2023.

Management Action

A technical review/update will be scheduled for the Violence and Aggression Policy.

Responsibility

Head of Health and Safety

Target Date

31 March 2022

Appendices

Appendix 1 – Staff Involved and Documents Reviewed

Staff Involved

- Community Mental Health Charge Nurse
- Head of SMART
- Charge Nurses
- Deputy Charge Nurses
- Senior Charge Nurses
- Clinical Nurse Managers
- Deputy Staff Nurses
- Clinical Educator
- Community Psychiatric Nurse
- MSK Physiotherapy Outpatient Service Lead
- Cashiering Team Leader
- Head of Health and Safety
- Associate Chief Nurse for Clinical Education and Training
- Violence and Aggression Lead Practitioner
- Lead Health and Safety Adviser
- Health and Safety Consultant

Documents Reviewed

- Management of Violence and Aggression and Lone Working Policies
- Local Health and Safety Committee Chair Reports
- Assurance reporting guidance and templates
- NHS Lothian Health and Safety Committee Minutes
- Training Modules and Manuals
- NHS Lothian Risk Assessment and Risk Reduction System for Violence and Aggression and Lone Working (Purple Packs)
- Management of Aggression Team Operational Procedure Manual.
- Violence and Aggression Assurance Evidence
- Violence and Aggression Incidents recorded on DATIX.

Appendix 2 – Wards and Locations Tested

Location	Number of DATIX Incidents	Purple Pack provided
5LP NE SMS	6	Yes
AAH Smart Building - Orthotics	3	Yes
CAM Inpatient Unit	46	No
CCF Maple Villa	58	No
ELCH Ward 3	4	No
MCH Edenview	6	Yes
MCH Rossbank Unit – Rose Lane (Assessment)	30	Yes
ORC Hawthorn Ward	12	Yes
REH Rapid Response Team	4	Yes
RHSC Ward 07	6	No
RIE Minor Injuries Unit	4	No
RIE Ward 108	5	Yes
StJ AandE	16	Yes
StJ Ward 08	36	No
WGH Ward 11	3	Yes
WGH Ward 33 (DCN 3) - Now RIE Ward 231	8	Yes
StJ Ward 01 (IPCU)	42	Yes
STMH St Michael's Hospital	4	Yes
AH Allander House	2	No
HC Penicuik Health Centre	2	No
DCN Outpatient OPD 7	1	Yes
Pennywell All Care Centre (PACC)	2	Yes
Finance - Cashiers Office	3	Yes
WGH Ward 27	3	No

Appendix 3 – Our IA Report assurance levels

The table below shows the levels of assurance we provide and guidelines for how these are arrived at. We always exercise professional judgement in determining assignment assurance levels, reflective of the circumstances of each individual assignment.

Rating	Definition	When Internal Audit will award this level
Significant assurance	<p>The Board can take reasonable assurance that the system(s) of control achieves or will achieve the control objective.</p> <p>There may be an insignificant amount of residual risk or none at all.</p>	<p>There is little evidence of system failure and the system appears to be robust and sustainable. The controls adequately mitigate the risk, or weaknesses are only minor (for instance a low number of findings which are all rated as 'low' or no findings)</p>
Moderate Assurance	<p>The Board can take reasonable assurance that controls upon which the organisation relies to achieve the control objective are in the main suitably designed and effectively applied.</p> <p>There remains a moderate amount of residual risk.</p>	<p>In most respects the "purpose" is being achieved. There are some areas where further action is required, and the residual risk is greater than "insignificant".</p> <p>The controls are largely effective and in most respects achieve their purpose with a limited number of findings which require management action (for instance a mix of 'medium' findings and 'low' findings)</p>
Limited Assurance	<p>The Board can take some assurance from the systems of control in place to achieve the control objective, but there remains a significant amount of residual risk which requires action to be taken.</p>	<p>This may be used when:</p> <ul style="list-style-type: none"> There are known material weaknesses in key control areas. It is known that there will have to be changes that are relevant to the control objective (e.g. due to a change in the law) and the impact has not been assessed and planned for. <p>The controls are deficient in some aspects and require management action (for instance one 'high' finding and a number of other lower rated findings)</p>
No assurance	<p>The Board cannot take any assurance from the audit findings. There remains a significant amount of residual risk.</p>	<p>The controls are not adequately designed and / or operating effectively and immediate management action is required as there remains a significant amount of residual risk (for instance one Critical finding or a number of High findings)</p>

