



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

**TUESDAY 12 MARCH 2024
VIA DIGITAL MEETINGS SYSTEM**

1

Committee Members Present:

Councillor J Findlay
Ms E Gordon
Ms F Ireland (Chair)
Councillor L Jardine
Mr D Binnie (NV)

Officers Present:

Mr D Hood
Mr D King
Mr D Stainbank
Ms F Wilson

Other Attendees:

Mr J Boyd, 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 5 DECEMBER 2023

The minutes of the East Lothian IJB Audit and Risk Committee meeting held on 5 December 2023 were approved.

2. MATTERS ARISING FROM THE MINUTES OF 5 DECEMBER

There were no matters arising.

3. RISK REGISTER UPDATE

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

David King presented the quarterly update report reminding members that only risks rated '12' or above were reported to the Committee. He highlighted recent changes to individual risks.

Mr King and Fiona Wilson responded to questions from members. Mr King provided details of financial assurance measures and commented on the sustainability of the IJB's general reserves. Ms Wilson confirmed that regular financial reporting information was being received from the IJB's partners, but work was still required to identify where the main pressures were in the system. Mr King added that work was being done with the Council's audit team on forecasting to ensure that the financial impact of efficiency savings was being clearly understood. However, the position in relation to regular financial reporting from the Council Finance Team had improved in recent months.

In reply to further question on the use of the Integrated Care fund (within risk 3925), Mr King indicated that this entry likely related to historical actions. He advised that a review of control measures would assess whether actions were still relevant and identify any that required revision.

The Chair noted that a review of control measures was required.

Councillor Findlay stated that perhaps more important was to ensure that measures were being applied fairly to improve access to services across the whole of the county.

Decision

The Committee:

- i. Noted the risks on the current risk register; and
- ii. Considered that no further risks should be added to the register.

4. PROPOSAL TO DELIVER THE ACTIONS ARISING FROM THE COMMITTEE'S SKILLS AND KNOWLEDGE ASSESSMENT REVIEW

A report was submitted by the Interim Chief Finance Officer providing an update to the Committee's discussions arising from its Skills and Knowledge assessment review; and proposing four further actions to address the key issues identified at this review.

Mr King presented the report providing further detail on the four key issues of Counterfraud, Governance, Best Value and Partnerships & Collaborations, and outlined the proposed actions.

Councillor Jardine said she was content with the outcome of the review and the proposed actions.

The Chair moved to a roll call vote and the recommendation was approved unanimously.

Decision

The Committee agreed to the proposals outlined in the report and the timetabled delivery.

5. EAST LOTHIAN IJB ANNUAL AUDIT PLAN 2023/24

John Boyd presented Audit Scotland's annual audit plan for 2023/24 and summarised the planned audit work, responsibilities and wider aspects including Best Value. He also drew attention to the reporting arrangements and timeline contained in the plan.

Mr Boyd responded to questions from members. He explained the reporting threshold for adjusted and unadjusted misstatements which was set at a consistent level for organisations across the public sector in Scotland. He confirmed that the plan would be published on Audit Scotland's website, but the IJB had the opportunity to comment and suggest amendments to the plan prior to this.

The Chair suggested the amendment or removal of a statement contained in the Financial Sustainability section of Exhibit 3 (page 9 of the plan), "The 23/24 Q3 financial position shows a projected overspend of £4.119M that will be mainly addressed through the use of general reserves." The Chair pointed out that the IJB would have to agree to any such use of reserves and so it was not appropriate to include this in the document at this stage.

Mr Boyd said that this reference was likely picked up from an earlier financial report but agreed that it could be removed.

Elizabeth Gordon also pointed to a small error on page 9 in reference to a date which should read 2023.

Mr Boyd responded to further questions on financial assurance and audit fees.

Decision

The Committee agreed to note the contents of the annual audit plan.

6. INTERNAL AUDIT PLAN 2024/25

A report was submitted by the Chief Internal Auditor informing the Committee of Internal Audit's operational plan for 2024/25.

Duncan Stainbank presented the report outlining the background to the preparation of the plan and highlighting the audits scheduled for the coming year. He confirmed that one of these audits would be completed by the NHS Lothian audit team.

The Chair noted that following discussion on the presentation of follow up audits the Committee would in future receive regular updates on progress with completion of actions identified from individual audits.

The Chair moved to a roll call vote and the recommendation was approved unanimously.

Decision

The Committee approved the Internal Audit Plan for 2024/25.

7. INTERNAL AUDIT REPORT – ELIJB PERFORMANCE MANAGEMENT

A report was submitted by the Chief Internal Auditor informing the Committee of the recently issued audit report on ELIJB Performance Management.

Mr Stainbank presented the report advising that the audit work had resulted in an assessment of ‘reasonable assurance’. He drew attention to the areas where controls had been met and those with scope for improvement, and highlighted the actions agreed as a result of the audit work.

Mr Stainbank responded to questions from members on aspects of the audit findings and recommendations.

Decision

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

8. INTERNAL AUDIT REPORT – ELIJB PUBLICATION SCHEME

A report was submitted by the Chief Internal Auditor informing the Committee of the recently issued audit report on the ELIJB Publications Scheme.

Mr Stainbank presented the report advising that the audit work had resulted in an assessment of ‘limited assurance’. He drew attention to the areas where controls had been met and those with scope for improvement, and highlighted the actions agreed as a result of the audit work.

Replying to a question, Ms Wilson confirmed that additional resource within the Communications Team would allow greater oversight of the scheme in future.

The Chair noted that these two audit reports would be the first to be subject to new quarterly updates on the implementation of agreed actions.

Decision

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

Signed

Fiona Ireland
Chair of the East Lothian IJB Audit and Risk Committee



REPORT TO: East Lothian IJB Audit & Risk Committee
MEETING DATE: 18 June 2024
BY:
SUBJECT: Audit Scotland – Mental Health Report, September 2023

3

1 PURPOSE

- 1.1 To present to the committee the finding from the Audit Scotland report on Adult Mental Health published in September 2023.

2 RECOMMENDATIONS

- 2.1 Committee members are asked to note the content of the Audit Scotland Report.

3 BACKGROUND AND MAIN REPORT

- 3.1 Funding for adult mental health services has increased significantly since 2017. But a lack of data makes it hard to see what impact this increased spending has had. Accessing services remains slow and complicated for many people. The Covid-19 pandemic made this situation worse, particularly limiting access to face-to-face support. NHS boards are still not all routinely offering face-to-face appointments as a choice. The mental health workforce is under pressure, with high vacancy rates and turnover. And progress towards increasing the mental health support available from primary care, which is essential to improving access and relieving pressure on specialist services, has been delayed.
- 3.2 Accessing mental healthcare is more difficult for some people, for instance people from ethnic minorities, people living in rural areas and people living in poverty. People living in the most deprived areas are also three times more likely to end up in hospital for mental health issues than those in the least deprived areas. This is a long-standing problem and progress in tackling it has been slow. Mental health services cannot address this alone, and they are not yet working closely enough with other sectors, such as housing, welfare, and employability support

services, to address and prevent some of the causes of poor mental health.

3.3 The Scottish Government does not have sufficient oversight of most adult mental health services because of a lack of information. It does not measure the quality of care or the outcomes for people receiving it. The Scottish Government focuses on only waiting times for psychological therapies to assess how adult mental health and wellbeing services are performing. Performance against this measure has improved, but NHS boards are still struggling to meet waiting times standards. The system is fragmented, and accountability is complex, with multiple bodies involved in funding and providing mental health services. This causes complications and delays in developing services that focus on individuals' needs.

3.4 The Scottish Government's progress against commitments in its Mental Health Strategy 2017–2027 is mixed. It has since made further financial, operational and workforce commitments, but it is not currently on track to achieve them. These include increasing mental health funding by 25%, ensuring that ten per cent of front-line health spending is on mental health, and giving all GP practices access to primary care mental health and wellbeing services.

3.5 The table below summarises the recommendations of the report

Audit Scotland Recommendations	Stakeholder Responsible	Situation Summary
Scottish Government		The Scottish Government should:
1. Implement DBI program recommendations by March 2024	Scottish Government	Implement recommendations from the independent evaluation of the Distress Brief Intervention (DBI) program as part of Scotland-wide rollout by March 2024.
2. Publish guidance on measuring and evaluating outcomes	Scottish Government	Publish guidance on measuring and evaluating outcomes from mental health and wellbeing services in primary care before the end of 2023 (originally expected in April 2022).
3. Publish a costed delivery plan for primary care services	Scottish Government	Publish a costed delivery plan as soon as possible detailing the funding and workforce requirements to establish and accommodate primary care mental health and wellbeing services across Scotland by 2026. This plan should also outline how these services will collaborate with other sectors for holistic, person-centred support.
4. Start routinely publishing	Scottish Government, Public Health Scotland	Collaborate with Public Health Scotland to start routinely publishing data on the effectiveness of the government's psychological therapies specification and quality standards for secondary

psychological therapies data		mental health services, improving transparency and accountability for patients' experiences and outcomes over the next 12 months.
5. Improve transparency at Health and Social Care Partnership	Scottish Government, Public Health Scotland	Collaborate with Public Health Scotland to start routinely publishing psychological therapies performance data at HSCP level, in addition to NHS board level, within the next 12 months to enhance transparency and accountability for psychological therapies services.
Scottish Government and IJBs		The Scottish Government and IJBs should:
6. Improve data quality for service planning and monitoring	Scottish Government, IJBs	Urgently work on enhancing the availability, quality, and utilisation of financial, operational, and workforce data. This will enable more accurate service and workforce planning, facilitate information sharing between health and social care partners, and allow for routine measurement, monitoring, and reporting on the quality of mental health services, patient outcomes, and the impact of investments.
IJBs, HSCPs, and NHS Boards		IJBs, HSCPs, and NHS boards should:
7. Offer choice between remote and face-to-face services	IJBs, HSCPs, NHS boards	Provide individuals with the option to choose between accessing mental health services remotely or face-to-face, aligning with the Digital Health and Care Strategy commitment.
IJBs and Councils		IJBs and councils should:
8. Enhance collaboration between various support services	IJBs, councils	Urgently improve the integration of mental health, primary care, housing, employability, and welfare support services. This should involve developing shared goals and targets, sharing data, and jointly funding services to address and prevent the underlying causes of poor mental health.

(Finding and recommendation text verbatim from Audit Scotland, 2023)

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 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 affect the IJBs directions or require a new direction to be issued.

8 RESOURCE IMPLICATIONS

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

9 BACKGROUND PAPERS

- 9.1 None

AUTHOR'S NAME	
DESIGNATION	
CONTACT INFO	
DATE	

Appendices

1. Audit Scotland, Adult Mental Health. September 2023.

Appendix 1- Risk Rating Matrix (DATIX)

Likelihood	Consequences / Impact				
	Negligible	Minor	Moderate	Major	Extreme
Almost Certain	Medium 5	High 10	High 15	V High 20	V High 25
Likely	Medium 4	Medium 8	High 12	High 16	V High 20
Possible	Low 3	Medium 6	Medium 9	High 12	High 15
Unlikely	Low 2	Medium 4	Medium 6	Medium 8	High 10
Rare	Low 1	Low 2	Low 3	Medium 4	Medium 5

Adult mental health



ACCOUNTS COMMISSION 

AUDITOR GENERAL 

Prepared by Audit Scotland
September 2023



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Accessibility

You can find out more and read this report using assistive technology on our [website](#).

For information on our accessibility principles, please visit: www.audit-scotland.gov.uk/accessibility.

Audit team

The core audit team consisted of: Leigh Johnston, Eva Thomas-Tudo, Claire Tennyson and Jason Carter, with support from other colleagues and under the direction of Mark MacPherson.

Key facts



About **one in four people** experience mental health problems in any given year.



People with lifelong mental illnesses are more likely to die **15-20 years** prematurely because of physical health problems.



80.8 per cent of people started psychological therapies within 18 weeks of being referred for treatment in 2022/23.



2,742 people waited more than a year to start psychological therapies in 2022/23.



£8.8 billion was the reported cost of poor mental health to the Scottish economy in 2019.



NHS boards spent **£1.2 billion** on adult mental health in 2021/22.



Councils spent **£224.7 million** on adult mental health in 2021/22.



The Scottish Government's Mental Health Directorate budget is **£290.2 million** in 2023/24.

Key messages

- 1** Funding for adult mental health services has increased significantly since 2017. But a lack of data makes it hard to see what impact this increased spending has had. Accessing services remains slow and complicated for many people. The Covid-19 pandemic made this situation worse, particularly limiting access to face-to-face support. NHS boards are still not all routinely offering face-to-face appointments as a choice. The mental health workforce is under pressure, with high vacancy rates and turnover. And progress towards increasing the mental health support available from primary care, which is essential to improving access and relieving pressure on specialist services, has been delayed.
- 2** Accessing mental healthcare is more difficult for some people, for instance people from ethnic minorities, people living in rural areas and people living in poverty. People living in the most deprived areas are also three times more likely to end up in hospital for mental health issues than those in the least deprived areas. This is a long-standing problem and progress in tackling it has been slow. Mental health services cannot address this alone, and they are not yet working closely enough with other sectors, such as housing, welfare, and employability support services, to address and prevent some of the causes of poor mental health.
- 3** The Scottish Government does not have sufficient oversight of most adult mental health services because of a lack of information. It does not measure the quality of care or the outcomes for people receiving it. The Scottish Government focuses on only waiting times for psychological therapies to

assess how adult mental health and wellbeing services are performing. Performance against this measure has improved, but NHS boards are still struggling to meet waiting times standards. The system is fragmented, and accountability is complex, with multiple bodies involved in funding and providing mental health services. This causes complications and delays in developing services that focus on individuals' needs.

- 4** The Scottish Government's progress against commitments in its Mental Health Strategy 2017–2027 is mixed. It has since made further financial, operational and workforce commitments, but it is not currently on track to achieve them. These include increasing mental health funding by 25 per cent, ensuring that ten per cent of front-line health spending is on mental health, and giving all GP practices access to primary care mental health and wellbeing services.
-

Recommendations

The Scottish Government should:

- implement the recommendations of the independent evaluation of the Distress Brief Intervention (DBI) programme as part of rolling out the DBI programme across Scotland by March 2024 ([Case study 1, page 21](#))
- before the end of 2023, publish its guidance on measuring and evaluating outcomes from mental health and wellbeing services in primary care, which was expected to be published in April 2022 ([paragraph 30](#))
- publish a costed delivery plan, as soon as possible, setting out the funding and workforce needed to establish and accommodate primary care mental health and wellbeing services across Scotland by 2026, including how these services will work with other sectors to provide holistic, person-centred support ([paragraphs 31, 32 and 43](#))
- in the next 12 months, work with Public Health Scotland to start routinely publishing, at least quarterly, how the Scottish Government's psychological therapies specification and quality standards for secondary mental health services are improving the experiences and outcomes for people who use these services ([paragraph 52](#))
- in the next 12 months, work with Public Health Scotland to start routinely publishing psychological therapies performance at Health and Social Care Partnership (HSCP) level as well as NHS board level to improve transparency and accountability for psychological therapies services ([paragraph 55](#)).

The Scottish Government and Integration Joint Boards (IJBs) should:

- urgently progress work to improve the availability, quality, and use of financial, operational and workforce data so that:
 - service and workforce planning, particularly in primary, community, and social care, is based on accurate measures of existing provision and demand (paragraphs 14 , 90 and 97)
 - information can be shared between health and social care partners more easily (paragraphs 56–58)
 - they can routinely measure, monitor and report on the quality of mental health services and patient outcomes; the difference that investment is making to patients' outcomes; and how much is being invested in preventative programmes of work and their impact (paragraphs 97–99).

IJBs, HSCPs and NHS boards should:

- provide people with a choice about whether they access mental health services remotely or face-to-face, in line with the commitment in the Digital Health and Care Strategy (paragraphs 25 and 26).

IJBs and councils should:

- urgently improve how mental health, primary care, housing, employability, and welfare support services work together to address and prevent the causes of poor mental health, by developing shared goals and targets, sharing data and jointly funding services (paragraphs 42 and 43).

Introduction

Background

1. Supporting and improving mental health and wellbeing is a significant public health challenge that requires a coordinated response from a wide range of organisations. There is a need to focus on prevention and early intervention while maintaining access to specialist services for those with severe mental health issues. This is a difficult balance to achieve.
2. Mental health problems are very common. About one in four people experience mental health problems in any given year.¹ The Covid-19 pandemic brought additional pressures on the population's mental health ([paragraph 15](#)). National lockdowns meant that people were more isolated from family and friends, and access to support and services was impacted.
3. The Scottish Government and the Convention of Scottish Local Authorities (COSLA) identified mental wellbeing as one of six public health priorities for Scotland in 2018.² The Scottish Government aimed to give equal priority to physical health and mental health in its Mental Health Strategy 2017–2027.³ It reported that people with lifelong mental illnesses are more likely to die 15-20 years prematurely.
4. The Mental Health Foundation reported that poor mental health cost the Scottish economy £8.8 billion in 2019.⁴ Most of these costs were not incurred by the healthcare sector. For example, 72 per cent can be accounted for by the lost productivity of people living with mental health conditions and costs incurred by unpaid informal carers. £8.8 billion is also likely to be a significant underestimate because of a lack of data. For instance, the figure does not include costs associated with the impact of poor mental health on areas including the criminal justice system, housing, and addictions services.

About this report

5. This report has been prepared on behalf of the Auditor General for Scotland and the Accounts Commission. In 2018, we reported on [children and young people's mental health](#) and made a commitment to further audit work on mental health-related issues. This performance audit focuses on mental health services for adults in Scotland.
6. The overall aim of the audit is to answer the question: How effectively are adult mental health services across Scotland being delivered? We have focused on the progress made since 2017, when the Scottish Government published its Mental Health Strategy 2017–2027. This report is in four parts:

- Part 1. Access to mental health support and services
- Part 2. Progress towards improving mental health services
- Part 3. How well resources for adult mental health are managed
- Part 4. Plans and strategic direction.