Appendix 2 - Continued

The table below describes how we grade our audit recommendations based on risks

Rating	Description	Possible features
High	Findings that are fundamental to the management of risk in the business area, representing a weakness in the design or application of activities or control that requires the immediate attention of management	<ul style="list-style-type: none"> ▪ Key activity or control not designed or operating effectively ▪ Potential for fraud identified ▪ Non-compliance with key procedures / standards ▪ Non-compliance with regulation
Medium	Findings that are important to the management of risk in the business area, representing a moderate weakness in the design or application of activities or control that requires the immediate attention of management	<ul style="list-style-type: none"> ▪ Important activity or control not designed or operating effectively ▪ Impact is contained within the department and compensating controls would detect errors ▪ Possibility for fraud exists ▪ Control failures identified but not in key controls ▪ Non-compliance with procedures / standards (but not resulting in key control failure)
Low	Findings that identify non-compliance with established procedures, or which identify changes that could improve the efficiency and/or effectiveness of the activity or control but which are not vital to the management of risk in the business area.	<ul style="list-style-type: none"> ▪ Minor control design or operational weakness ▪ Minor non-compliance with procedures / standards
Advisory	Items requiring no action but which may be of interest to management or which represent best practice advice	<ul style="list-style-type: none"> ▪ Information for management ▪ Control operating but not necessarily in accordance with best practice



REPORT TO: East Lothian IJB – Audit and Risk Committee
MEETING DATE: 15 March 2022
BY: David King, Interim Chief Finance Officer
SUBJECT: Best Value – Consideration of the Scottish Audit Questionnaire

11

1 PURPOSE

- 1.1 At its meeting in December the IJB received a paper of the Audit Scotland best value questionnaire for IJBs. It agreed to consider this in an extended committee meeting and that this consideration should be supported by a draft set of responses to the questionnaire.

2 RECOMMENDATIONS

- 2.1 As a result of this report the Committee is being asked to:-
- i. Consider this report, suggesting revisions/additions as required.
 - ii. Request the preparation of an appropriate best value framework for adoption by the IJB.

3 BACKGROUND and Main Report

- 3.1 The Audit Scotland guidance note on best value was published in March 2018. Although this note was to support auditors in their assessment of the delivery of best value it also contains a useful questionnaire to assess the achievement of best value in IJBs.
- 3.2 Appendix A lays out the 10 questions and provides a suggested response to each of the questions along with a consideration of assurance that might be provided to support the responses
- 3.3 Whilst the responses are draft and for discussion, having agreed the response to the questionnaire the IJB can proceed to agree a Best Value

framework. This has been done successfully by a number of other public bodies.

3.4 The revised best value guidance (2020) is also attached as Appendix B.

4 ENGAGEMENT

4.1 The IJB makes its papers and reports available on the internet.

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

Appendices

A – Consideration of the Audit Scotland Questionnaire

B - Revised best value guidance

AUTHOR'S NAME	David King
DESIGNATION	Interim Chief Finance officer
CONTACT INFO	David.King4@nhslothian.scot.nhs.uk
DATE	March 2022

Appendix A – Consideration of the Audit Scotland IJB Best Value questionnaire

Question	IJB Response	Assurance
1. Who do you consider to be accountable for securing Best Value in the IJB?	In principle the voting members, the Chief Officer and the S95 Officer. In practice the Chief Officer and the CFO as S95 Officer.	The work of the groups that support the IJB – the SPG, and the six change boards that support the SPG
2. How do you receive assurance that the services supporting the delivery of the strategic plan are securing Best Value?	In terms of operational delivery of the functions, the partners (East Lothian Council and NHS Lothian) must provide assurance to the IJB. That assurance is provided by the governance arrangements of the partners, the appropriate elements of which are reported to the IJB	Update on the delivery of the Directions reported to the IJB. The progress with directions is discussed at the appropriate Change Board and an overall performance framework is being developed.
3. Do you consider there to be sufficient buy-in to the IJB's longer term vision from partner officers and members?	Yes. Both partners have a very good record of having supported the Board since its inception with voting members regularly attending board meetings and workshops. The partners have committed to the IJB's vision through the Integration Scheme which has been adopted by both partners.	Minutes of the IJB - shows attendance.
4. How is value for money demonstrated in the decisions made by the IJB?	Through the Strategic plan and the directions and the work of the groups that support the IJB – the SPG and the change boards.	Minutes of the SPG and the Change Boards.
5. Do you consider there to be a culture of continuous improvement	Yes, this is part of the IJB's ethos and is laid out in both the Integration Scheme and the Strategic Plan. There is a significant commitment to building capacity for continuous improvement and ongoing work to align methodologies and practices across integrated	Annual Audit recommendations. Minutes of the SPG.

	services. This is reflected in the acceptance of the annual audit recommendations and the actions taken to deliver these recommendations	
6. Have there been any service reviews undertaken since establishment – have improvements been identified? Is there any evidence of improvements in services and/or reductions in pressures as a result of joint working?	Yes – the creation of an integrated management team. The development of integrated operational teams and close working with the local GP practices. Further examples include – Care Home Team Hospital to Home Team Hospital at Home Input into the REH development Integrated Care Assessment Team Transformation work for adults with Complex Needs	These developments are reflected in the appropriate IJB directions and reported back to the IJB
7. Have identified improvement actions been prioritised in terms of those likely to have the greatest impact?	This is a key element of the discussions at the SPG which are supported by the work of the six change boards. This will be reflected through the JNA into the revised Strategic Plan which will be presented to the IJB for approval in September '22	The revised Strategic Plan will be consulted widely.
8. What steps are taken to ensure that quality of care and service provided is not compromised as a result of costs saving measures?	The IJB's financial strategy commits it to living within the totality of its resources and this will be delivered through service transformation and not cost saving measures. In principle, 'savings plans' as such are not required, with individual service transformation recognising the resources available to that service. This process can be supported by non-recurrent financial support utilising the IJB's reserves.	Benchmarking – both nationally and locally of the IJB's functions.
9. Is performance information reported to the board of sufficient detail to enable value for money to be assessed?	The IJB is finalising an overall performance framework which will address this issue.	Performance reports to IJB.

<p>10. How does the IJB ensure that management of resources (finances, workforce etc.) is effective and sustainable?</p>	<p>Through the development of the IJB's multi-year, balanced financial plan which will articulate how the Strategic Plan is delivered in financial terms. The IJB has produced workforce plan that is cognisant of the challenges and opportunities presented by a range of dynamic influences across workforce recruitment and retention, wellbeing and wellness.</p>	<p>IJB Finance Workshops (April '21 and January '22) IJB Workforce Strategy. Finance Updates to the IJB and finance briefings to the SPG. Finance support to the SPG and the Change Boards.</p>
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Local Government in Scotland Act 2003

**Best Value: Revised
Statutory Guidance 2020**



LOCAL GOVERNMENT IN SCOTLAND ACT 2003
BEST VALUE: REVISED STATUTORY GUIDANCE 2020

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SECTION 1 – OVERVIEW

The Duty of Best Value

The [Local Government in Scotland Act 2003](#) introduced a statutory framework for Best Value for local authorities. The Best Value duties set out in the Act are:

- to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and, in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirement and to contribute to the achievement of sustainable development
- to achieve break-even trading accounts, subject to mandatory disclosure
- to observe proper accounting practices
- to make arrangements for the reporting to the public of the outcome of the performance of functions.

Purpose of the Guidance

[Best Value guidance](#) has been in place since 2004, identifying the characteristics of Best Value to help local authorities develop arrangements to demonstrate continuous improvement in their performance.

In recognition of the changes since 2004 to the environment in which local authorities deliver services, a multi-agency steering group was tasked with reviewing and refreshing the guidance. The steering group endorsed the continuing relevance of the substance of the original guidance, but felt that it should be revised to reflect the current public service landscape in Scotland, with an increasing emphasis on citizens and personalised services, a focus on outcomes, and the need for innovation in designing public services for the future. The steering group also identified the need for synergy and alignment, so far as possible and appropriate, between the statutory guidance and the [guidance on Best Value in public services](#), which applies to public bodies that are accountable to the Scottish ministers.

This revised guidance has been produced by the steering group and reflects the priorities that it identified. It replaces the previous guidance that was published in 2004, which comprised both the statutory guidance by Scottish ministers and supporting guidance by the then Best Value Task Force, so that all the relevant guidance is now contained in this single document.

Best Value Themes

This revised guidance is framed around the following Best Value themes:

1. Vision and leadership
2. Governance and accountability
3. Effective use of resources
4. Partnerships and collaborative working
5. Working with communities
6. Sustainability
7. Fairness and equality

As in the previous guidance, sustainability and fairness and equality continue to be cross-cutting themes that should be integral to all of the functions and activities carried out by a local authority to deliver good outcomes and achieve Best Value.

Section 2 of this guidance explains these themes and how a local authority can demonstrate that it is delivering Best Value in respect of each theme.

Scope of the Guidance

This guidance applies to other bodies as required by Section 106 of the Local Government (Scotland) Act 1973, notably health and social care integration joint boards and other joint committees or boards, that are subject to the same statutory Best Value duties as local authorities and it should be interpreted and applied accordingly. Section 14 of the 2003 Act applies the Best Value duty to these other bodies and thus references throughout the guidance to 'local authorities' cover all such bodies.

Other devolved public bodies, such as the NHS, are not directly covered by the 2003 Act. They are, however, under a similar Best Value duty, which is set out in the [Scottish Public Finance Manual](#), and a statutory duty under the [Public Finance and Accountability \(Scotland\) Act 2000](#) to use their resources 'economically, efficiently and effectively'.

Since 2003, the enactment of other key legislation has had a significant impact across Scotland, extending the requirements of Best Value beyond local authorities. The [Public Bodies \(Joint Working\) \(Scotland\) Act 2014](#) has resulted in the integration of health and social care, while the [Community Empowerment \(Scotland\) Act 2015](#) has strengthened the statutory base for community planning, and for involving and engaging communities in planning and decision-making about things that matter to them.