7. Our findings and recommendations are based on evidence gathered through document review, data analysis, interviews and focus groups. We also carried out more in-depth fieldwork in three geographical areas to better understand local pressures and challenges, and to highlight areas of good practice. These areas were: Grampian – Aberdeen City, Aberdeenshire and Moray; Lanarkshire – North Lanarkshire and South Lanarkshire; and the Scottish Borders. [Appendix 1](#) sets out more detail on our audit methodology.

8. We carried out three focus groups with people with lived experience of mental health problems. We have included quotes from these focus groups throughout the report to help illustrate our audit findings. We would like to thank the participants of these focus groups, and Vox Scotland and the Health and Social Care Alliance Scotland for facilitating the focus groups.

9. The audit focused on mental health support and services for adults in Scotland. The audit was not able to look in detail at specific mental health conditions, or significant topics that require distinct, specific types of support, such as:

- transitions between services for children and young people to adult mental health services
- dementia care
- mental healthcare for prisoners.

10. The independent review of mental health law in Scotland published its final report in September 2022.⁵ The Scottish Government published its response to the recommendations in June 2023.⁶ This may lead to changes in mental health law, but in this audit we have examined mental health services as they currently stand.

1. Access to mental health support and services

The support that people need for their mental health varies considerably

11. Mental health problems are very common and have a considerable impact on people's lives. These problems can vary from poor mental wellbeing and periods of emotional distress to severe and persistent, diagnosable mental illness. Many factors affect people's mental health including genetics, life experiences, upbringing and environment. For instance, experiencing poverty, homelessness, and living in poor-quality housing all increase the risk of having mental health problems ([paragraph 37](#)).

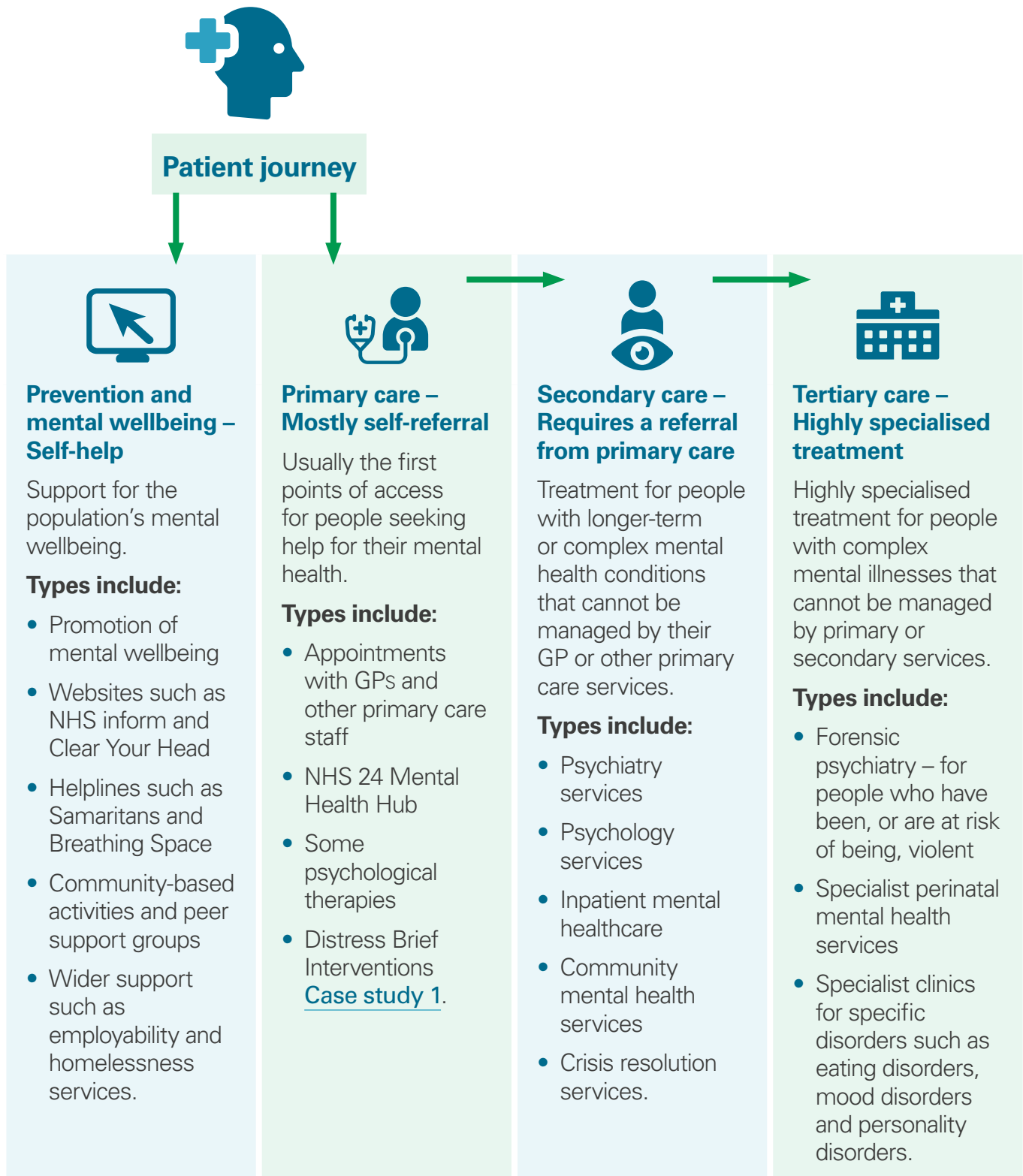
12. The support that people need can also vary considerably, and not all mental health problems require a medical response. Adults access mental health support and services in a variety of settings. [Exhibit 1 \(page 11\)](#) outlines some of the main types of mental health support available in Scotland, although the services available vary throughout the country.

13. The system is complex ([paragraphs 56–57](#)). Services are provided by HSCPs, NHS boards, councils and the charity and voluntary sectors. Integration Joint Boards (IJBs) are responsible for planning, commissioning, and monitoring adult mental health services provided in the community and in hospitals. Some IJBs are also responsible for secure mental health services, with NHS boards having that responsibility in other areas.

Exhibit 1.

Examples of mental health support in Scotland

Support for mental health problems varies from self-help to support mental wellbeing, through to highly specialised treatment for severe and enduring mental illnesses.



Source: Audit Scotland

The Scottish Government, IJBs and others have insufficient data to fully understand demand for mental healthcare

14. Comprehensive, good-quality data is essential for assessing demand and planning services. Information about demand for mental healthcare in Scotland only covers people already accessing, or trying to access, some mental health services. The Scottish Government estimated that only one in three people who would benefit from treatment for a mental illness was receiving it.⁷ This means there is potentially much higher demand for mental health support and services than the available data shows. For instance:

- Data is not available to determine how many people have severe and enduring mental health conditions in Scotland.⁸
- Information is not available to accurately assess demand for mental health support in primary care in Scotland, but it is likely that demand is high. In 2018, a survey of more than 1,000 GPs across England and Wales estimated that 41 per cent of appointments relate to mental health.⁹
- Community mental health teams (CMHTs) provide specialist mental health services, but information on demand, such as referrals and caseloads, is not routinely collected.
- No information is available that shows demand for psychiatric services. The number of appointments taking place is published, but no information is available on the number of referrals, the number of people on waiting lists, how long people are waiting for treatment or the length of treatment.
- The quality, completeness and consistency of NHS boards' submissions to the psychological therapies data set vary significantly, affecting the robustness of information that is available.

There are indications that demand for mental healthcare has increased

15. The Covid-19 pandemic had a detrimental impact on the population's mental health. Results from the Scottish Health Survey showed that mental wellbeing among adults was lower in 2021 than in 2019, and that 22 per cent of adults may have a psychiatric disorder, an increase from 17 per cent in 2019.¹⁰

16. Referrals to psychological therapies and admissions to inpatient mental healthcare have remained broadly stable since 2017/18. But other measures show that demand for mental healthcare has increased:

- The number of people detained using the Mental Health Act because of an urgent need for treatment for a mental health

disorder increased from 104 to 120 per 100,000 people between 2017/18 and 2021/22. It peaked in 2020/21 during the pandemic.¹¹

- The number of police incidents relating to mental health increased by 62 per cent between 2018 and 2022, from 14,394 incidents to 23,259.^{12 13}
- The Scottish Association for Mental Health (SAMH) reported a 50 per cent increase in demand for its information service during the pandemic.¹⁴
- The number of calls to NHS 24's 111 Mental Health Hub increased by 436 per cent between 2019/20 and 2022/23, from an average of 2,136 calls per month, to an average of 11,457 calls per month. The increase can partly be explained by its expansion from operating eight hours per day to 24 hours per day from July 2020.¹⁵

17. Referrals for psychological therapies decreased temporarily at the start of the pandemic, but this could have been caused by a reduction in the availability of services during this time and fewer people contacting their GPs.

'Waiting lists even pre-Covid were really ridiculous and at the moment waiting lists are horrendous... a lot of services have been withdrawn or shut down, it's leaving a lot of really vulnerable people with no help and support.'

Focus group participant

Accessing mental health services is slow and complicated for many people

18. Many people find accessing mental health and wellbeing services to be a slow and complicated process. SAMH surveys found that six out of ten people who had tried to access mental health support from their GP or specialist services since March 2021 reported facing challenges.¹⁶

19. People typically access mental health support in Scotland by visiting GPs for support and onward referral to specialist services. This can be slow, and many people who need mental health support do not meet the thresholds for specialist services. Moreover, the availability and awareness of other support, such as primary care mental health services ([paragraphs 27–33](#)), third sector services and peer support, varies across Scotland.

'People seem to go for appointments and be put onto a pathway. That pathway either comes abruptly to an end, through no fault of anyone's – perhaps funding runs out, or one pathway leads to another pathway, but nothing seems to lead anywhere.'

'I was on the waiting list for two years to see a psychologist. I wasn't aware if there were any other people within the NHS I could see or if there was any other help, I was just told about the psychologist.'

'I do really like working with my clinical psychologist but in terms of getting the support in the first place and the waiting times, I found that very, very difficult and it was not a good experience for me.'

Focus group participants

20. People can get information about mental health services through websites such as NHS Inform – Scotland's national health information service – or through third sector organisations such as Samaritans or SAMH. But people can find accessing this information difficult, particularly when they are experiencing poor mental health. Results from a SAMH survey estimated that 800,000 adults in Scotland do not know where to go to get help for their mental health.¹⁷

'I've asked and asked and I'm getting no help anywhere whatsoever.'

'I think I know more about what's out there than my GP does, even though she's sympathetic and she does her best to help. I just don't know what's out there or what can best help me.'

'I got referred to a community psychiatric nurse but got a letter a couple of weeks later to say that it had been rejected so I was left in the middle of the pandemic looking at all these services online just totally overwhelmed.'

Focus group participant

The Covid-19 pandemic led to a reduction in access to services, particularly face-to-face support

21. Access to mental health services decreased during the Covid-19 pandemic. The number of appointments across a range of mental health services dropped significantly during the first few months of the pandemic ([Exhibit 2, page 16](#)). For most services, this has since recovered to at least pre-pandemic levels. For general psychiatry however, the number of appointments has decreased again since mid-2021, after an increase between July 2020 and June 2021. Data is not available to explain this decrease ([paragraph 14](#)), for example, whether it is caused by decreasing demand or capacity. The Royal College of Psychiatrists told us that demand for psychiatry services is high.

22. During the pandemic, face-to-face support was offered only where clinically necessary. SAMH published two reports covering the experiences of people trying to access mental health support during the pandemic. The first one found that there was widespread loss of face-to-face support during the pandemic.¹⁸ The second report, based on surveys carried out in late 2021 and early 2022, found that most mental health support was still being provided remotely.¹⁹ In 2022, most psychological therapies appointments took place digitally or by telephone ([Exhibit 3, page 17](#)).

23. Views about receiving mental health care and treatment remotely are mixed. SAMH reported that more than three-quarters of people felt that face-to-face support was far better than remote options, both telephone and video consulting.²⁰ We found that remote options worked well for some people in our focus groups, but not for others.

‘You’ve got vulnerable people who are desperate to access treatment, but they don’t want to access treatment because it’s being done online when they don’t want to do it online. You have to give people the choice.’

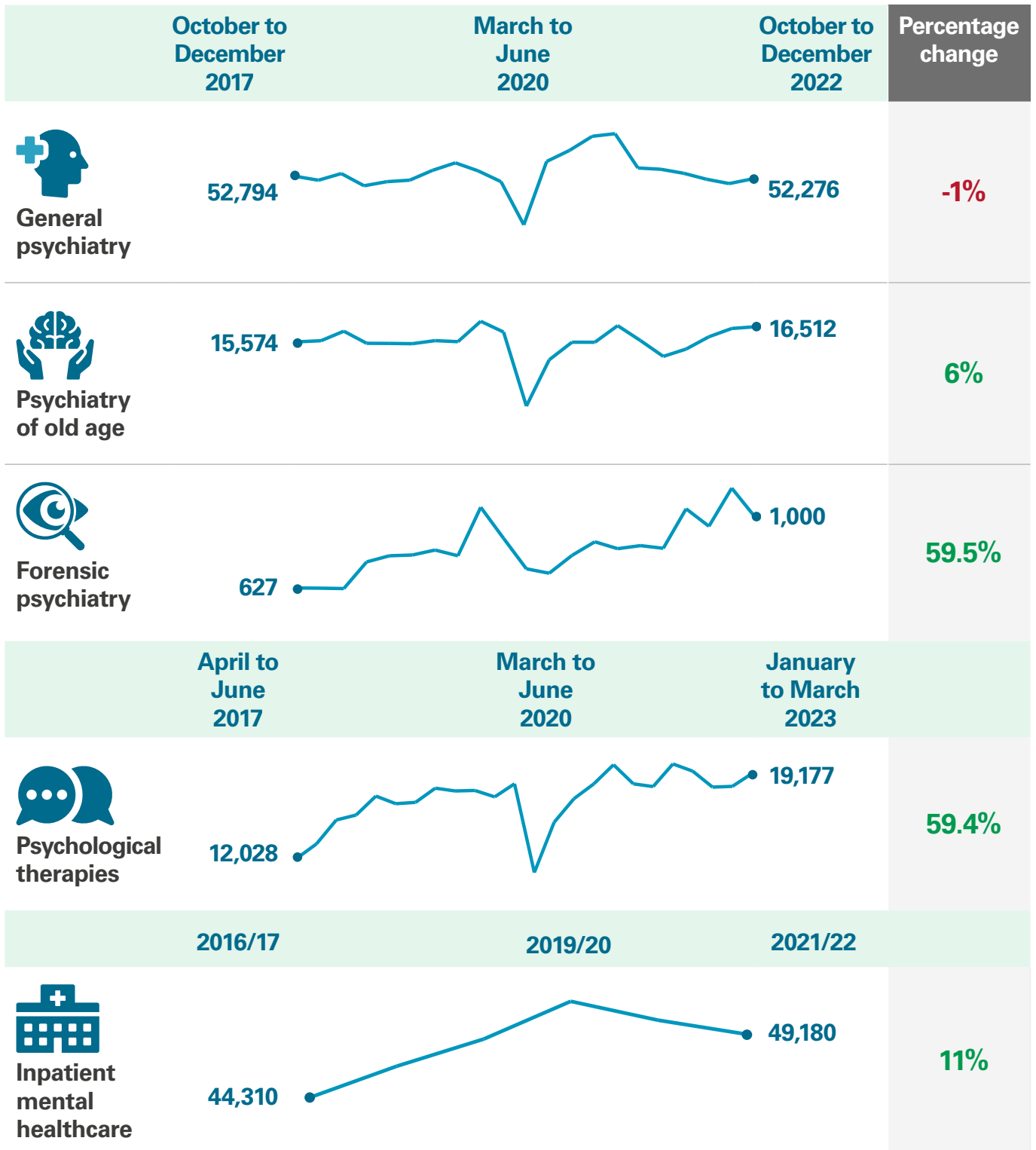
‘I did find it good because with my disability it’s really hard to leave the house. So in some ways it was actually really good to have it and still physically see them and talk to them. But it’s also difficult because of connection issues.’

‘Being online can be good because it does allow you a bit more flexibility.’

Focus group participants

Exhibit 2. Mental health services activity

Activity across a range of mental health services decreased during the first few months of the Covid-19 pandemic but most have since returned to at least pre-pandemic levels.