Working with Partners

Achieving Best Value is increasingly dependent on the effectiveness of partnerships and collaborative working arrangements with a range of stakeholders, in addition to how well a local authority manages its own activities. Since the original version of this guidance was published in 2004, there has been an increased focus on partnership and collaborative working across the public sector, with much more alignment of key plans and strategies among partners, and joint working to deliver shared outcomes. Alignment of key plans and strategies with its partners, an understanding of place, a commitment to reducing inequalities, empowering communities to affect change, and being able to demonstrate improved outcomes for people who use services are now key requirements in the achievement of Best Value.

Although local authorities are not responsible for the performance of all partners in their areas, they are crucial in influencing many local services through their relationships with others. Local authorities achieving Best Value will be able to demonstrate a vision and direction of travel shared with key stakeholders in order to achieve key outcomes for local people. There are a number of areas where Best Value can be demonstrated only by working in strong partnership arrangements with bodies not covered by the statutory Best Value duties in the 2003 Act, and this is reflected in the guidance.

This guidance should be read in conjunction with the [statutory guidance on community planning](#), which describes how local authorities and other public sector bodies should work together in the context of community planning.

Role of the Accounts Commission

The Accounts Commission for Scotland is responsible for reporting on the performance by local authorities (and those other bodies covered by section 14 of the 2003 Act as discussed above, such as integration joint boards) of their Best Value and community planning duties. The Commission considers, in public, statutory reports from the Controller of Audit on Best Value, based upon the annual audit work by appointed external auditors in individual councils. Having considered such a report, the Commission has a range of powers that it can use, as set out in the Local Government (Scotland) Act 1973. They also make use as appropriate of the work of other local government scrutiny and inspection bodies.

SECTION 2 – BEST VALUE THEMES

Overview

The 2004 Best Value guidance was structured around ten Best Value characteristics. This refreshed guidance reconfigures these characteristics into seven themes that better reflect the significantly changed policy and public service delivery landscape within which local authorities now operate.

Local authorities must be able to demonstrate a focus on continuous improvement in performance around each of these themes.

Theme 1 – Vision and Leadership

Effective political and managerial leadership is central to delivering Best Value, through setting clear priorities and working effectively in partnership to achieve improved outcomes. Leaders should demonstrate behaviours and working relationships that foster a culture of cooperation, and a commitment to continuous improvement and innovation.

In achieving Best Value, a local authority will be able to demonstrate the following:

- **Members and senior managers have a clear vision for their area that is shared with citizens, key partners and other stakeholders.**
- **Members set strategic priorities that reflect the needs of communities and individual citizens, and that are aligned with the priorities of partners.**
- **Effective leadership drives continuous improvement and supports the achievement of strategic objectives.**

This means that:

1. The local authority's vision for its area is developed in partnership with its citizens, employees, key partners and other stakeholders.
2. Members set strategic priorities that contribute to achieving the local authority's vision, reflect the needs of communities and individual citizens, and are aligned with the priorities of partners. They take decisions that contribute to the achievement of those priorities, in particular when allocating resources and in setting and monitoring performance targets.
3. The local authority's vision and strategic priorities are clearly communicated to its citizens, staff and other partners.

4. Strategic plans reflect a pace and depth of improvement that will lead to the realisation of the local authority's priorities and the long-term sustainability of services.
5. Service plans are clearly linked to the local authority's priorities and strategic plans. They reflect the priorities identified through community planning, and show how the local authority is working with partners to provide services that meet community needs.
6. Priority outcomes are clearly defined, and performance targets are set that drive continuous improvement in achieving those outcomes.
7. There are clear and effective mechanisms for scrutinising performance that enable the taking of informed decisions and the measuring of impacts and service outcomes.
8. There is a corporate approach to continuous improvement, with regular updating and monitoring of improvement plans.
9. The local authority and its partners agree on how the key elements of Best Value will contribute to achieving the commonly agreed local priorities and outcomes. These key elements include the need to:
 - secure continuous improvement, in particular for those services aligned to the local authority's priorities
 - provide customer- and citizen-focused public services, which meet the needs of diverse communities
 - achieve the best balance of cost and quality in delivering services (having regard to economy, efficiency, effectiveness and equalities)
 - contribute to sustainable development
 - encourage and support innovation and creativity.
10. Members and senior managers communicate the approach to Best Value methodically throughout the local authority in terms that are relevant to its staff and set out clear expectations of them. The local authority has a positive culture in which its people understand its vision and objectives and how their efforts contribute to their achievement, and they are engaged with and committed to improvement.
11. Members and senior managers are self-aware. They commit to training and personal development to update and enhance their knowledge, skills, capacity and capabilities to deliver Best Value and perform their leadership roles, and they receive sufficient support to do so.
12. Leadership is effective and there is good collaborative working. Members and senior managers have a culture of cooperation and working constructively in partnership, informed by a clear understanding of their respective roles and responsibilities and characterised by mutual respect, trust, honesty and openness and by appropriate behaviours.

Theme 2 – Governance and Accountability

Effective governance and accountability arrangements, with openness and transparency in decision-making, schemes of delegation and effective reporting of performance, are essential for taking informed decisions, effective scrutiny of performance and stewardship of resources.

In achieving Best Value, a local authority will be able to demonstrate the following:

- **A clear understanding and the application of the principles of good governance and transparency of decision-making at strategic, partnership and operational levels.**
- **The existence of robust arrangements for scrutiny and performance reporting.**
- **The existence of strategic service delivery and financial plans that align the allocation of resources with desired outcomes for the short, medium and long terms.**

This means that:

1. Members and senior managers ensure accountability and transparency through effective internal and external performance reporting, using robust data to demonstrate continuous improvement in the local authority's priority outcome measures.
2. Management information and indicators that allow performance to be assessed are widely and consistently used by the local authority. Senior management regularly receives information that is used to inform members about performance.
3. Performance is reported to the public, to ensure that citizens are well informed about the quality of services being delivered and what they can expect in future.
4. Learning from previous performance, and from the performance of other local authorities, informs the review and development of strategies and plans to address areas of underperformance.
5. Key organisational processes are linked to, or integrated with, the planning cycle; these include strategic analyses, stakeholder consultations, fundamental reviews, performance management, staff appraisal and development schemes, and public performance reporting.
6. The local authority has a responsible attitude to managing risk, and business continuity plans (including civil contingencies and emergency plans) are in place to allow an effective and appropriate response to planned and unplanned events and circumstances.

7. Key discussions and decision-making take place in public meetings, and reasonable measures are taken to make meeting agendas, reports and minutes accessible to the public, except when there are clear reasons why this would be inappropriate.
8. The local authority's political structures support members in making informed decisions.
9. The scrutiny structures in the local authority support members in reviewing and challenging its performance.
10. Members and senior managers promote the highest standards of integrity and responsibility, establishing shared values, mutual trust and sound ethics across all activities. Effective procedures are in place to ensure that members and staff comply with relevant codes of conduct and policies. This includes ensuring that appropriate policies on fraud prevention, investigation and whistleblowing are established and implemented.
11. Members and senior managers understand and effectively communicate their respective and collective roles and responsibilities to members and staff. They understand that effective delegation enables and supports the local authority's ability to achieve Best Value.
12. An information governance framework is in place that ensures proper recording of information, appropriate access to that information including by the public, and legislative compliance.
13. Technological innovation and digital transformation are promoted and used to ensure accessibility of performance information and public accountability.
14. Members and employees across the local authority understand and implement their responsibilities in relation to its Standing Orders and Financial Regulations.
15. There are clear governance and lines of accountability when delivering services via a third party, and there is evidence of the application of the principles within the ['Following the Public Pound' guidance](#) when funding is provided to external bodies.

Theme 3 – Effective Use of Resources

Making the best use of public resources is at the heart of delivering Best Value. With clear plans and strategies in place, and with sound governance and strong leadership, a local authority will be well placed to ensure that all of its resources are deployed to achieve its strategic priorities, meet the needs of its communities and deliver continuous improvement.

In achieving Best Value, a local authority will be able to demonstrate the following:

- **It makes best use of its financial and other resources in all of its activities.**
- **Decisions on allocating resources are based on an integrated and strategic approach, are risk-aware and evidence-based, and contribute to the achievement of its strategic priorities.**
- **It has robust procedures and controls in place to ensure that resources are used appropriately and effectively, and are not misused.**
- **It works with its partners to maximise the use of their respective resources to achieve shared priorities and outcomes.**

This means that:

Staff

1. A workforce strategy is in place that sets out expectations on how the local authority's staff will deliver its vision, priorities and values.
2. The strategy is translated into workforce plans, covering employee numbers, skills, knowledge, competencies and organisational structures, that demonstrate how staff will be deployed to deliver the services planned for the future. Plans are regularly reviewed at appropriate intervals according to a clear review cycle.
3. All employees are managed effectively and efficiently, and know what is expected of them. Employee performance is regularly assessed through performance appraisal, with individuals and teams being supported to improve, where appropriate.
4. Members and senior managers understand and demonstrate that effective delegation is an important contribution to the local authority's ability to achieve Best Value.
5. The contribution of staff to ensuring continuous improvement is supported, managed, reviewed and acknowledged.

6. The local authority demonstrates a commitment to fairness, equity and safety in the workplace; it adopts relevant statutory guidance through progressive workplace policies and a commitment to best practice in workplace relationships.
7. Leaders ensure that there is the organisational capacity to deliver services through effective use of all employees and other resources. They communicate well with all staff and stakeholders, and ensure that the organisation promotes a citizen- and improvement-focused culture that delivers meaningful actions and outcomes.