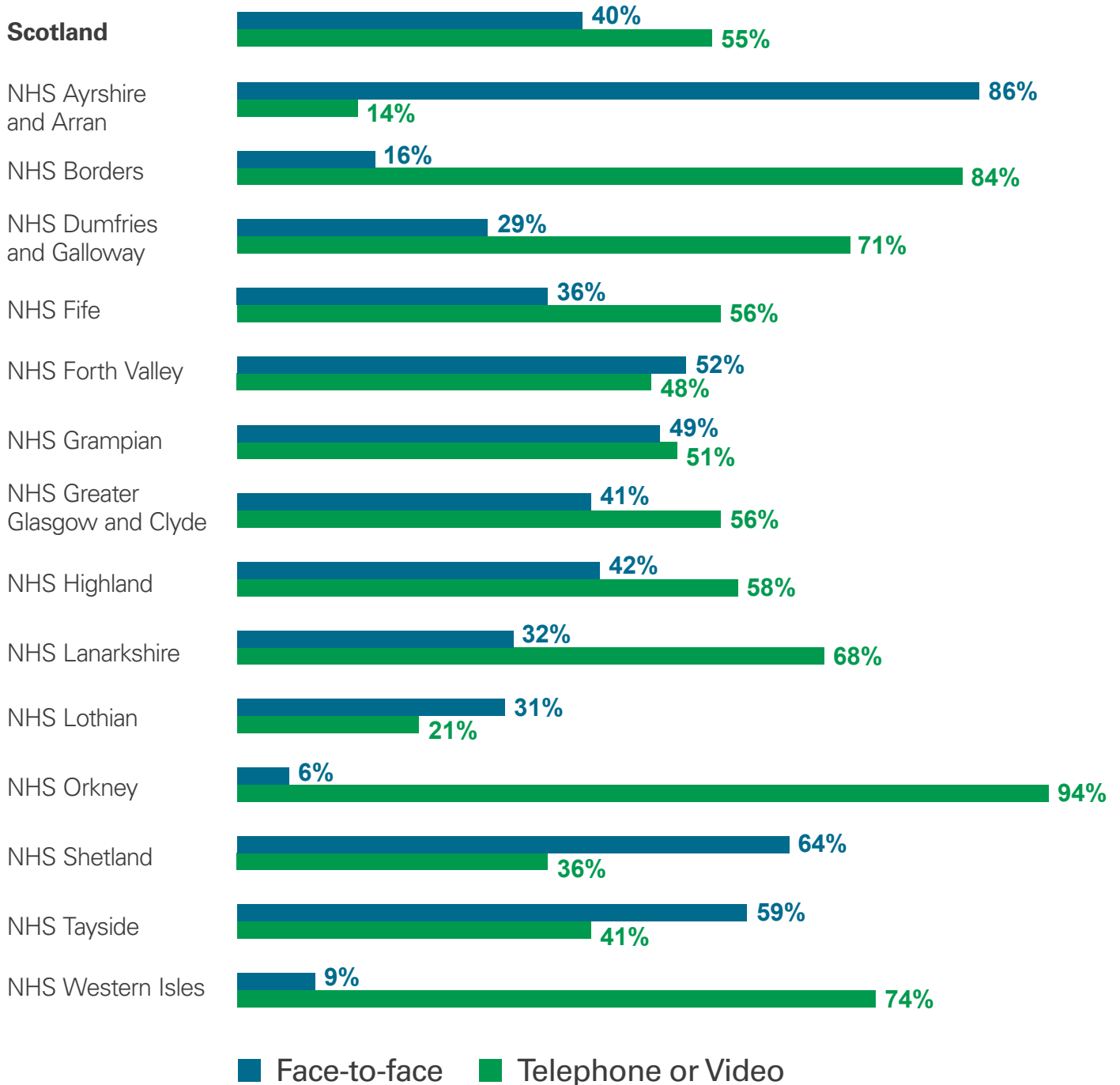
Note: Psychological therapies only includes new appointments; psychiatry specialties include new and return appointments.

Source: Audit Scotland and Public Health Scotland

Exhibit 3.

Psychological therapies appointment types in 2022

The known proportion of appointments taking place remotely varies widely across NHS boards.



Note: NHS Ayrshire and Arran includes data from July to September 2022. Some appointment types are unknown, and so totals may not add up to 100 per cent. NHS Lothian has a particularly high rate of unknown appointment types because of limitations with how their systems recorded this information. The full list of data quality issues can be found in Public Health Scotland's Psychological Therapies Waiting Times data quality publication (March 2023).

Source: Audit Scotland and Public Health Scotland

Remote options have increased access but not all NHS boards routinely offer face-to-face appointments as a choice

24. The Scottish Government has committed to expanding digital mental health services and self-help resources and increasing access to evidence-based psychological therapies and other support.²¹ There are also examples of new services being set up that will be provided entirely remotely, such as the Renew service in the Scottish Borders. Renew is a remote primary care service that offers assessment and treatment for patients experiencing mild to moderate anxiety and depression.

25. The Scottish Government and COSLA's Digital Health and Care Strategy (2021) states that people will not be forced to use a digital service if it is not right for them. However, NHS boards reported a range of factors that affected the type of appointment that was offered, including the availability of clinical space, clinical need, and whether people are affected by digital exclusion.²²

26. Increasing access to mental health support and services is necessary and welcome. But the Scottish Government, NHS boards and others who provide services must ensure that people are routinely given a choice about whether they access services remotely or face-to-face.

Increasing the availability of mental health and wellbeing services in primary care is essential for improving access

27. GPs and wider teams based in primary care play a key role in providing mental healthcare. An estimated 41 per cent of GP appointments involve a mental health issue ([paragraph 14](#)). Increasing the availability of mental health and wellbeing services in primary care could help to prioritise prevention and early intervention and decrease pressure on specialist services.

'My GP has done more for me than most psychiatrists have, and she's not a trained psychiatrist. That tells me it's not necessarily to do with the training and the qualifications that these people have.'

Focus group participant

28. The Royal College of General Practitioners told us that GPs need more support to address the mental health needs of patients. At March 2022, only 45 per cent of GP practices across Scotland reported having full access to mental health workers, and 66 per cent reported having full access to **community link workers**.²³ This information was not available in the 2023 publication – GP practices were only asked whether they had any access to these workers, this could vary from minimal access to



Community link workers work with GP practices to help patients access non-medical support for personal, social, emotional and financial issues.

full access. At March 2023, 17 per cent of GP practices across Scotland reported having no access to mental health workers, and 20 per cent reported having no access to community link workers (down from 22 per cent and 24 per cent respectively in March 2022).²⁴

'My GP surgery does have a counsellor who works alongside the GP practice but it's mainly working with people who have addiction issues, rather than people with other emotional or psychological issues. More multi-disciplinary team support like that in GP practices would help free up NHS hospital services for people who are more seriously ill.'

Focus group participant

29. The Scottish Government has committed to ensuring that every GP practice has access to a mental health and wellbeing service by 2026.²⁵ In January 2022, the Scottish Government issued planning guidance to IJBs on developing mental health and wellbeing in primary care services (MHWPCS).²⁶

30. The planning guidance outlined that MHWPCS should offer assessment, advice, support, and treatment, provided by a multidisciplinary team. A key part of this guidance that would set out how to measure and evaluate outcomes from MHWPCS was expected to be published in April 2022, but it has still not been published. The Scottish Government should publish this as soon as possible. This is important, as it will allow data to be collected on how these services are improving people's mental health and whether they are supporting the aims of the General Medical Services contract to refocus GPs' roles as expert medical generalists.²⁷

31. The planning guidance states that funding for MHWPCS is intended mainly for employing new staff and not for providing additional space to accommodate teams. Two of our in-depth fieldwork sites, North Lanarkshire and Moray, have expressed concerns about a lack of accommodation for their mental health primary care teams. This makes it difficult for staff to complete routine tasks, such as seeing clients and managing caseloads.

32. The Scottish Government's Emergency Budget Review (EBR) delayed progress towards increasing the number of mental health workers and link workers in primary care. It cut funding for improving primary care services by £65 million and mental health funding by £38 million in 2022/23.²⁸ The Scottish Government should publish a costed delivery plan that sets out the funding and workforce that will be needed to achieve its aim of establishing sustainable and effective MHWPCS across Scotland by 2026.

33. Initiatives across Scotland have successfully increased both in-person and remote access to mental health support in primary care. Examples include the Distress Brief Intervention (DBI) programme ([Case study 1, page 21](#)) and the NHS 24 111 Mental Health Hub. The hub was established in 2019 but expanded considerably during the Covid-19 pandemic.

Accessing mental healthcare is disproportionately more difficult for some people

34. Some people, such as people with complex care needs and people with severe and enduring mental health problems, experience inequality in accessing mental healthcare. For example:

- The Mental Welfare Commission reported that some GPs found that referrals to psychiatry services were rejected in the case of patients with substance misuse problems. GPs were advised to refer these patients to addictions services, even when the patient's main problem is their mental illness.²⁹
- The Scottish Mental Illness Stigma Study found that people with severe and enduring mental health problems experienced stigma and discrimination when trying to access mental healthcare. For instance, 71 per cent of respondents felt that they had been unfairly denied help for their mental illness because of stigma.³⁰

35. Some groups also face practical barriers to accessing mental health and wellbeing services. For instance, access to specialist services in sign language, for people with hearing problems, is limited.³¹ Mental health services are less accessible for minority ethnic groups because of language and cultural barriers to communication.³² Long journeys and limited internet connectivity can make access for rural communities difficult.

'If you live in a rural community or outside of a catchment area you have no services available. You try to access the services where they are available but you're up against a brick wall.'

'Mental health services should be available to everybody when they need it. I wouldn't go around with a broken leg for 20 years, it just wouldn't happen, but you can have mental ill-health for that amount of time. It shouldn't be any different. Mental health should be treated the same as any other part of your body, which just now it isn't.'

Focus group participants

Case study 1.

The Distress Brief Intervention (DBI) programme

The DBI programme is effective at supporting people experiencing distress.

The Scottish Government developed the DBI programme as it recognised that there was a lack of support available for people experiencing distress, who did not require an emergency medical response. The Scottish Government tested the DBI programme between November 2016 and March 2021 across four sites: Aberdeen, Inverness, Lanarkshire, and the Scottish Borders.

The DBI programme takes a two-level approach. Level 1 interventions are provided by trained front-line staff from primary care, Police Scotland, the Scottish Ambulance Service (SAS), Accident and Emergency departments (A&E) and NHS 24. Level 1 interventions aim to help people to cope with their immediate distress and offers the opportunity to be referred within 24 hours to a Level 2 intervention. Level 2 interventions are provided by trained third sector staff who work with individuals, for up to 14 days, to provide support and a personalised action plan for distress management. During the intervention, staff can help people access other services for follow-up support.

An independent evaluation of the DBI programme pilot reported that DBIs work well for most people. Distress decreased during the DBI for 90 per cent of people. A key strength of the DBI programme was its ability to be tailored to individuals' needs, and the Scottish Government's DBI central team was essential to the programme's success. This team coordinated services and communication, and enabled problem-solving.

The evaluation also identified some challenges, including that some existing operational systems could not include DBI referrals. Some staff of existing services doubted the added value of the DBI programme and saw it as a replacement for more specialist services that they considered of greater value. Convincing existing services of the value of the DBI programme is likely to be an ongoing challenge during wider rollout, and effective engagement with them will be important for success.

The DBI programme is now being rolled out nationally. The Scottish Government expects NHS boards to have embedded the DBI programme by March 2024. However, the Scottish Government will no longer provide local areas with dedicated funding for the programme, so partners will be expected to fund this using existing budgets. This creates the risk that the quality and availability of the DBI service could vary across the country, as partners manage increasingly tight budgets.

The Scottish Government and partners involved in providing DBIs should implement the recommendations of the independent evaluation as part of the programme's roll-out across Scotland.

Source: Audit Scotland and Scottish Government



36. People with mental health problems also experience inequality in accessing physical healthcare. People with lifelong mental illness have a 15–20-year-shorter life expectancy because of physical health problems.³³ The Royal Pharmaceutical Society reported that reasons for this include poorer access to, or uptake of, physical healthcare.³⁴

Mental health inequality is a long-standing problem and progress addressing this has been slow

37. Many inequalities in mental health arise because of inequalities in society. For instance, the Mental Health Foundation reported that experiencing poverty, homelessness, living in poor-quality housing and having limited access to green space all increase the chances of having a mental health problem.³⁵ Experiencing prejudice, discrimination, bullying and social exclusion also increases the risk.

38. Mental health inequalities are a long-standing problem and have been made worse by the Covid-19 pandemic and cost-of-living crisis.³⁶ The Mental Health Foundation reported that the cost-of-living crisis could have a negative effect on mental health on a similar scale to the Covid-19 pandemic. Our [Local government in Scotland overview 2023](#) highlighted that persistently high levels of poverty and financial hardship is increasing pressure on local services, at a time when councils' finances are under severe strain. Some people have a much greater risk of experiencing poor mental health. [Exhibit 4 \(page 23\)](#) provides some examples of this.

Exhibit 4. Examples of mental health inequalities

Some people are at greater risk of experiencing poor mental health.



Deprivation

People living in the most deprived areas are three times more likely to receive inpatient mental healthcare than people living in the least deprived areas.



Deprivation

39% of emergency detentions using the Mental Health Act happened to people from the 20% most deprived areas of Scotland



Long-term illness

Mental wellbeing is lower among people with a long-term illness that limits their activities than for people with no long-term illness.



Young people

Younger people are more likely to experience anxiety – 22% of people aged 25-34 years reported experiencing at least two symptoms of anxiety, compared with 6% of people aged 65-74 years.



LGBT+

54% of LGBT+ people have a self-reported mental health problem.



Learning disabilities

Mental ill health is significantly more prevalent in adults with learning/intellectual disabilities than in the general population.

Note: In the Scottish Health Survey 2021, long-term conditions are defined as a physical or mental health condition or illness lasting, or expected to last, 12 months or more.

Source: Audit Scotland, Mental Health Foundation, See Me, Mental Welfare Commission, Scottish Government, NHS Greater Glasgow and Clyde, NHS Lothian and Public Health Scotland, Scottish Learning Disabilities Observatory

39. The Scottish Government recognises the importance of addressing inequalities in mental health, but the impact of its commitments is not always clear:

- Its Mental Health Strategy 2017–2027 highlights the importance of taking a human rights-based approach (HRBA) to the actions set out in the strategy and improving access to mental health services for people most in need. But the Scottish Government is not clear about how it will adopt a HRBA in practice. For example, there is limited reference to incorporating the voices of lived experience throughout the commitments in the strategy.
- Its Mental Health Transition and Recovery Plan (MHTRP), published in October 2020, aims to tackle inequalities through actions targeting employment, socio-economic inequalities and women and girls' mental health.³⁷ However, the plan did not outline timescales for all the actions and the Scottish Government has not carried out a review of progress towards meeting the plan's objectives.

40. In 2021/22 the Scottish Government allocated £21 million, through the Communities Mental Health and Wellbeing Fund (CMHWF), to support some of the aims of the MHTRP. Third Sector Interfaces were responsible for distributing this funding. One of the key aims of the CMHWF is to prioritise 'at risk' groups, such as women, adults with a long-term health condition or disability and people facing socio-economic disadvantage. The Scottish Government allocated a further £15 million for 2022/23 and £15 million for 2023/24.

41. The Scottish Government has made good progress in considering mental health equalities and human rights in policy and practice:

- It established a Mental Health Equalities Forum in February 2021, which aimed to ensure that equality and human rights are a central part of mental health policy and provision of services. The forum has contributed to key pieces of work, such as the CMHWF.
- It also developed internal equality champions in its **Mental Health Directorate** to raise awareness of mental health inequalities. It has not yet, however, shown that mental health inequalities are being considered enough outside of the Mental Health Directorate.



The Scottish Government's Mental Health Directorate leads on mental health policy and on delivering the Scottish Government's commitments relating to mental health.

The social factors that lead to poor mental health must be addressed to decrease mental health inequalities

42. Mental health services cannot address mental health inequalities alone. They need to work more closely with other sectors, such as housing, employment, and welfare support, to address and prevent the causes of poor mental health. To do this effectively, these sectors need to develop shared goals and targets, share data and information, and

jointly fund services. This work should be informed by people with lived experience of mental health issues and the third sector.

'People develop addictions or mental health issues because of unemployment or poverty or other social issues. It's important to recognise the more holistic influences on our mental, emotional, and physical health and wellbeing and start to address them properly.'

Focus group participant

43. Primary care services have an important role to play. It is vital that work to increase MHWPCS ([paragraphs 27–33](#)) involves considering how these services will work jointly with other sectors to provide holistic, person-centred support. Scotland could also learn from good practice around the world, such as the person-centred model used in Trieste, Italy ([Case study 2, page 26](#)).

44. The Scottish Government and COSLA recognise the need for a more collaborative approach. In June 2023, they signed up to a new agreement that aims to support better joint working.³⁸ It sets out how the Scottish Government and councils will work together, including by focusing on achieving better outcomes, collaborating as early as possible on relevant policy areas and increasing the flexibility of how funding can be spent on local priorities. This agreement has the potential to enable a more joined-up approach in areas such as mental health, but it is too soon to see how well this will work in practice.

Case study 2.

Trieste model of mental healthcare

The Trieste model provides timely, person-centred and holistic mental healthcare.

The public, community-based mental healthcare system in Trieste, Italy, takes a person-centred, human rights-based approach to care. It has been recognised by the World Health Organization as an example of best practice.^{39 40}

The main point of entry into mental health services in Trieste is through a network of community mental health centres (CMHCs). They operate 24 hours a day and provide holistic, comprehensive mental health support for anyone who asks for it. There are no waiting lists and no referral criteria – anyone can access this support.

CMHCs provide services including walk-in clinics, home treatment, day care, psychological and social support, medication, overnight crisis care, rehabilitation services and residential services including supported housing. Use of inpatient care is very low, people are supported in their own homes and neighbourhoods as much as possible.

The Trieste model recognises the value of including people in daily activities in their communities and of interpersonal relationships. CMHCs have links with other services, community organisations and peer and social networks, and connect people with education and employment opportunities and recreational activities.

Each person using a CMHC is assigned a small multidisciplinary group of staff responsible for their care and support. Services are provided by a range of professionals, including psychiatrists, psychologists, social workers and nurses, and involve family members, friends, volunteers, and local organisations.

People are actively involved in their own care. They help to develop personalised care plans, which consider a wide range of needs, not only clinical needs, including housing support, personal hygiene, finances and work.

The model has improved user satisfaction and health outcomes for people with mental health conditions. Suicide rates and involuntary admissions have fallen, and stigma about mental health has decreased. The CMHC network is also significantly cheaper than the service provided before, costing just 37 per cent of the cost of the asylum it replaced.