Asset management

1. There is a corporate approach to asset management that is reflected in asset management strategies and plans, which are subject to regular review.
2. There is a systematic and evidence-based approach to identifying and managing risks in relation to land, buildings, plant, equipment, vehicles, materials and digital infrastructure.
3. The local authority actively manages its asset base to contribute to its objectives and priorities.
4. Fixed assets are managed efficiently and effectively, taking account of availability, accessibility, safety, utilisation, cost, condition and depreciation.

Information

1. Information is regarded as a strategic resource and is managed accordingly.
2. There is a clear digital strategy in place, which includes resilience plans for information systems.
3. Information is shared appropriately, and the local authority seeks to develop data compatibility with its partners.

Financial management and planning

1. There is clear alignment between the local authority's budgets and its strategic priorities.
2. Regular monitoring and reporting of financial outturns compared with budgets is carried out, and corrective action taken where necessary to ensure the alignment of budgets and outturns.
3. Financial plans show how the local authority will fund its services in the future. Long-term financial plans that include scenario planning for a range of funding levels are prepared and linked to strategic priorities.
4. An appropriate range of options is considered when taking decisions, and robust processes of option appraisal and self-assessment are applied.

5. The local authority has clear plans for how it will change services and realise efficiencies to close future budget gaps.
6. Members and senior managers have a clear understanding of likely future pressures on services and of how investment in preventative approaches can help alleviate those pressures, and they use that understanding to inform decisions.
7. Financial performance is systematically measured across all areas of activity, and regularly scrutinised by managers and members.
8. There is a robust system of financial controls in place that provides clear accountability, stakeholder assurance, and compliance with statutory requirements and recognised accounting standards.
9. The local authority complies with legal and best practice requirements in the procurement and strategic commissioning of goods, services and works, including the [Scottish Model of Procurement](#). There is clear accountability within procurement and commissioning arrangements.
10. There are clear and effective governance and accountability arrangements in place covering partnerships between the local authority and its arm's-length external organisations (ALEOs), including for performance monitoring and the early identification of any significant financial and service risks; there is evidence of the application of the principles of 'Following the Public Pound.'
11. The local authority has a reserves policy that supports its future financial sustainability, and its reserves are held in accordance with that policy.

Performance management

1. Effective performance management arrangements are in place to promote the effective use of the local authority's resources. Performance is systematically measured across all areas of activity, and performance reports are regularly scrutinised by managers and elected members. The performance management system is effective in addressing areas of underperformance, identifying the scope for improvement and agreeing remedial action.
2. There is a corporate approach to identifying, monitoring and reporting on improvement actions that will lead to continuous improvement in priority areas. Improvement actions are clearly articulated and include identifying responsible officers and target timelines.
3. The local authority uses self-evaluation to identify areas for improvement. This includes the use of comparative analyses to benchmark, monitor and improve performance.

4. The local authority takes an innovative approach when considering how services will be delivered in the future. It looks at the activities of other organisations, beyond its area, to consider new ways of doing things. A full range of options is considered, and self-assessment activity and options appraisal can be demonstrated to be rigorous and transparent.
5. Evaluation tools are in place to link inputs, activities and outputs to the outcomes that they are designed to achieve. There is evidence to demonstrate that improvement actions lead to continuous improvement and better outcomes in priority service areas.
6. The local authority seeks and takes account of feedback from citizens and service users on performance when developing improvement plans.
7. Improvement plans reflect a pace and depth of improvement that will lead to the realisation of the local authority's priorities and the long-term sustainability of services.
8. Performance information reporting to stakeholders is regular and gives a balanced view of the local authority's performance, linked to its priority service areas. The information provided is relevant to its audience, and clearly demonstrates whether or not strategic and operational objectives and targets are being met.
9. The local authority demonstrates a trend of improvement over time in delivering its strategic priorities.

Theme 4 – Partnerships and Collaborative Working

The public service landscape in Scotland requires local authorities to work in partnership with a wide range of national, regional and local agencies and interests across the public, third and private sectors.

A local authority should be able to demonstrate how it, in partnership with all relevant stakeholders, provides effective leadership to meet local needs and deliver desired outcomes. It should demonstrate commitment to and understanding of the benefits gained by effective collaborative working and how this facilitates the achievement of strategic objectives.

Within joint working arrangements, Best Value cannot be measured solely on the performance of a single organisation in isolation from its partners. A local authority will be able to demonstrate how its partnership arrangements lead to the achievement of Best Value.