Source: Audit Scotland and the World Health Organization



2. Progress towards improving mental health services

Waiting times for psychological therapies have improved but NHS boards are still struggling to meet waiting times standards

45. Scotland's performance against the national waiting times standard for patients referred to psychological therapies being seen within 18 weeks has improved from 76.5 per cent to 80.8 per cent between 2017/18 and 2022/23 ([Exhibit 5, page 28](#)). But it remains below the standard of 90 per cent. Despite an overall improvement in performance, the number of people who waited over a year to start treatment more than doubled from 1,171 people in 2017/18 to 2,742 in 2022/23. Numbers steadily increased from 2017/18, peaking in 2020/21, during the pandemic, at 3,837 people.

46. The proportion of people who waited over a year to start psychological therapies varies considerably between NHS boards. In 2022/23, 17.6 per cent of patients waited over a year in NHS Forth Valley, compared with zero per cent in NHS Lanarkshire and NHS Orkney.

'It's almost like you have to predict when you're going to be ill. If you go to your GP and ask to be referred for something like talking therapies, you need help at that point not two years later.'

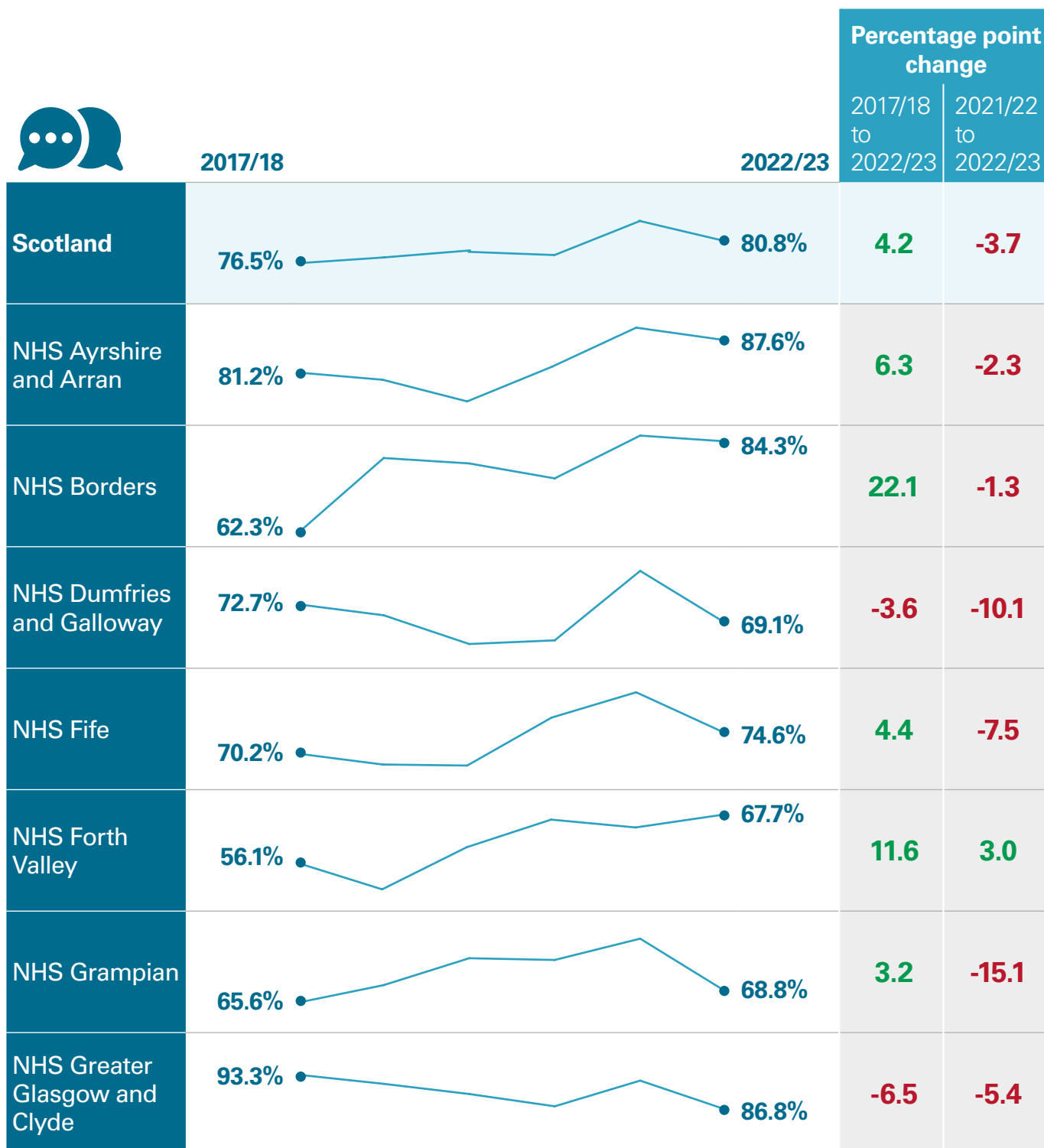
Focus group participant

47. The Scottish Government has been providing support to NHS boards to help them meet the psychological therapies waiting times standards, particularly to help them address long waits. It identified four NHS boards in spring 2022 in need of tailored support: NHS Forth Valley, NHS Grampian, NHS Highland and NHS Lothian. The Scottish Government told us that the tailored support for the identified boards had started but work in Grampian was delayed because of a vacant position of director of psychology ([Case study 3, page 30](#)).

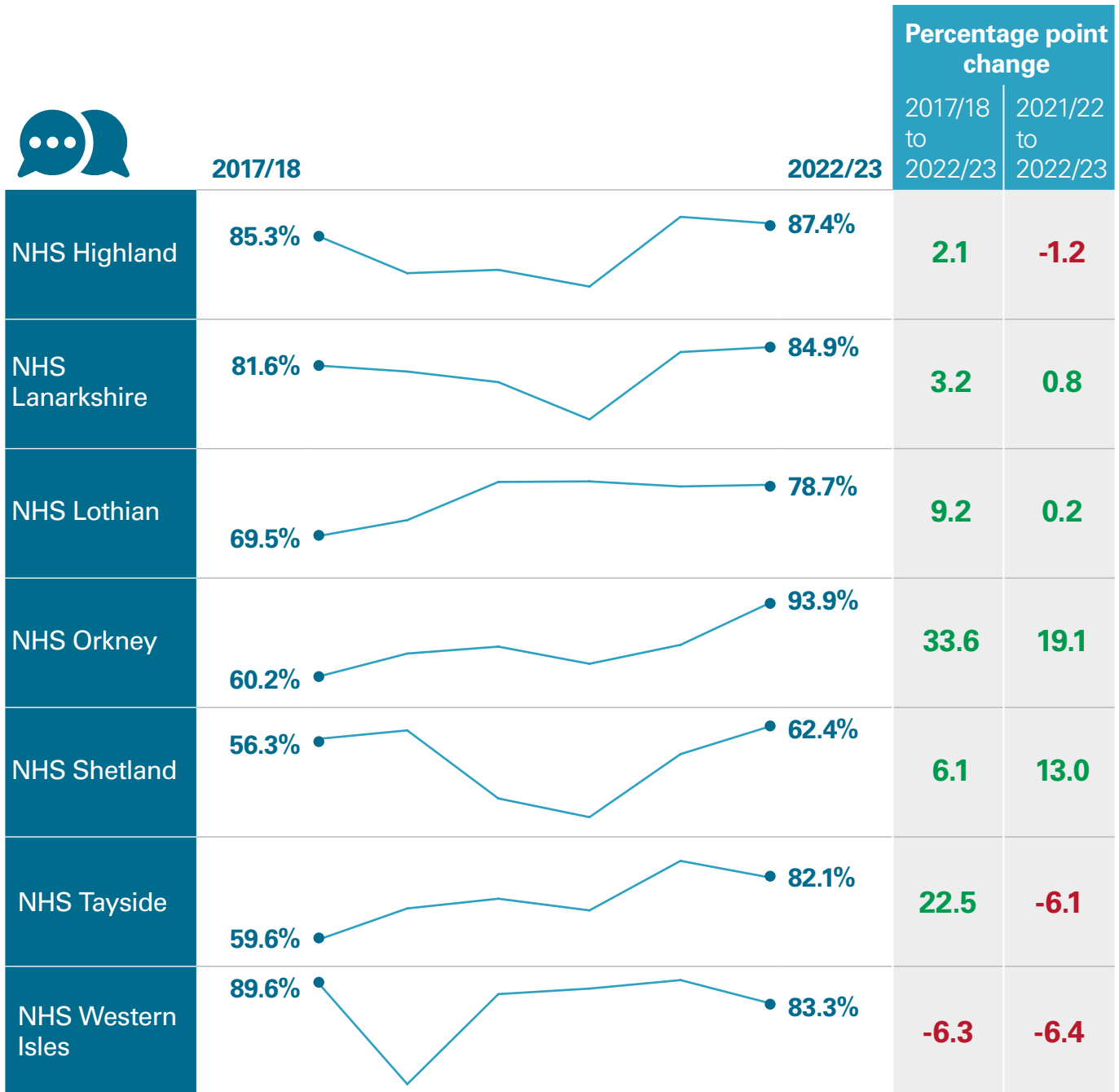
Exhibit 5.

Psychological therapies waiting times performance: percentage of patients seen within 18 weeks 2017/18–2022/23

Most NHS boards have improved their waiting times performance since 2017/18 but are still struggling to reach the 90 per cent standard.



Cont.



Note: From April 2019 NHS Ayrshire and Arran has been reporting on only psychological therapies as defined by Public Health Scotland, with wider services included before April 2019. NHS Greater Glasgow and Clyde, NHS Orkney and NHS Tayside did not submit all data for every month in 2017. The full list of data quality issues can be found in Public Health Scotland's Psychological Therapies Waiting Times data quality publication (June 2023).

Source: Audit Scotland and Public Health Scotland

Case study 3.

Grampian's psychological therapies performance

A review of psychological services across Grampian was delayed, but improvement work is now under way.

Grampian's performance against the psychological therapies waiting times standard has improved slightly, from 65.6 per cent of people being seen within 18 weeks in 2017/18 to 68.8 per cent in 2022/23. This is still lower than the Scottish average. Like in many other board areas, the number of people experiencing long waits in NHS Grampian increased between 2017/18 and 2022/23. In 2017/18, 25 people waited more than a year to be seen, increasing to 181 in 2022/23. Grampian has since made good progress with reducing long waits throughout 2023.

A review of psychological services was delayed because the director of psychology position was vacant for two years, but this work has now started. The position has now been filled on an interim and part-time basis. The director of psychology from NHS Lothian is supporting the NHS Grampian interim director.

NHS Grampian established a Psychological Therapies Improvement Board in September 2022 to monitor progress with Grampian's psychological therapies improvement plan. The plan identified actions that needed to be taken to meet the national waiting times standard for psychological therapies, with a particular focus on addressing long waits. The plan highlighted several risks to achieving the waiting times standard, including demand pressures and recruitment and retention challenges, particularly for clinical psychologist posts.

NHS Grampian also faced issues with the quality of its psychological therapies data. For instance, some areas were not entering details of psychological therapies appointments into the waiting times data set. NHS Grampian has been working to improve the quality of the data. For instance, it is rolling out a new system for recording and reporting activity data. It expects to complete this rollout by 2024. This will improve the reliability of the data and make it possible to monitor other things, such as length of treatment.

Source: Audit Scotland, Public Health Scotland and NHS Grampian



The Scottish Government does not measure the quality of mental healthcare or the outcomes for people receiving it

48. The Scottish Government does not measure the quality of services or outcomes for people receiving mental healthcare. For instance, it does not track whether services or interventions improve people's mental health and wellbeing. There are some examples of local services measuring mental health outcomes, but this is not happening routinely across Scotland:

- Aberdeenshire's Mental Health Improvement and Wellbeing service uses a tool to assess progress in outcome measures including patients' lifestyle, family and friends and feeling positive, following targeted work with a community link worker.
- Lanarkshire's Assessment Plus service uses clinical outcome measures, such as level of psychological distress, before and after the patient receives support from an assistant psychologist for up to four sessions. An internal evaluation found that it was effective in improving patients' symptoms.

49. Scotland can learn from performance measures used elsewhere. For instance, NHS England uses a 'recovery rate' to assess a person's experience of anxiety or depression after a talking therapy service, with the target that a minimum of 50 per cent of people who complete a course of treatment should recover.⁴¹

The Scottish Government lacks sufficient oversight of most adult mental health services

50. The Scottish Government does not have sufficient oversight of most adult mental health services because of a lack of information. The only national performance measure of adult mental health services is waiting times for psychological therapies. This means that insufficient focus is given to the wide range of mental health support and services that people with mental health problems rely on.

51. The Scottish Government recognises that psychological therapies waiting times do not provide sufficient information to assess how well adult mental health services are performing. It has been working to improve the way performance is measured and to improve the experiences of and outcomes for people accessing psychological therapies and secondary mental health services. To do this, it is developing the following:

- **National specification for psychological therapies and interventions (psychological therapies specification)** – this aims to ensure that people who use these services receive the right information, care and support, at the right time, with the

individual being involved in decisions. Measuring the quality of services is a key aim of the specification.

- **Quality standards for adult secondary mental health services** – these aim to ensure that secondary mental health services meet the needs of everyone. The standards are focused on key themes including access to services; assessment, care planning, treatment, and support; moving between and out of services; workforce; and governance and accountability, that is, the way services are managed and who is accountable for this.

52. The psychological therapies specification and the quality standards are expected to be published in autumn 2023. The Scottish Government must work with NHS boards and HSCPs to embed these and start routinely publishing data on their impact on patients' outcomes.

53. These pieces of work have the potential to improve transparency about how psychological therapies and secondary mental health services are performing. The Scottish Government must also improve its oversight of mental health support provided in primary care ([paragraph 30](#)) and by the third sector.

Limited information about the performance of mental health services affects the extent to which IJBs are held accountable

54. The Scottish Government's lack of oversight of most adult mental health services means that there is limited transparency and accountability nationally for how they are performing. Even for psychological therapies services, where more performance information is available than for most adult mental health services, the Scottish Government does not attribute accountability to the appropriate bodies. The Scottish Government holds NHS boards accountable, even though IJBs are responsible for planning, funding and overseeing the provision of these services, and operationally they are managed by HSCPs. For instance:

- Public Health Scotland publishes psychological therapies data by NHS board area, meaning IJBs are not held publicly accountable for psychological therapies waiting times performance
- the Scottish Government identified NHS board areas for tailored support, rather than IJB areas, that were struggling to meet waiting times standards
- the Scottish Government provided funding so that all NHS boards could have a director of psychology who is professionally responsible for psychological therapies services.

55. The Scottish Government should work with NHS boards and IJBs to improve accountability arrangements, by scrutinising services

performance at the appropriate level, and publishing performance data of mental health services, including psychological therapies waiting times, at HSCP level as well as NHS board level. This would:

- allow people to see how mental health services in their local area are performing, making it easier to hold IJBs to account
- make it easier to identify where additional support and resources are needed the most, for example if one HSCP area has consistently higher waiting times than others.

Adult mental health services are fragmented, making it more difficult to develop person-centred services

56. Multiple organisations are involved in planning, funding and providing adult mental health services, including IJBs, HSCPs, NHS boards, councils and third sector organisations. Challenges that arise from this fragmented structure, including issues with information sharing and complicated governance and approval processes, make it more difficult to develop and provide person-centred services.

57. The arrangements for managing and providing adult mental health services in our in-depth fieldwork sites vary, but we identified some common challenges. Some of these challenges are not specific to mental health services. For example, representatives across our in-depth fieldwork sites told us the following:

- The roles and responsibilities of health and social care partners are not always clearly distinct. This means that there is a lot of duplicate reporting through different governance and approval routes, which is inefficient, delays improvement projects, and delays patients' access to appropriate support.
- Sharing data and information between health and social care partners is a barrier and can cause significant delays to improvement projects in some areas. Problems arise when health and social care partners use different IT systems that are incompatible with each other. This makes truly integrated working more difficult.

58. Sharing data is a long-standing problem. In our 2018 report, [Health and social care integration: Update on progress](#), we recommended that the Scottish Government address problems with data and information sharing, recognising that national solutions are needed. The Scottish Government has planned improvements as part of the development of the National Care Service, but these improvements will take several years to implement.

59. [Case study 4 \(page 34\)](#) summarises the progress made in Tayside since an independent inquiry into mental health services identified issues across a range of themes, including complex and unclear governance arrangements and challenging relationships between partners.

Case study 4.

Independent inquiry into mental health services at NHS Tayside

Complex governance arrangements and challenging relationships between partners were identified in the independent inquiry of NHS Tayside’s mental health services.

In September 2018, NHS Tayside commissioned an independent inquiry into mental health services, following widespread concerns raised in the Scottish Parliament in May 2018 regarding the accessibility, safety and standard of Tayside’s mental health services. In February 2020, the independent inquiry published its final report, which made 51 recommendations across five themes:

- **Strategic service design** – services had focused on inpatient services and short-term issues, to the detriment of wider community services, and less priority had been given to early intervention and prevention.
- **Clarity of governance and leadership responsibility** – governance arrangements for the planning and provision of services were complex and unclear.
- **Engaging with people** – staff, including in the third sector, and patients and carers felt that they were not listened to or respected.
- **Learning culture** – there was a culture of blaming and attributing fault rather than fostering a supportive environment for staff.
- **Communication** – trust between partners, staff, patients, families, carers and communities had broken down.

In October 2021, the Scottish Government appointed an independent oversight and assurance group to assess the progress towards addressing the issues that were identified. The group’s final report, published in January 2023, found that good progress had been made in some areas. It noted significant changes to the leadership of mental health services, with a new integrated leadership group that is working well.

In addition, it found that reviewing and revising the three integration schemes across Tayside improved the clarity of health and social care partners’ roles and responsibilities for mental health services. The planning and commissioning for inpatient mental health services is delegated to the three IJBs, and one IJB has taken a leading role in coordinating this across Tayside.

The report also outlined areas where little progress had been made, including an urgent need to improve governance and public performance reporting, and to develop greater trust with communities.

Source: Audit Scotland, The Independent Inquiry into Mental Health Services in Tayside and the Independent Oversight and Assurance Group on Tayside’s Mental Health Services



The Scottish Government's progress towards implementing its Mental Health Strategy 2017–2027 is mixed

60. The Scottish Government's Mental Health Strategy 2017–2027, published in March 2017, aims to 'prevent and treat mental health problems with the same commitment, passion and drive as we do with physical health problems'. Of the 40 actions in the strategy, 25 relate to adult mental health.

61. The strategy has a clear ambition but the intended outcomes of most of the strategy's actions are not clear. For instance, actions that commit funding or support do not make it clear what impact this funding or support is intended to have. Many actions do not include planned completion dates, which makes it difficult to assess whether the Scottish Government is on track to achieve them.

62. The Scottish Government has published three progress reports, the second of which was published in November 2019, just before the start of the Covid-19 pandemic. At this time, the Scottish Government reported that nine of the 25 actions relating to adult mental health had been completed. The Scottish Government is not clear in these progress reports about the impact of completing many of these actions or how they have contributed to achieving the overarching aim of the strategy. For instance:

- **Action 15: Increase the workforce to give access to dedicated mental health professionals to all A&Es, all GP practices, every police station custody suite, and to prisons. Over the next five years increasing additional investment to £35 million for 800 additional mental health workers in those key settings.** By April 2022, 958.9 whole time equivalent (WTE) staff were recruited using Action 15 funding, exceeding its target. The Scottish Government is not, however, able to demonstrate that this has achieved the ambition of giving all A&Es, every police custody suite, and prisons, access to dedicated mental health staff. It did not achieve the aim in relation to all GP practices. In March 2022, 22 per cent of GP practices in Scotland had no access to mental health workers.⁴²
- **Action 29: Work with partners who provide smoking cessation programmes to target those programmes towards people with mental health problems.** Guidance, developed by Action on Smoking and Health (Scotland), was issued to all NHS boards, and training was being provided for staff. Progress reports do not make clear what difference this has made to the number of people with mental health problems who smoke.

- **Action 38: Develop a quality indicator profile in mental health which will include measures across six quality dimensions – person-centred, safe, effective, efficient, equitable and timely.** The quality indicator profile was launched in 2018. The second progress report committed to regularly report on all 30 quality indicators by January 2021. In the latest release in April 2023 however, just 19 indicators were published, and just 12 of those included updated data. The publication is marked as experimental and there are several data quality problems. It is not clear when these indicators will be sufficiently robust and regularly reported.

63. In some cases, the Scottish Government has gone further than its commitments in the 2017–2027 strategy. For instance, the Scottish Government has made a lot of progress in improving perinatal mental health services across Scotland ([Case study 5, page 37](#)).

64. The Covid-19 pandemic affected the progress and priorities of the strategy. The Scottish Government published its MHTRP in October 2020. This included more than 100 actions, including updated outstanding actions from the 2017–2027 strategy. It is not clear what progress has been made towards the commitments in the MHTRP ([paragraph 39](#)). In its third progress report, published in March 2021, the Scottish Government outlined five actions from the 2017–2027 strategy that it continued to prioritise during the pandemic. Three of these relate to adult mental health.

Case study 5.

Perinatal and infant mental health

Access to perinatal and infant mental health support has improved since 2019.

Perinatal mental health problems are very common and include a wide range of conditions, from postnatal depression to postnatal psychosis. They are estimated to affect up to one in five mothers, and one in ten fathers. Ten to 22 per cent of babies and young children are also estimated to experience mental health problems.

In March 2019, the Scottish Government committed £50 million, across four years, to improve perinatal and infant mental health services in Scotland. The Perinatal and Infant Mental Health Programme Board was established to oversee and manage this investment until 2023.

By December 2022, over £18 million had been allocated to fund 23 new perinatal and infant mental health services and expand four existing services. A further 11 services were in development. The Scottish Government has not published information on the remaining £32 million. From 2023, NHS boards will receive £8 million in recurring funding for these services.

In October 2020, the Scottish Government launched the Perinatal and Infant Mental Health (PIMH) fund. This fund provided 34 charities with a total of £2.5 million to provide one-to-one and group-based support to parents, carers, and new babies between October 2020 and March 2023. An additional £1 million has been committed for 2023/24. Feedback from Inspiring Scotland from early 2022 showed that the PIMH fund is helping charities make a difference in people's lives:

- 5,444 people have been supported
- 86 per cent of people said that they were less isolated
- 77 per cent of people felt better able to meet the needs of their infants and children
- 80 per cent of parents and carers received information or training about building a warm relationship with their infants.

Although the availability of perinatal and infant mental healthcare has improved across Scotland, a 2023 report from the Maternal Mental Health Alliance found that only two out of 14 boards currently meet UK-wide quality standards for specialist perinatal mental healthcare. Since the Programme Board formally ended in March 2023, it is unclear how future service improvements will be monitored.

Source: Audit Scotland, Scottish Government, Inspiring Scotland, and the Maternal Mental Health Alliance

3. How well resources for adult mental health are managed

Adult mental health spending has increased since 2017/18

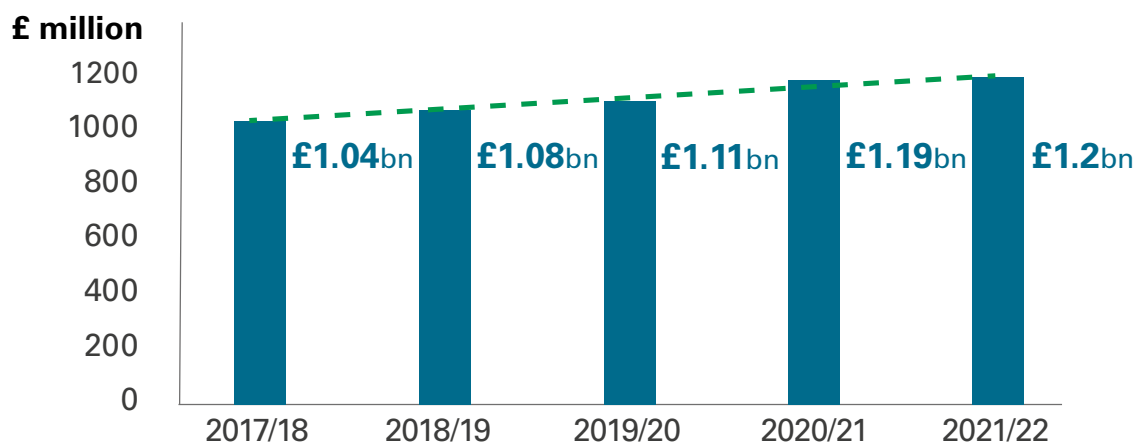
65. In 2021/22, NHS boards reported that they spent £1.2 billion on adult mental health services, a 16 per cent increase in real terms since 2017/18 [Exhibit 6](#).⁴³ In 2021/22, councils reported that they spent £224.7 million on adult mental health services, a 14 per cent increase in real terms since 2017/18.

66. These figures do not include spending by NHS 24 and SAS. NHS 24 recorded that it spent £10.8 million in 2022/23, a 472 per cent increase since 2017/18 in real terms.⁴⁴ SAS recorded that it spent £570,877 in 2021/22, a 253 per cent increase since 2019/20 in real terms.⁴⁵ NHS 24 and SAS spending on mental health has increased significantly in recent years because they have expanded the mental health services that they provide. The estimated cost to policing of incidents relating to mental health in Scotland is £14.6 million per year.⁴⁶

Exhibit 6.

NHS boards spending on adult mental health services 2017/18–2021/22

Spending on adult mental health services has increased in real terms.



Note: A small proportion of the totals presented include spending on children and young people's mental health; information is not available to split this spending between child and adult services. Spending data for clinical psychology is not available for 2020/21 and 2021/22, so is not included in totals for those years. This accounted for five per cent of total spending in 2019/20.

Source: Audit Scotland and Public Health Scotland

67. The Scottish Government has set the target that, by 2026, ten per cent of front-line health spending by NHS boards should be on mental health services ([paragraph 92](#)). In their 2023/24 Annual Delivery Plans, NHS boards were required to include their current percentage of frontline spending on mental health, and their planned trajectory towards the ten per cent target. However, NHS boards highlighted challenges in completing this work. For instance, the Scottish Government did not define front-line spending and mental health spending in guidance to NHS boards, so boards were not clear about what spending should be included. Further work is therefore taking place to collect and collate the information from NHS boards.

Limited data and inconsistency in how spending is categorised make it difficult to track spending on adult mental health

68. Long-standing issues with the availability, consistency and quality of data make it difficult to track spending on adult mental health. For instance, there is variation in the way that mental health spending is reported, and detailed spending data has not been available since 2019/20 because of pressures caused by the Covid-19 pandemic. These issues need to be addressed. More detail about these issues can be found in [Appendix 2](#).

69. Public Health Scotland should include spending by all services that provide adult mental healthcare in its reporting of NHS spending on adult mental health. This should include spending on clinical psychology and spending by NHS 24 and SAS. This will enable the Scottish Government to report more accurately on progress towards meeting its commitment to increase spending on mental health.

‘There’s all this information about X amount of money has been allocated to whatever service it is, and it sounds like an astronomical figure and yet you wonder how that money is spent and where that money goes, and what accountability there is for those spending decisions.’

Focus group participant

The Scottish Government has significantly increased funding for mental health and wellbeing

70. Between 2017/18 and 2023/24, the Scottish Government’s Mental Health Directorate budget increased significantly, from £63.6 million to £290.2 million, a 356 per cent increase in real terms ([Exhibit 7, page 40](#)). This budget is used to fund national programmes and commitments, such as the Scottish Mental Health Law Review and the Mental Health Recovery and Renewal Fund.

71. The Scottish Government allocated £120 million Recovery and Renewal funding in 2021/22 to support the commitments in the MHTRP. Examples of this include:

- £21 million for supporting community mental health and wellbeing through the CMHWF ([paragraph 40](#))
- £9 million for psychological therapies
- £4.5 million for emergency Covid funding for eating disorders
- £1.5 million for mental health and wellbeing services in primary care.

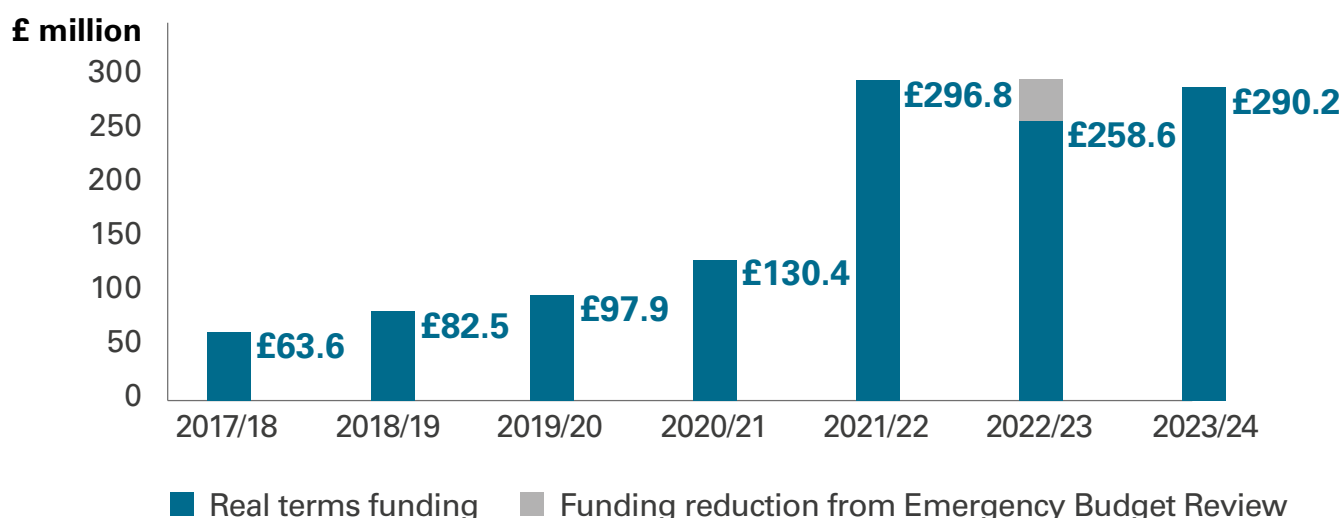
72. Initially, this funding was provided on a one-off basis. This made it difficult to fill vacancies as many positions were available only on a fixed-term basis, which can be less desirable to applicants. The funding has now been incorporated into the recurring mental health budget and represents a significant increase in overall funding for mental health.

73. In November 2022, the Scottish Government announced a £38 million reduction in its Mental Health Directorate’s budget for 2022/23 as part of the EBR ([paragraph 32](#)). This means that the budget was 13 per cent lower, in real terms, than in 2021/22. The Scottish Government is considering the implications of these funding cuts on work to achieve waiting times standards, and on progressing the commitments within the new mental health strategy.

Exhibit 7.

The Scottish Government’s Mental Health Directorate budget 2017/18–2023/24 in real terms

The Scottish Government’s Mental Health Directorate budget has increased substantially.



Note: Mental health funding reduced by £39 million in real terms in 2022/23 (£38 million in cash terms) as part of the emergency budget review.

Source: Audit Scotland and Scottish Government

Spending on medicines used for mental health has decreased over the last five years

74. NHS boards report on five types of medicines that are used to treat mental health problems. These are hypnotics and anxiolytics; drugs used in psychosis and related disorders; anti-depressant drugs; drugs for attention deficit hyperactivity disorder; and drugs for dementia.⁴⁷ Spending on mental health prescribing should be interpreted with caution, as medicines used for mental health problems can also be used to treat other conditions.

75. Spending on mental health medicines within the community fell in real terms from £117.7 million in 2017/18 to £90.4 million in 2021/22.^{48 49} More items were dispensed in 2021/22, meaning that the fall in spending was caused by a decrease in the cost of these medicines. For instance, the cost per item for antipsychotics and related drugs was significantly higher in 2017/18 because of shortages of these medicines. Anti-depressants account for 43 per cent of total spending on mental health prescribing, a total of £38.8 million in 2021/22.

Recruitment difficulties and high vacancy and turnover rates are putting pressure on the mental health workforce

76. Between 2017 and 2023, the WTE workforce increased for mental health nursing and psychological services roles, but the number of WTE general psychiatrists decreased ([Exhibit 8, page 42](#)). In addition, the estimated shortfall in WTE mental health officers (MHO) doubled between 2017 and 2021.⁵⁰

77. Pressure on staff is increasing because of high vacancy and turnover rates and difficulties in filling vacancies [Exhibit 8](#). Recent decreases in vacancies are only partly explained by increases in the number of WTE employed. NHS boards are having to compete with one another to recruit people for these roles. For example, there is a national shortage of psychologists and vacancies for general psychiatry consultants are the highest of all medical and dental consultant roles in Scotland. The Royal College of Psychiatrists also raised concerns that most NHS boards rely on locums who are not consultants to fill vacant consultant psychiatry posts.

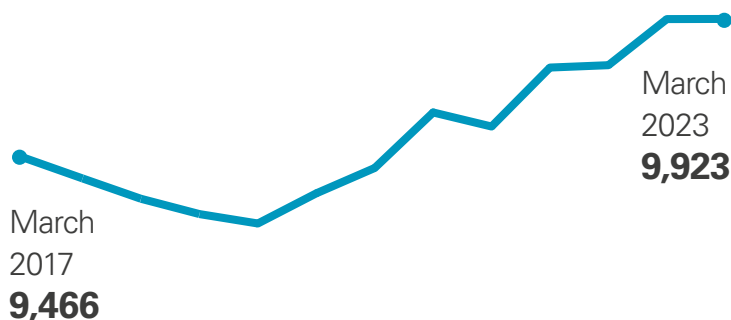
78. Vacancies for mental health nurses have more than doubled between March 2017 and March 2023, and the turnover rate has reached a record high. The Scottish Government told us that not enough students are coming into mental health nursing despite an increase in funded places. The third sector also plays an important role in providing mental health services, but short-term funding and contracts affects their ability to recruit and retain staff.⁵¹

Exhibit 8.

The mental health workforce: March 2017 – March 2023

The mental health nursing and psychological services workforce has grown since March 2017, but so have the number of vacancies.

Mental Health Nursing Staff (WTE)



8%

Vacancy Rate

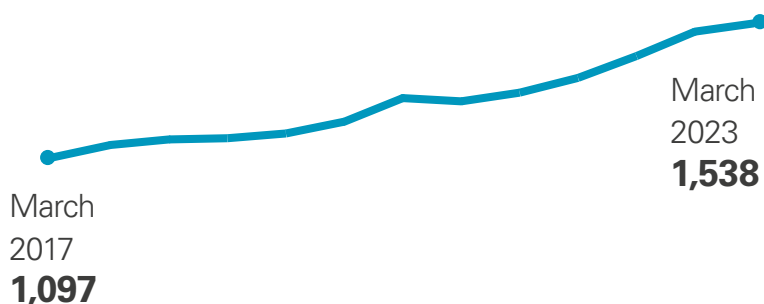
12%

Turnover Rate

Vacancies (WTE)



Psychological Services Staff (WTE)



9%

Vacancy Rate

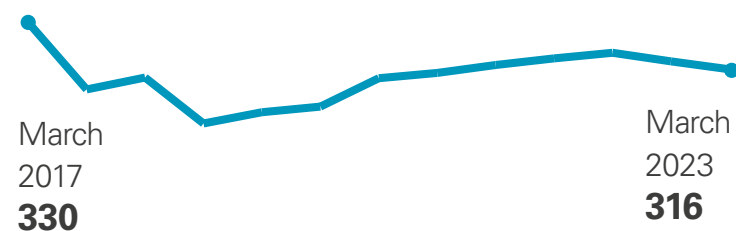
10%

Turnover Rate

Vacancies (WTE)



General Psychiatrists (WTE)



9.5%

Vacancy Rate

9%

Turnover Rate

Vacancies (WTE)



Note: Data collection of nursing and midwifery and consultant vacancies was disrupted during the Covid-19 pandemic. Some data providers were not able to supply this data, therefore figures for mental health nursing and general psychiatrists will be under-reported.