In achieving Best Value, a local authority will be able to demonstrate the following:

- **Members and senior managers have established and developed a culture that encourages collaborative working and service provision that will contribute to better and customer-focused outcomes.**
- **Effective governance arrangements for Community Planning Partnerships and other partnerships and collaborative arrangements are in place, including structures with clear lines of responsibility and accountability, clear roles and responsibilities, and agreement around targets and milestones.**

This means that:

1. Members and senior managers actively encourage opportunities for formal and informal joint/integrated working, joint use of resources and joint funding arrangements, where these will offer scope for service improvement and better outcomes.
2. The local authority is committed to working with partner organisations to ensure a coordinated approach to meeting the needs of its stakeholders and communities. This includes:
 - scenario planning with partners to identify opportunities to achieve Best Value
 - collaborative leadership to identify Best Value partnership solutions to achieve better outcomes for local people
 - proactively identifying opportunities to invest in and commit to shared services
 - integrated management of resources where appropriate
 - effective monitoring of collective performance, including self-assessment and reviews of the partnership strategy, to ensure the achievement of objectives

- developing a joint understanding of all place-based capital and revenue expenditure.
3. Members and senior managers identify and address any impediments that inhibit collaborative working. The local authority and its partners develop a shared approach to evaluating the effectiveness of collaborative and integrated working.
 4. In undertaking its community planning duties the local authority works constructively with partners to agree a joint vision for the Community Planning Partnership and integrates shared priorities and objectives into its planning, performance management and public reporting mechanisms. Service plans clearly reflect the priorities identified through community planning, and show how the local authority is working with partners to provide services that meet stakeholder and community needs.

Theme 5 – Working with Communities

Local authorities, both individually and with their community planning partners, have a responsibility to ensure that people and communities are able to be fully involved in the decisions that affect their everyday lives. Community bodies – as defined in the Community Empowerment Act 2015 (section 4(9)) – must be at the heart of decision-making processes that agree strategic priorities and direction.

In achieving Best Value, a local authority will be able to demonstrate the following:

- **Early and meaningful engagement and effective collaboration with communities to identify and understand local needs, and in decisions that affect the planning and delivery of services.**
- **A commitment to reducing inequalities and empowering communities to effect change and deliver better local outcomes.**
- **That engagement with communities has influenced strategic planning processes, the setting of priorities and the development of locality plans.**

This means that:

1. Members and senior managers ensure that meaningful consultation and engagement in relation to strategic planning take place at an early stage and that the process of consultation and engagement is open, fair and inclusive.
2. Members and senior managers are proactive in identifying the needs of communities, citizens, customers, staff and other stakeholders; plans, priorities and actions are demonstrably informed by an understanding of those needs.
3. Communities are involved in making decisions about local services, and are empowered to identify and help deliver the services that they need. Suitable techniques are in place to gather the views of citizens, and to assess and measure change in communities as a result of service interventions.
4. Active steps are taken to encourage the participation of hard-to-reach communities.
5. The local authority and its Community Planning Partnership work effectively with communities to improve outcomes and address inequalities.
6. A locality-based approach to community planning has a positive impact on service delivery within communities, and demonstrates the capacity for change and for reducing inequality in local communities by focusing on early intervention and prevention.

7. Members and senior managers work effectively with partners and stakeholders to identify a clear set of priorities that respond to the needs of communities in both the short and the longer term. The local authority and its partners are organised to deliver on those priorities, and clearly demonstrate that their approach ensures that the needs of their communities are being met.
8. The local authority engages effectively with customers and communities by offering a range of communication channels, including innovative digital solutions and social media.
9. The local authority plays an active role in civic life and supports community leadership.

The two cross-cutting themes that a Best Value local authority should fully embrace across all of its activities are Theme 6, sustainable development, and Theme 7, fairness and equality.

Theme 6 – Sustainable Development

Sustainable development is commonly defined as securing a balance of social, economic and environmental wellbeing in the impact of activities and decisions, and seeking to meet the needs of the present without compromising the ability of future generations to meet their own needs. The [United Nations Sustainable Development Goals](#) provide a fuller definition and set out an internationally agreed performance framework for their achievement.

Sustainable development is a fundamental part of Best Value. It should be reflected in a local authority's vision and strategic priorities, highlighted in all plans at corporate and service level, and a guiding principle for all of its activities. Every aspect of activity in a local authority, from planning to delivery and review, should contribute to achieving sustainable development.

In achieving Best Value, a local authority will be able to demonstrate the following:

- **Sustainable development is reflected in its vision and strategic priorities.**
- **Sustainable development considerations are embedded in its governance arrangements.**
- **Resources are planned and used in a way that contributes to sustainable development.**
- **Sustainable development is effectively promoted through partnership working.**

This means that:

1. Leaders create a culture throughout the local authority that focuses on sustainable development, with clear accountability for its delivery across the leadership and management team.
2. There is a clear framework in place that facilitates the integration of sustainable development into all of the local authority's policies, financial plans, decision-making, services and activities through strategic-, corporate- and service-level action. In doing so, the local authority will be able to demonstrate that it is making a strategic and operational contribution to sustainable development.
3. The local authority has set out clear guiding principles that demonstrate its, and its partners', commitment to sustainable development.
4. There is a broad range of qualitative and quantitative measures and indicators in place to demonstrate the impact of sustainable development in relation to key economic, social and environmental issues.
5. Performance in relation to sustainable development is evaluated, publicly reported and scrutinised.