Source: Audit Scotland and NHS Education for Scotland (NES)

79. The workforce plans of our in-depth fieldwork sites reflect these pressures. Borders is having difficulty recruiting to psychiatry posts and is relying on locums to fill gaps.⁵² Grampian is relying on locums to provide inpatient mental health services, and its spending on agency mental health nurses has increased.⁵³ Lanarkshire has concerns about its ability to recruit to psychiatry, psychology and mental health nursing posts.⁵⁴ It has also struggled to recruit nursing and dietetics staff to offer specialist treatment for adults with eating disorders.

80. The Scottish Government has not made progress with its commitment to help councils to address the shortfall in MHO capacity.⁵⁵ From 2019 to 2022, the Scottish Government provided £1.89 million in funding to councils to train an additional 47 WTE MHOs. In 2021/22, a further £2.78 million was allocated to increase available MHO capacity by 53 WTE. Despite additional funding, the estimated shortfall grew. The Scottish Government has allocated a further £3.71 million in 2022/23 to address the shortfall.

Some progress has been made with investing in innovative workforce roles

81. Since 2017, the Scottish Government has made progress towards reforming mental health services by investing in new mental health workforce roles. These new roles include:

- enhanced psychological practitioners, who are trained on a six-month graduate-level course to provide psychological interventions for mild to moderate mental health difficulties
- trained DBI staff from the third sector, who provide timely and efficient help for people experiencing distress
[\(Case study 1, page 21\)](#)
- psychological wellbeing practitioners, who provide telephone-based support at the NHS 24 111 Mental Health Hub
- community link workers, who help patients to access a range of local, non-clinical services in the community to get support for issues that affect their mental health or wellbeing (for example financial or housing issues).

82. Our in-depth fieldwork sites are also introducing innovative workforce roles that could improve the way services are provided. Borders is introducing advanced nurse mental health practitioners and has already introduced peer support workers with lived experience of mental health problems. Aberdeen City has introduced a wellbeing practitioner as part of its GP practice-based mental health and wellbeing service and wants to expand this role further. Lanarkshire is planning to develop a remote psychological therapies team to help address difficulties with recruitment. It is too soon to be able to assess what impact these roles are having.

Gaps in mental health workforce data limit the ability to effectively plan future workforce needs

83. Data on the mental health workforce in Scotland is fragmented and limited to only some roles providing mental healthcare. For instance, data on the mental health workforce in primary care, community mental health teams and the third sector is not routinely collected.

84. The Scottish Government commissioned the NHS Benchmarking Network to establish a baseline position on the composition of Scotland's adult mental health workforce. This one-off piece of work found that, in March 2021, 12,351 WTE mental health staff were working across Scotland's 14 regional NHS boards. This includes staff in adult mental health inpatient services, adult community mental health services and psychological services. It does not include staff working in primary care and Child and Adolescent Mental Health Services.⁵⁶

85. The Scottish Government has asked NHS Education for Scotland (NES) to develop a dedicated NHS mental health workforce statistical publication. This would cover all staff involved in providing mental healthcare across the NHS, including primary care staff. NES would then look into ways of collecting and publishing data on mental health staff in social care and the third sector.

86. This work would significantly improve the information available on, and understanding of, the mental health workforce in Scotland, enabling more effective planning and monitoring. The NHS statistical publication was originally expected to be completed in 2023 but has been delayed. The Scottish Government has not provided NES with funding for this work because of reductions in funding following the EBR. NES told us that this work, once under way, will take about two years to complete.

Workforce planning for mental health roles remains inadequate

87. Workforce planning for mental health roles has not improved since the publication of the Mental Health Strategy in 2017. The Scottish Government and COSLA's Integrated Workforce Plan for Health and Social Care (2019) only includes modelling for how demand for MHOs and clinical psychologists is likely to grow.⁵⁷ But this modelling is flawed:

- It does not consider the difference between the time available for MHO work by exclusive MHOs, who work on only MHO duties, and by non-exclusive MHOs, who have other social work duties. This means that the number of WTE MHOs needed to meet shortfalls is likely to be significantly greater than predicted in the plan.

- For clinical psychologists, it assumes an unrealistically low rate of annual growth in demand for psychological therapies, of 2.5 per cent, despite the historical trend of demand growing by an average of four per cent each year since 2013.

88. The workforce plans of our in-depth fieldwork sites do not provide clear or detailed projections of the size or composition of the mental health workforce that will be needed in the future.

89. The Scottish Government plans to publish a mental health workforce action plan setting out immediate, medium- and longer-term actions for the mental health workforce, and timeframes for achieving outcomes. Its approach to workforce planning will be based on the National Workforce Strategy for Health and Social Care in Scotland – to plan, attract, train, employ and nurture.⁵⁸

90. The Scottish Government’s mental health workforce action plan should be informed by modelling of the numbers and roles of mental health workers that will be needed across primary and secondary care and the third sector. This modelling should include estimated numbers of staff for newly created roles, such as community link workers.

4. Plans and strategic direction

The Scottish Government has made ambitious commitments, but it is not on track to achieve them

91. The Scottish Government has made ambitious commitments relating to adult mental health services. For example, it has committed to significantly increasing funding for mental health, and to ensuring that all GP practices have access to primary care mental health and wellbeing services by 2026 ([paragraphs 27–33](#)).

92. The Scottish Government has committed to increasing the Mental Health Directorate budget by 25 per cent and ensuring that ten per cent of the front-line NHS budget is spent on mental health by the end of the current parliament, in 2026.^{59 60} The Scottish Government is facing considerable financial constraints ([paragraph 96](#)), and it is not currently on track to meet these commitments:

- Before accounting for inflation, the Scottish Government’s Mental Health Directorate budget would need to reach £342 million by 2026/27. But the 2022/23 and 2023/24 budgets are lower than it projected would be needed to meet this target.
- The Scottish Government’s own projections showed that mental health spending would decrease as a proportion of front-line NHS spending by 2026, from 9.8 per cent in 2021/22 to nine per cent in 2026/27.

93. The Scottish Government and COSLA published a new, joint, mental health and wellbeing strategy in late June 2023. The strategy outlines its vision ‘of a Scotland, free from stigma and inequality, where everyone fulfils their right to achieve the best mental health and wellbeing possible’.⁶¹ The strategy being published jointly is a positive and promising development. It recognises the importance of a whole-system approach to supporting mental health and wellbeing and provides a foundation for better joint working.

94. The strategy sets out high-level outcomes and priorities to support the delivery of its vision. But there is no detail in the strategy about how and when the priorities will be achieved. The Scottish Government plans to publish a delivery plan and mental health workforce plan to set out this detail. These documents are not expected to be published until autumn 2023.

95. In these documents, the Scottish Government needs to be transparent and realistic about what it can achieve, particularly given that the Scottish Government, IJBs, NHS boards and councils are facing increasingly tight budgets. The messages in our [NHS in Scotland 2022](#) report and [Local government in Scotland overview 2023](#) were similar, and our [Integration Joint Boards financial analysis 2021/22](#) report also outlined the financial challenges that IJBs are facing.

96. Our briefing paper, [Scotland's public finances: challenges and risks](#), reported that the Scottish Government will face difficult choices setting the 2023/24 budget. It highlights that a balance must be struck between short-term necessities and longer-term priorities. It also states that the Scottish Government will need to revisit its priorities if the economic and fiscal conditions worsen.

The lack of comprehensive, good-quality financial, workforce and operational data makes it difficult for the Scottish Government and others to make informed decisions about priorities

97. In this report, we have highlighted the impact of limited or poor-quality financial, workforce and operational data. The Scottish Government should work with health and social care partners and the third sector to address this, to enable it to make informed decisions about priorities. This will allow the Scottish Government to effectively monitor its progress against the commitments in its new strategy. Improvement work should focus on demonstrating how it is measuring and monitoring:

- the quality of mental health services and patient outcomes
- what difference investment is making to patient outcomes
- how much is being invested in preventative programmes of work and the impact of this on demand for mental health and wellbeing support.

98. The Scottish Government and health and social care partners should learn from NHS England, which publishes more detailed information on mental health services regularly. Although data quality and completeness are still problems that NHS England needs to address, information is now routinely published on service activity and performance, spending and inequalities.⁶² For example, NHS England publishes a mental health dashboard that covers:

- access to, and associated spending on, a range of mental health services, including talking therapies, perinatal mental health services, crisis and acute care, and uptake of physical health checks
- a recovery rate for patients accessing talking therapies ([paragraph 49](#)) which demonstrates the proportion of people accessing this service who recover following treatment

- progress towards its commitment to increase the share of mental health spending, indicated by local spending on mental health and the proportion of areas that are meeting the commitment.

99. The Scottish Government and health and social care partners should consider how they can incorporate similar measures as part of regular reporting of activity, performance and spending on mental health services.

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- 9** GP mental health training survey summary, Mind, 2018.
- 10** Scottish Health Survey 2021 edition, Scottish Government, November 2022.
- 11** Mental Health Act monitoring report 2021-22, Mental Welfare Commission, November 2022.
- 12** Freedom of Information response, Police Scotland, February 2023.
- 13** The number of incidents relating to mental health in 2018 may be slightly higher than the number recorded because one police division only started using the reporting system from February 2018.
- 14** We won't wait – strategy 2021-24, Scottish Association for Mental Health, October 2021.
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- 16** Still forgotten? Mental health care and treatment during the coronavirus pandemic, Scottish Association for Mental Health, October 2022.
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- 36** Mental health and the cost-of-living crisis: another pandemic in the making? Mental Health Foundation, January 2023.
- 37** Mental health – Scotland’s transition and recovery, Scottish Government, October 2020.
- 38** New deal with local government – Verity House Agreement, Scottish Government, June 2023.
- 39** Guidance on community mental health services: promoting person-centred and rights-based approaches, World Health Organization, June 2021.
- 40** World mental health report: Transforming mental health for all, World Health Organization, June 2022.
- 41** A guide to IAPT data and publications, version 2.1 guidance document, NHS Digital, 2021.
- 42** Primary Care Improvement Plans – Summary of Implementation Progress at March 2022, Scottish Government, June 2022.
- 43** We refer to ‘real terms’ changes in this report. This means that we are showing financial information from past and future years at prices for the most recent year of data being presented (2021/22 and 2022/23), adjusted for inflation so that they are comparable. Real terms spending has been calculated using average gross domestic product deflators for 2020/21 and 2021/22.
- 44** A small proportion of NHS 24 spending on mental health contains spending on children and young people.
- 45** SAS spending on mental health includes some spending on child and adolescent mental health.
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Appendix 1

Audit methodology

This performance audit covers the whole system of adult mental health and wellbeing services in Scotland, including the services provided by NHS boards, HSCPs, councils and their partners. It covers:

- access to mental health and wellbeing support
- progress towards improving mental health and wellbeing services
- how well resources for mental health services are managed
- plans and strategic direction for mental health and wellbeing services.

Our findings are based on evidence from sources that include:

- the Scottish Government's Mental Health Strategy 2017–2027 and associated documents
- other relevant Scottish Government strategies, plans and internal documents
- activity and performance data published by Public Health Scotland
- workforce data published by NHS Education for Scotland
- publicly available information, including Mental Welfare Commission reports, third sector organisation reports and survey results
- interviews with stakeholders from organisations including the Scottish Government, Public Health Scotland, the Mental Welfare Commission, Royal College of General Practitioners, Royal College of Psychiatrists, NHS boards, HSCPs, the third sector and councils
- Three focus groups with people with lived experience of mental health problems, and two focus groups with community link workers.

We also carried out more in-depth fieldwork in three areas to gain a better understanding of local pressures and challenges, and to identify areas of good practice. We covered mental health and wellbeing services provided by the NHS boards, HSCPs and councils across these areas. We interviewed staff and reviewed local documentation and data. The in-depth fieldwork sites were:

- Grampian: Aberdeen City, Aberdeenshire and Moray
- Lanarkshire: North Lanarkshire and South Lanarkshire
- Scottish Borders.

Appendix 2

Problems with the quality of data reporting on mental health spending

NHS spending data

NHS spending is reported annually by Public Health Scotland, using submissions from NHS boards. The information submitted by boards and how this spending is categorised vary. Many of the categories have not been updated for many years, so no longer reflect the way that services are being provided. Submissions were much less detailed than usual in 2020/21 and 2021/22 because of pressures caused by the Covid-19 pandemic. For instance, data on spending on clinical psychology is not available for these years, which means that reported spending on adult mental health is not comparable with previous years.

Councils' spending data

The Local Financial Return (LFR) data set on social work includes spending on mental healthcare for adults aged 18-65. The Scottish Government and councils have identified problems with the quality of this data. There are no criteria for what should be included under adult mental health and councils' submissions are based on best estimates. There is possible duplication between data recorded on adult mental health and other categories, such as adults with learning disabilities. Information is also not available on how much is spent on mental healthcare for adults aged over 65 years. In 2021/22, information on specific services within the adult social care data set, including spending on adults with mental health needs, was published separately because of data quality concerns. It was recognised as less robust than the rest of the LFR.

IJB spending data

The level and detail of data on spending on adult mental health and wellbeing services in IJBs annual accounts vary across Scotland. Some IJBs record mental health within the same category as spending on other services, such as large hospital services, and addictions services. This means it is not possible to use IJB accounts information for reporting spending on adult mental health and wellbeing across Scotland.

Adult mental health



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REPORT TO: East Lothian IJB Audit & Risk Committee

MEETING DATE: 18 June 2024

BY: Interim Chief Finance Officer

SUBJECT: Risk Register – Update, Q1 2024/25

4

1 PURPOSE

1.1 This paper provides an update to the IJB's risk register.

2 RECOMMENDATIONS

2.1 The Committee is asked to:

- Note the updates made to the register since the last meeting.
- Consider if any further risks should be added to the register.

3 BACKGROUND

3.1 As a key part of its governance process the IJB maintains a risk register. This risk register examines the risks that impact on the business of the IJB itself and not the operational risks that the IJB's partners manage unless those risks are considered so significant that they could impact on the business of the IJB – that is impact on the ability of the IJB to deliver its strategic plan.

3.2 The IJB's risk register is reviewed on a regular basis along with the HSCP's risk register. The last review meeting took place on 15 May 2024.

3.3 The following changes was agreed –

Risk 5486 has now been changed from 'East Lothian Council finance department in business continuity' to 'Accurate financial forecasting'. This reflects that the ELC finance department is no longer in business continuity but there remains a challenge in forecasting the financial position within the social care commissioned services budgets. These budgets being the largest element of the overall social care budget.

A new risk (no 4018) has been added. This risk (Impact of Partner's decisions) reflects the challenges of the current financial pressures on the IJB's partners and the risks that decisions they make impact upon the IJB's financial plan.

- 3.4 There remain two risks with a rating of 20 (the highest level). These are 3924 – 'Financial Resources may be insufficient to sustain the Strategic Plan and 3925 – 'Operational Resources may be insufficient to deliver the Strategic Plan'. This is the same as the 2023/24 Q4 risk register consider by the committee at its March meeting.
- 3.5 Members are asked to consider if there are additional risks that require to be added to the register and consider if the management actions identified against these current risks provide assurance that these risks are being appropriately managed.

4 ENGAGEMENT

- 4.1 The IJB makes its papers and reports available on 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 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 affect the IJB's directions or require a new direction to be issued.

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	June 2024

Appendices

Q1 extract from the IJB's risk register.

Appendix 1- Risk Rating Matrix (DATIX)

Likelihood	Consequences / Impact				
	Negligible	Minor	Moderate	Major	Extreme
Almost Certain	Medium 5	High 10	High 15	V High 20	V High 25
Likely	Medium 4	Medium 8	High 12	High 16	V High 20
Possible	Low 3	Medium 6	Medium 9	High 12	High 15
Unlikely	Low 2	Medium 4	Medium 6	Medium 8	High 10
Rare	Low 1	Low 2	Low 3	Medium 4	Medium 5

ID	Handler	Title	Description	Controls in place	Risk level (current)	Risk level (Target)	Date Opened	Date Risk Reviewed	Review date
5486	Wilson, Fiona M	Accurate financial forecasting	There is a risk we don't get sufficient accurate financial forecasting from the systems in place. Monitoring in place while things progress over the year	1 - The Scheme of Integration 2 – Recruitment for permanent IJB CFO in progress 3 – Monthly financial reporting 4 - Attendance at Financial Overview	Medium	Medium	18/11/2022	15/05/2024	22/08/2024
5220	Wilson, Fiona M	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	This will be managed through the IJB's Strategic Planning processes. Change boards should be operating with recognition of demographic changes within the area.	High	Medium	20/08/2021	15/05/2024	22/08/2024
3924	King, David	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 sub optimal the failure to achievement of outcomes and targets. 2024/25 budget offers from partners accepted by IJB at March 2024 meeting	1. Financial assurance process carried out by IJB 2. Engagement of IJB Officers and members in NHS and Council budget setting processes 3. Regular financial monitoring reports to IJB 4. Scheme of Integration risk sharing and dispute resolution processes 5. IJB Chief Finance Officer in post 6. Strategic Planning Group in place	Very High	High	26/02/2016	15/05/2024	22/08/2024
5279	Hood, David	Impact of National Care Service Proposals	The IJB is mindful of the development of the NCS legislation and the impact this may have.		Medium	Medium	29/11/2021	15/05/2024	22/08/2024
4018	Wilson, Fiona M	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 Due to the financial position and the impact of decisions being made could have a negative impact on delivery of the strategic plan.	1. Involvement of IJB membership in the Partners' decision making process including voting members and Officers 2. Involvement in Partners' service reviews 3. Good working relationships and regular formal /informal meetings 4. Participation in MSG self-evaluation to inform improvement actions for better partnership working. 5. Attendance and participation at the NHSL Board meetings 6. Attendance and participation at governance meetings 7. Directions agreed at the IJB on 26/10/23.	High	Medium	17/06/2016	15/05/2024	22/08/2024
3925	King, David	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, Community Pharmacy, Care at Home, Care Homes, Health Visiting, Housing, acute services, MH etc leading to failure to deliver the Strategic Plan resulting in risk to patients' and clients' safety, external	1. The Strategic Plan sets out clear priorities 2. IJB directions are clear about actions required by NHS and Council 3. The Partnership Management Team is focused on ensuring adequate resources are in place for delegated functions to deliver the Strategic Plan	Very High	Medium	26/02/2016	15/05/2024	22/08/2024

REPORT TO: East Lothian IJB Audit & Risk Committee

MEETING DATE: 18 June 2024

BY: Interim Chief Finance Officer

SUBJECT: Best Value Update

5

1 PURPOSE

- 1.1 This paper updates the Committee on the IJB's duty of Best Value and the mechanism for providing assurance on the delivery of that duty.