Theme 7 – Fairness and Equality

Tackling poverty, reducing inequality and promoting fairness, respect and dignity for all citizens should be key priorities for local authorities and all of their partners, including local communities.

In achieving Best Value, a local authority will be able to demonstrate the following:

- **That equality and equity considerations lie at the heart of strategic planning and service delivery.**
- **A commitment to tackling discrimination, advancing equality of opportunity and promoting good relations both within its own organisation and the wider community.**
- **That equality, diversity and human rights are embedded in its vision and strategic direction and throughout all of its work, including its collaborative and integrated community planning and other partnership arrangements.**
- **A culture that encourages equal opportunities and is working towards the elimination of discrimination.**

This means that:

1. The local authority demonstrates compliance with all statutory duties in relation to equalities and human rights.
2. The local authority is taking active steps to tackle inequalities and promote fairness across the organisation and its wider partnerships, including work and living conditions, education and community participation.
3. The local authority and its partners have an agreed action plan aimed at tackling inequality, poverty and addressing fairness issues identified in local communities.
4. The local authority engages in open, fair and inclusive dialogue to ensure that information on services and performance is accessible to all, and that every effort has been made to reach hard-to-reach groups and individuals.
5. The local authority ensures that all employees are engaged in its commitment to equality and fairness outcomes, and that its contribution to the achievement of equality outcomes is reflected throughout its corporate processes.
6. The local authority engages with and involves equality groups to improve and inform the development of relevant policies and practices, and takes account of socio-economic disadvantage when making strategic decisions.

7. The equality impact of policies and practices delivered through partnerships is always considered. Equality impact information and data is analysed when planning the delivery of services, and measuring performance.
8. The local authority's approach to securing continuous improvement in delivering on fairness and equality priorities and actions is regularly scrutinised and well evidenced.

Best Value Guidance Refresh – National Steering Group

The steering group comprised officials from the Scottish Government, the Convention of Scottish Local Authorities (COSLA), the Society of Local Authority Chief Executives (SOLACE), the Scottish Trades Union Congress (STUC) and the Scottish Public Services Ombudsman (SPSO). Officials from Audit Scotland also attended meetings in an observational capacity:

David Martin, SOLACE and Chief Executive of Dundee City Local Authority (Chair)
Fiona Mitchell-Knight, Audit Scotland (observer)
Fraser McKinlay, Audit Scotland (observer)
Garrick Smyth, COSLA
James Fowlie, COSLA
Sandra Lorimer, Dundee City Local Authority
Brian Peddie, Scottish Government
John Stevenson, SPSO
Mike Kirby (Unison), STUC

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Anne Margaret Black, East Ayrshire Integration Joint Board
Lorraine Gillies, Audit Scotland

Useful Resources

Audit Scotland

Further information on the audit of Best Value can be found on the [Audit Scotland website](#)

Audit Scotland issued on behalf of the Strategic Scrutiny Group [Principles for community empowerment](#) which aims to raise awareness of community empowerment and promote a shared understanding across scrutiny bodies to support high-quality scrutiny of community empowerment.

Accounts Commission

The [“How Councils Work”](#) series of reports produced by the Accounts Commission provides useful information and practical advice on a range of issues that are relevant to Best Value.

[‘Following the Public Pound’ guidance](#) is intended to ensure proper accountability for funds or other resources that are transferred by councils to arm’s-length bodies, such as companies, trusts and voluntary bodies funds, and to ensure that the principles of regularity and probity are not circumvented. It has the support of the Convention of Scottish Local Authorities.

Scottish Government

[Best Value in Public Services: Guidance for Accountable Officers](#)

[Community empowerment](#): information can be found on the Scottish Government website.

Other resources

The European Foundation for Quality Management (EFQM) Excellence Model was developed by the EFQM. It is widely used as a framework for continuous improvement activity by private, public and voluntary sector organisations. More information can be found on the [Quality Scotland web site](#).

The [National Standards for Community Engagement](#) are good-practice principles designed to improve and guide the process of community engagement.

The [Place Standard tool](#) provides a simple framework to structure conversations about place taking into account both the physical elements of a place and its social aspects.

The [Public Service Improvement Framework](#) (PSIF), produced by the Improvement Service, is a self-assessment framework that enables organisations to conduct a comprehensive review of their own activities and results.

The [Sustainable Development Network](#) provides information and advice on sustainable development in the public sector in Scotland.



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