2 RECOMMENDATIONS

- 2.1 The Committee is asked to:
- Recommend to the IJB that the IJB adopts a Best Value Framework

3 BACKGROUND

- 3.1 The IJB is constituted under s106 of the Local Government Scotland Act 2003. As such, along with all such bodies covered by this act, it has a statutory duty to secure best value.

- 3.2 These duties are:
- The duty of Best Value, being 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 the balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirements and to contribute to the achievement of sustainable development.
 - The duty to achieve break-even in trading accounts subject to mandatory disclosure.
 - The duty to observe proper accounting practices.
 - The duty to make arrangements for the reporting to the public of the outcome of the performance of functions.

The IJB has no trading accounts and this duty is not required.

- 3.3 The revised best value guidance (2020) is attached to this report for information.
- 3.4 There are seven broad themes against which the IJB can assess its compliance against its duty of best value. These are:
- 1 – Vision and Leadership
 - 2 – Governance and Accountability
 - 3 – Effective Use of Resources
 - 4 – Partnerships and Collaborative Working
 - 5 – Working with Communities
 - 6 – Sustainable Development
 - 7 – Fairness and Equality
- 3.5 Each of these themes is discussed further in the guidance which lays out, in considerable detail, both the importance of these themes and offers thoughts on how they can be delivered.
- 3.6 The IJB's Audit and Risk Committee last considered Best Value at its meeting in December 2021. This paper noted that Audit Scotland, recognising that IJBs were different in constitution from councils listed a set of prompts that IJBs could consider when assessing their delivery of best value. These were:
1. Who do you consider to be accountable for securing Best Value in the IJB?
 2. How do you receive assurance that the services supporting the delivery of the strategic plan are securing Best Value?
 3. Do you consider there to be sufficient buy-in to the IJB's longer-term vision from partner officers and members?
 4. How is value for money demonstrated in the decisions made by the IJB?
 5. Do you consider there to be a culture of continuous improvement?
 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?
 7. Have identified improvement actions been prioritised in terms of those likely to have the greatest impact?
 8. What steps are taken to ensure that quality of care and service provided is not compromised as a result of costs saving measures?
 9. Is performance information reported to the board of sufficient detail to enable value for money to be assessed?

10. How does the IJB ensure that management of resources (finances, workforce etc.) is effective and sustainable?

3.7 The IJB should now prepare a Best Value framework. This will lay out how it will show its delivery of best value in each financial year. The IJB will consider how it has performed against each of the theme laid out in 3.4 above and considering the 'prompts' in 3.6 and formally report to the audit and risk committee on an annual basis. Such a report, having been scrutinised by the committee will then be presented to the IJB.

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 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 affect the IJBs directions or require a new direction to be issued.

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	June 2024

Appendices

Scottish Government – Best Value Revised Guidance

Appendix 1- Risk Rating Matrix (DATIX)

Likelihood	Consequences / Impact				
	Negligible	Minor	Moderate	Major	Extrem
Almost Certain	Medium 5	High 10	High 15	V High 20	V Hig 25
Likely	Medium 4	Medium 8	High 12	High 16	V Hig 20
Possible	Low 3	Medium 6	Medium 9	High 12	High 15
Unlikely	Low 2	Medium 4	Medium 6	Medium 8	High 10
Rare	Low 1	Low 2	Low 3	Medium 4	Mediu 5

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

Contributors:

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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REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 18 June 2024

BY: Chief Internal Auditor

SUBJECT: Internal Audit Assurance Exercise: Adult Social Care
Commissioned Services Forecasting

6

1 PURPOSE

- 1.1 To inform the Audit and Risk Committee of the recent assurance exercise undertaken by the East Lothian Council Internal Audit Service covering Adult Social Care Commissioned Services Forecasting.

2 RECOMMENDATION

- 2.1 The Audit and Risk Committee is asked to note the contents of the assurance report covering Adult Social Care Commissioned Services Forecasting.

3 BACKGROUND

- 3.1 An assurance review of Adult Social Care Commissioned Services Forecasting was undertaken at the request of the Executive Director for Council Resources and the Chief Officer East Lothian IJB.

- 3.2 The agreed objectives of this review were as follows:

Internal Audit would review the current year-end forecasts in depth to establish if assumptions made in year-end forecasting can be accurately verified to base documentation or require to be altered, including:

- Is the care package information recorded in Mosaic and used to inform the year-end forecast up to date and changes recorded in a timely manner;
- Is the process of accounting for variations in care packages actually delivered sufficiently robust to inform accurate year-end forecasts; and

- Is the reporting information and processes used to inform year-end forecasts sufficiently robust to provide accurate year-end forecasts.

Internal Audit will review processes to ascertain any delays in invoicing to understand if there are delays and request expedited invoices and reasons for any delays.

3.3 The main findings from our audit work are outlined in the attached report.

4 ENGAGEMENT

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

5 POLICY IMPLICATIONS

5.1 None

6 INTEGRATED IMPACT ASSESSMENT

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

7 DIRECTIONS

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

8 RESOURCE IMPLICATIONS

8.1 Financial – None

8.2 Personnel – None

8.3 Other – None

9 BACKGROUND PAPERS

9.1 Appendix 1 Internal Audit Assurance Memo – Adult Social Care Commissioned Services Forecasting

AUTHOR'S NAME	Duncan Stainbank
DESIGNATION	Chief Internal Auditor
CONTACT INFO	dstainbank@eastlothian.gov.uk
DATE	7 June 2024



East Lothian Council Internal Audit Interim Assurance Statement

From:	Duncan Stainbank, Service Manager – Internal Audit Stuart Allan, Senior Auditor Liz Gray, Senior Audit Assistant
To:	Sarah Fortune, Executive Director for Council Resources Fiona Wilson, Chief Officer ELIJB Ellie Dunnet, Head of Finance David Hood, Head of Operations
Date:	28 May 2024

Adult Social Care Commissioned Services Forecasting

1. Background

Issues in providing accurate forecasting of expenditure in relation to commissioned services within Adult Social Care within East Lothian Council (ELC) have been reported during both the 2022/23 and 2023/24 financial years and in previous years. Whilst additional resources have been put in place within the central finance and the adult social care finance teams coming towards the 2023/24 year-end concerns over the forecasting remain from Health & Social Care Partnership (HSCP) Management.

Concerns have been expressed that forecast expenditure for the final two months of the year appear to be higher than the current running rate for expenditure for the year. Expenditure on Commissioned Services to end of Month 10 was £30.8m with a year-end projection of £47.65m. In a number of areas there appear to be delays in expenditure being recognised e.g. expenditure invoicing that impacts on certainty of forecasting.

At a meeting on 19 February 2024 it was agreed that there would be two key Internal Audit actions in relation to resolving this issue, being:

1. Internal Audit would review the current year-end forecasts in depth to establish if assumptions made in year-end forecasting can be accurately verified to base documentation or require to be altered, including:
 - Is the care package information recorded in Mosaic and used to inform the year-end forecast up to date and changes recorded in a timely manner;
 - Is the process of accounting for variations in care packages actually delivered sufficiently robust to inform accurate year-end forecasts; and
 - Is the reporting information and processes used to inform year-end forecasts sufficiently robust to provide accurate year-end forecasts.
2. Internal Audit will review processes to ascertain any delays in invoicing to understand if there are delays and request expedited invoices and reasons for any delays.

2. Forecasting Process

Adult Social Care expenditure forecasting begins with commitments that have been raised in the Social Care Mosaic system. Commitments are packages of care that have been authorised for expenditure through external provision of care services and associated costs including transport costs. These committed costs change as new clients are assessed for packages of care and existing clients stop receiving packages or they are altered. A series of adjustments are then made to the committed costs that are recorded in Mosaic in arriving at an overall forecast for the end of the year, these are:

- a) When invoices have been received for care provided then variations on the invoices, either higher than expected payments, or more often lower than expected payments will be reflected in the forecast. Finance will extrapolate changes when clear that they will continue in the forecast to the end of the financial year, until Social Care management and staff make appropriate permanent changes to care packages. These variations are reflected within the forecast, with 2023/24 being the first year that they have been included within the forecast and this is a significant improvement.
- b) Specific finance adjustments will be made when they are aware of specific changes such as Direct Payment clawbacks, client transitions (children to adults), additional costs not yet paid (interim care beds) or larger packages of care that are not being delivered or have not yet been invoiced for. These changes are based on advice from the service areas as part of regular ongoing discussions, but remain only as accurate as the information available.
- c) Information provided from quarterly reconciliations of commitments against the invoices being received that identify some of the adjustments that are made in b) above. This was last completed for information at the end of period 9 of the 2023/24 financial year.

One of the key items of financial processing that impacts on these adjustments is that actual expenditure is recognised on payment of an invoice. As invoice provision only occurs after the care has been provided and is mostly on a four weekly or monthly basis with the Council having a target of paying invoices within 30 days (with LGBF showing a 2022/23 achievement of 88% against this target up from 83% for the prior year), this results in expenditure recorded as actual in period 10, being mainly expenditure incurred in period 9 or prior periods. Variations identified also then relate to this earlier period, however Finance use these previous variations to predict future variations to amend the overall forecast accordingly, but can only complete this when invoices are processed.

3. Findings

Internal Audit reviewed a small sample of the variations on the invoices and found them to be correct to the variations identified. However, it is noted that there are issues with this process in that this only adjusts for variations for current invoices received. Therefore, if commitments are not adjusted as a result of the identified variations, then this still carries forward incorrect information within the future period commitments, this cannot be assumed by Finance as variations in a prior period may be as a result of slow set up of care package, breaks in the package or staff shortages that will not continue into future periods. In addition, the variation report will not pick up variations if no invoice has been received. One example for the P11 forecast highlights the issue in that the client has a forecast expenditure of £37,753 with actual expenditure for the year of £40. On review a care package of £688.45 a week for 1:1 support from a provider had been put in place for this client totalling £35,799.40. As this care plan had not been reviewed the social worker was unaware that this package was not being provided and the provider has recently confirmed that it was not required. However, no variations were identified as no invoicing has been received.

In a further case, there was P11 forecast expenditure of £77,477 with actual expenditure of £22,656. Variations had not been identified as no invoices have been paid since April 2023. However, there are invoices that are in dispute for this client, but no adjustments have been made to the forecast and there is no register of disputed invoices that would provide further information to review the current forecast against these clients. Internal Audit understand that invoice payments may be made on this client shortly so actual figures can be updated.

Adult Social Care service managers receive regular budget information on a monthly basis, however they are only requested to confirm that they agree with their service forecasts at months 3, 6 and 9. Interviews with Social Work service managers indicated that whilst they may sign-off on the forecasts they were not suitably knowledgeable concerning the information that they were being provided with to understand fully the implications of the forecasts that they are being asked to comment upon. However, they did indicate that they found regular meetings with Finance staff to be more useful.

It is noted that Social Work managers do meet with their appropriate Finance contact on a monthly basis and financial overview meetings are held on a monthly basis. Opportunities are provided for appropriate discussion and agreement of forecasts provided.

We do not believe that there is a full set of procedures identifying timelines for completing systems updates in place across Social Work and Finance to provide month end clarity on forecast processes.

During the course of the work completed Internal Audit staff noted that some of the budgets for commissioned services had not been set in accordance with the realised expenditure, for example Learning Disabilities External Hire has a budget of £100k, but actual expenditure of £499K and a P11 forecast of £610K. The overall Support Services budget was £1.64 million however the P11 forecast is £3.2 million, although this potentially mirrors the Care at Home service that had a budget of £21.9 million yet has a P11 forecast of £20.1 million. It is understood that there is no in-year process to vary budgets formally in order to make budget reports more meaningful.

4. Conclusions

The East Lothian Council Adult Services commissioned services expenditure forecast process can identify a larger than likely forecast expenditure at the beginning of the year based on full provision of all commissioned services as recorded on Mosaic. As awareness increases of the actual expenditure incurred then the overall forecast for year-end expenditure is reduced.

As actual expenditure is based on paid invoices and not accrued expenditure estimates, then actual expenditure recorded will remain out of date and inaccurate against expenditure that has been actually incurred, this increases the reliance on an accurate forecast. Genuine increases or decreases in client numbers and care package changes will be reflected in the forecast when these have been added to the Mosaic system.

Improvements have been made in 2023/24 in the forecasting being completed, however further improvements are required that will require the full support of both Adult Social Care and Finance management and staff. It is vital that information in Mosaic on care packages is up to date and accurate, with monitoring of invoices not being received and packages with lower or no expenditure being reconciled and reviewed by Social Work management on a monthly basis.

East Lothian Council finance systems require significant upgrading and do not support a full commitment accounting process currently, however if this is implemented even more reliance will be

placed on Social Work data from the Mosaic system to provide accurate forecasts of actual expenditure on a monthly basis.

5. Recommendations

Recommendation 1: Following monthly variations reporting of invoices Social Work management should be required to review and update all care plans on Mosaic for invoices showing significant variances, Senior Social Work management should oversee completion of this exercise on a monthly basis.

Responsible Officer: David Hood, Head of Operations

Management Response & Timescale: Head of Operations will establish an initial working group including HSCP and Finance colleagues to review monthly reporting of variations, agree thresholds for reviewing of significant variances and timely update of Mosaic. **Timescale: 30 June 2024**

Recommendation 2: Mosaic to invoice reconciliations should be completed on a monthly basis and Social Work Management should be required to review and update all care plans on Mosaic for care plans showing significant variances, including where no invoices have been received, Senior Social Work management should oversee completion of this exercise on a monthly basis.

Responsible Officer: David Hood, Head of Operations

Management Response & Timescale: Head of Operations will establish an initial working group including HSCP and Finance colleagues to review monthly reporting of invoice reconciliations and outstanding invoices, agree thresholds for reviewing of significant variances and timely update of Mosaic. **Timescale: 30 June 2024**

Recommendation 3: Adult Social Work should maintain a listing of disputed invoices including the forecast values, estimated values that should be paid and currently invoiced values being disputed. This listing should be shared with Finance as part of a month end process.

Responsible Officer: David Hood, Head of Operations

Management Response & Timescale: HSCP Mosaic Team will update current reporting arrangements to include those invoices in dispute. These will then be reviewed by value and if material reviewed and Mosaic updated if required. **Timescale: July 2024**

Recommendation 4: A month end timetable should be developed between Adult Social Work and Finance staff indicating when tasks are expected to be completed in order to provide the most up to date forecast back to management with accurate and up to date data.

Responsible Officer: David Hood, Head of Operations & Ellie Dunnet, Head of Finance

Management Response & Timescale: Revised month end timetables are being developed within Finance for the beginning of the 2024/25 financial year. Updated Commissioning reporting timetable will also be developed in conjunction with Finance and HSCP teams to include outputs of other recommendations: **Timescale: August 2024**

Recommendation 5: Planned improved forecasting reporting should be implemented by Finance with Adult Social Care management and be brought in with enhanced training on forecast reporting and management, with both Finance and Adult Social Work Management training on new processes together.

Responsible Officer: David Hood, Head of Operations & Ellie Dunnet, Head of Finance

Management Response & Timescale: Finance are developing a package of training for the 2024/25 financial year that will incorporate this. This will be supported through the HSCP management team and training on roll out of any new processes. **Timescale: Autumn 2024**

Recommendation 6: As part of the month 6 meetings in relation to budget monitoring in Adult Social Care consideration of viring budget from one code to another should be given where significant variances in the expected use of budgets are noted, this process will not increase the overall social care budget in any way. Future budget monitoring reports should be against the revised budget.

Responsible Officer: David Hood, Head of Operations & Ellie Dunnet, Head of Finance

Management Response & Timescale: Finance are ensuring that budgets being entered onto the ledger are as accurate as possible and will work with Social Care Management to consider any in-year adjustments that may be required. **Timescale: Ongoing**

Recommendation 7: As part of any new finance system implementation within East Lothian Council a system should be purchased that allows for a full commitment based accounting, in conjunction with Mosaic changes, as required to provide a pathway to obtain more accurate actual expenditure on a monthly basis.

Responsible Officer: Ellie Dunnet, Head of Finance

Management Response & Timescale: This will be considered as part of any financial systems project.



REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 18 June 2024

BY: Chief Internal Auditor

SUBJECT: East Lothian Integration Joint Board Draft Annual Governance Statement 2023/24

7

1 PURPOSE

- 1.1 To present the draft Annual Governance Statement 2023/24 for the East Lothian Integration Joint Board (ELIJB) which explains the ELIJB's governance arrangements and system of internal control and reports on their effectiveness for the year ended 31 March 2024.

2 RECOMMENDATION

- 2.1 The Audit and Risk Committee is asked to approve the draft Annual Governance Statement for inclusion in the draft Annual Accounts 2023/24.

3 BACKGROUND

- 3.1 The East Lothian Integration Joint Board (ELIJB), established as a separate legal entity as required by the Act, is responsible for the strategic planning and commissioning of a wide range of integrated health and social care services across the East Lothian partnership area, based on resources which have been delegated to it by the partners, East Lothian Council and NHS Lothian.
- 3.2 Regulation 5(2) of the Local Authority Accounts (Scotland) Regulations 2014 requires an authority to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts. Regulation 5(4) of the Local Authority Accounts (Scotland) Regulations 2014 require that for a local authority in Scotland the statement is an Annual Governance Statement.

- 3.3 The CIPFA Good Governance Framework states that local authorities are required to prepare an annual governance statement in order to report publicly on the extent to which they comply with their own code of governance, which in turn is consistent with the good governance principles in this Framework. This includes how they have monitored and evaluated the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period.
- 3.4 The ELIJB Audit and Risk Committee remit includes a review of the IJB's corporate governance arrangements against the good governance framework and consideration of annual governance reports and assurances. This paper and approval of the draft Annual Governance Statement in Appendix 1 fulfils this part of the remit.

4 ENGAGEMENT

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

5 POLICY IMPLICATIONS

- 5.1 None

6 INTEGRATED IMPACT ASSESSMENT

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

7 DIRECTIONS

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

8 RESOURCE IMPLICATIONS

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

9 BACKGROUND PAPERS

- 9.1 Appendix 1 Draft Annual Governance Statement East Lothian IJB

AUTHOR'S NAME	Duncan Stainbank
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DATE	11 June 2024

Appendix 1 Draft Annual Governance Statement

East Lothian IJB

Introduction

The Annual Governance Statement explains the ELIJB's governance arrangements and system of internal control and reports on their effectiveness.

Scope of Responsibility

The ELIJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

To meet this responsibility, the ELIJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the ELIJB's policies, aims and objectives. Reliance is also placed on NHS Lothian and East Lothian Council's (the partners) systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the ELIJB. The system can only provide reasonable and not absolute assurance of effectiveness.

The Governance Framework and Internal Control System

The Board of the ELIJB comprises voting members, nominated by either NHS Lothian or East Lothian Council, as well as non-voting members including a Chief Officer appointed by the Board.

The ELIJB Local Code of Corporate Governance sets out the framework and key principles, which require to be complied with, to demonstrate effective governance. The ELIJB Local Code reflects the changing context of integration and is consistent with the 7 core principles and recommendations of the new CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) and the supporting guidance notes for Scottish authorities. The overall aim of the Framework is to ensure that: resources are directed in accordance with agreed policy and according to priorities; there is sound and inclusive decision making; and there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The main features of the governance framework and internal control system associated with the seven core principles of good governance defined in the ELIJB Local Code in existence during 2023/24 included:

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The roles and responsibilities of Board members and statutory officers and the processes to govern the conduct of the Board's business are defined in the Scheme of Integration which was approved by the Board and NHS Lothian in June 2022 and by the Scottish Government in July 2023, which serves as the approved constitution, and Standing Orders, a revision of which was approved by the Board in March 2020, to make sure that public business is conducted with fairness and integrity.

The Ethical Standards in Public Life (Scotland) Act 2000 provides for Codes of Conduct for local authority councillors and members of relevant public bodies. As a Public Body listed in schedule 3 of the Act, the ELIJB is required to produce and for members to adhere to a Code of Conduct, which was approved by the Board in October 2023.

The ELIJB is dependent upon arrangements within the partner organisations for areas such as:

- ensuring legal compliance in the operation of services;
- handling complaints;
- ethical awareness training and whistleblowing policies and procedures;
- staff appointment and appraisal processes which take account of values and ethical behaviour;
- identifying, mitigating and recording conflicts of interest, hospitality and gifts; and
- procurement of goods and services which are sustainable, represent value of money and which reinforce ethical values.

Other areas where the ELIJB places significant reliance on arrangements in place within the partner organisations are set out in the remainder of the statement.

The Chief Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

Professional advice on the discharge of duties is provided to the Board by the ELIJB Chief Officer supported by the Chief Financial Officer, Chief Internal Auditor and Board Clerk as appropriate.

B. Ensuring openness and comprehensive stakeholder engagement

Board meetings are held in public unless there are good reasons for not doing so on the grounds of confidentiality.

Unless confidential, decisions made by the Board are documented in the public domain.

Community engagement was encouraged as part of the development of the Scheme of Integration and the Strategic Plans of the Health and Social Care Integration Joint Board were developed following consultations with interested parties including members of the public. The Board approved the ELIJB Participation and Engagement Strategy 2023-25 in May 2023.

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

The vision, strategic objectives and outcomes are reflected in the East Lothian Integration Joint Board Strategic Plan 2022-25, which was approved in September 2022 and has been updated to reflect on-going assessment of need and priorities following public consultation.

Implementation is underpinned by the associated Directions which were reviewed by the Board in October 2023.

ELIJB formally adopted the CIPFA FM Code at its meeting in December 2022. Regular review of the medium term financial plans has been ongoing with the most recent review at the ELIJB in April 2024, with the approval of the revised five year financial plan 2024/25 to 2028/29.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

In determining how services and other courses of action should be planned and delivered, the ELIJB has a statutory responsibility to involve patients and members of the public. The Board approved the ELIJB Participation and Engagement Strategy 2023-25 in May 2023.

The ELIJB Strategic Plan is based on consultation during its review and update.

The ELIJB has issued Directions to the partners for service delivery.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

The ELIJB Chief Officer is responsible and accountable to the Board for all aspects of management including promoting sound governance and providing quality information/support to inform decision-making and scrutiny.

Regular meetings are held between the Chief Officer and the Chair and Vice Chair of the ELIJB. The ELIJB Chief Officer also meets regularly with representatives from the partner organisations.

Members of the ELIJB Board are provided with the opportunity to attend Development Sessions relevant to their role.

A three year Workforce Plan 2022-25 was created, approved and published in February 2023 to help ensure it has the right people, with the right skills, in the right place, at the right time to support the delivery of its strategic objectives and priorities.

F. Managing risks & performance through robust internal control & strong public financial management

The ELIJB Chief Officer has overall responsibility for directing and controlling the partnership to deliver health and social care services. The ELIJB Board is responsible for key decision-making.

The ELIJB has approved a Risk Strategy and Risk Policy through the Audit and Risk Committee in December 2022 and risk reporting continues to each Audit and Risk Committee.

The ELIJB Chief Financial Officer is responsible for the proper administration of all aspects of the ELIJB's financial affairs including ensuring advice is given to the Board on all financial matters.

The ELIJB's system of internal financial control is dependent upon the framework of financial regulations, regular management information (including Revenue Budget Monitoring reports to the Board), administrative procedures (including segregation of duties), management supervision and systems of delegation and accountability within the partner organisations.

The ELIJB also relies upon the partners for:

- Counter fraud and anti-corruption arrangements; and
- Management of data in accordance with applicable legislation.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The Shared Chief Internal Auditor of East Lothian Council is the ELIJB's Chief Internal Auditor whose role is to provide an independent and objective annual opinion on the effectiveness of the ELIJB's internal controls, risk management and governance. This is carried out in conformance with the Public Sector Internal Audit Standards.

The ELIJB responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies. The ELIJB Audit and Risk Committee is integral to overseeing assurance and monitoring improvements in internal controls, risk management and governance.

An Annual Performance Report for 2023/24 is being prepared to outline progress against strategic objectives over the year. The last Annual Performance Report for 2022/23 was approved by the Board in June 2023.

The Annual Accounts and Report for 2023/24 will set out the financial position in accordance with relevant accounting regulations and is being prepared for submission in draft to the June 2024 Board meeting.

Review of Adequacy and Effectiveness

The ELIJB is required to conduct an annual review of the effectiveness of its governance framework.

The review was informed by: an annual self-assessment carried out by Internal Audit against the ELIJB's Local Code of Corporate Governance; Internal Audit reports for the ELIJB; External Audit reports for the ELIJB; relevant reports by other external scrutiny bodies and inspection agencies; and relevant partners' (NHS Lothian and East Lothian Council) Internal Audit and External Audit reports.

In respect of the three improvement areas of governance identified by the ELIJB in 2022/23, there have been developments during the year in all three of these. Specifically, the strategic planning group are continuing to encourage membership and regular attendance from all group members to ensure appropriate representation from across the community, an update to the five year financial plan for 2024/25 to 2028/29 was approved at the December 2023 Board meeting, and a comprehensive skills gap analysis is being progressed to conclusion during 2024.

Improvement Areas of Governance

The review activity outlined above has identified the following areas where further improvement in governance arrangements can be made to enhance compliance with the Local Code:

- A report on the Structure and Governance Review of Change Boards, that was approved by the East Lothian Strategic Planning Group in October 2023, identified weaknesses in the framework for Change Boards, in December 2023 Internal Audit further recommended that the actions were allocated an action owner in order to track implementation, these recommendations continue to be progressed.
- A Draft East Lothian HSCP Performance Framework is in place, outlining performance monitoring and reporting across the ELHSCP. The draft Framework describes the current arrangements in place, provides details of current performance indicators and identifies

areas that need to be developed further. However, there is a need to finalise the Performance Framework and ensure that areas for development are sufficiently progressed. The framework was approved at the May 2024 ELIJB and will now progress these improvements.

- The East Lothian IJB has adopted the Model Publication Scheme (MPS) and made a significant amount of information available to view online. Information has in the main been appropriately classified in the MPS and the associated Guide to Information also adheres to the six MPS principles. The East Lothian IJB MPS has not been updated since 2017 and significant improvement opportunities have been identified relating to the review of the MPS and the information available, alongside a self-assessment exercise and training requirements it is anticipated that these improvements will be in place by September 2024.
- The revised IJB five year financial plan 2024/25 to 2028/29 stated the following: The forecast position for 2024/25 was then revised and updated in the light of the Scottish Government's Budget announcements for 2024/25, further revisions to the NHS Lothian forecast, a revision to the IJB's Set Aside budget model and the budget offers for 2024/25 from the IJB's funding partners. The impact of these changes was to reduce the 2024/25 financial gap to £10.8m. The impact of the revision to the IJB's Set Aside budget model - which reduced the financial pressure on the IJB - indicates a total financial pressure of £37.6m. In addition to considering the governance framework to monitor the annual budget pressures and recovery plans the five year financial plan also indicated that further work is underway to ensure that the financial plan is fully mapped onto and driven by the Strategic Plan.

The implementation of these actions to enhance the governance arrangements in 2024/25 will be driven and monitored by the ELIJB Chief Officer in order to inform the next annual review. Internal Audit work planned in 2024/25 is designed to test improvements and compliance in governance.

Conclusion and Opinion on Assurance

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the ELIJB's governance arrangements and system of internal control, while recognising that further improvements are required to fully demonstrate compliance with the Local Code in order for the ELIJB to fully meet its principal objectives. Systems are in place to regularly review and improve governance arrangements and the system of internal control.

Shamin Akhtar
Chair

Fiona Wilson
Chief Officer



REPORT TO: East Lothian IJB – Audit and Risk Committee
MEETING DATE: 18 June 2024
BY: Chief Internal Auditor
SUBJECT: Annual Internal Audit Opinion and Report 2023/24

8

1 PURPOSE

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require that Internal Audit prepares an annual internal audit opinion and report that can be used by the Integration Joint Board (IJB) to inform its governance statement.
- 1.2 The purpose of this report is to inform the IJB Audit and Risk Committee of the internal audit work undertaken in 2023/24 and to provide an opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control.

2 RECOMMENDATION

- 2.1 The IJB Audit and Risk Committee is asked to note that the Annual Internal Audit Opinion and Report 2023/24 is a formal confirmation of Internal Audit's opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the year ended 31 March 2024.

3 BACKGROUND

Sound Internal Controls

- 3.1 The IJB's senior management has responsibility for establishing a sound system of internal control and for monitoring the continuing effectiveness of these controls. The main objectives of internal control systems are:
 - 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.

- 3.2 A sound system of internal control reduces, but cannot eliminate, the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees and others, management overriding controls or the occurrence of unforeseen circumstances. The IJB is continually seeking to improve the effectiveness of its system of internal control.

Quality Assurance and Improvement Programme (QAIP)

- 3.3 The Public Sector Internal Audit Standards (PSIAS) require that the annual report must incorporate a statement on Internal Audit's conformance with the PSIAS and Local Government Application Note and the results of the Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity. Internal Audit is continuously seeking to improve its service and aims to provide a service that remains responsive to the needs of the IJB and maintains consistently high standards. This was achieved in 2023/24 through the following processes:

- Compliance with PSIAS.
- A tailored audit approach using a defined methodology for financial audits.
- A programme of quality control measures which include the supervision of staff conducting audit reviews and the detailed review of working paper files and audit reports.
- The development of personal and training plans – Internal Audit staff undertake a programme of Continuous Professional Development (CPD).

- 3.4 The PSIAS require the development of a Quality Assurance and Improvement Programme (QAIP). The QAIP is designed to enable evaluation of Internal Audit's conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards. The QAIP must include both internal and external assessments. An External Quality Assessment of the Council's Internal Audit service was undertaken by the Chief internal Auditor of Dumfries and Galloway Council in 2024 and reported to the East Lothian Council Audit and Governance Committee in March 2024, which assessed the East Lothian Council Internal Audit service as Fully Conforming with PSIAS.

Delivery of the Internal Audit Service

- 3.5 Internal Audit is an independent appraisal function established by the IJB to objectively examine, evaluate and report on the adequacy of governance, risk management and control systems. The provision of the Internal Audit service to the IJB is on an in-house basis by East Lothian Council's Internal Audit Unit. In addition to the work undertaken by the in-house team, work is also undertaken by the NHS Lothian Internal Audit team, through principles agreed between Lothian NHS and the Lothian IJB's as reported to the December 2021 Audit and Risk Committee.

- 3.6 Internal Audit reports functionally to the Audit and Risk Committee and has direct access to Senior Management, the Chair of the Audit and Risk Committee and the Chair of the IJB.
- 3.7 In March 2023, the Audit and Risk Committee approved the Internal Audit Plan for 2023/24.
- 3.8 All of the scheduled audit reviews have been completed for the 2023/24 year providing the assurance noted and having been reported to the following meetings of the Audit and Risk Committee:
- Change Board Governance: Reasonable Assurance, December 2023
 - Performance Management: Reasonable Assurance, March 2024
 - Publications Scheme: Limited Assurance, March 2024
- 3.9 The formal assessment on the systems of Governance, Risk Management and Internal Control has been made on all planned evidence.
- 3.10 Internal Audit findings identifying system weaknesses or non-compliance with expected controls were brought to the attention of the IJB's Chief Officer, Chief Finance Officer, External Audit and the Audit and Risk Committee. The weaknesses outlined are those that have come to our attention during the course of our normal audit work and are not necessarily all of the weaknesses, which may exist. It is the responsibility of Management to ensure that proper consideration is given to internal audit reports and that appropriate action is taken on audit recommendations.

Conflicts of Interest

- 3.11 There have been no instances during the year which have impacted on our independence and/or lead us to declare any interest.

Assessment of Controls and Governance

- 3.12 Our evaluation of the IJB's control environment is informed by a number of sources including statutory and other compliance:
- Integration Scheme – an East Lothian Integration Scheme approved by East Lothian Council in June 2022 has now been approved by Scottish Ministers in May 2023 and sets out how the IJB will operate, including the scope of the services to be included within the IJB and the financial arrangements.
 - Membership – membership of the IJB is in accordance with the Integration Scheme.
 - The IJB has in place approved Standing Orders as amended in March 2020 and Financial Regulations.
 - Committees – the IJB has an established Audit and Risk Committee. The terms of reference of the Audit and Risk Committee cover the

IJB's governance, risk and control; internal audit; external audit; financial reporting and accountability arrangements.

- Strategic Plan – the IJB formally adopted a new Strategic Plan 2022-2025 in September 2022.
- Officers – appropriate officers (Chief Officer and Chief Finance Officer) with responsibility for maintaining and operating an effective system of internal control were in place during 2023/24.
- Code of Conduct for Members of the IJB, which was updated and approved in June 2022.
- The work undertaken by Internal Audit during 2023/24.

3.13 Operational matters covered by IJB Directions and which are undertaken on behalf of the IJB by either East Lothian Council or NHS Lothian are outwith the scope of the annual audit plan and this audit opinion.

3.14 During 2023/24, areas identified with scope for improvement included the following:

- A report on the Structure and Governance Review of Change Boards, that was approved by the East Lothian Strategic Planning Group in October 2023, identified weaknesses in the framework for Change Boards, in December 2023 Internal Audit further recommended that the actions were allocated an action owner in order to track implementation, these recommendations continue to be progressed.
- A Draft East Lothian HSCP Performance Framework is in place, outlining performance monitoring and reporting across the ELHSCP. The draft Framework describes the current arrangements in place, provides details of current performance indicators and identifies areas that need to be developed further. However, there is a need to finalise the Performance Framework and ensure that areas for development are sufficiently progressed. The framework was approved at the May 2024 IJB and will now progress these improvements.
- The East Lothian IJB has adopted the Model Publication Scheme (MPS) and made a significant amount of information available to view online. Information has in the main been appropriately classified in the MPS and the associated Guide to Information also adheres to the six MPS principles. The East Lothian IJB MPS has not been updated since 2017 and significant improvement opportunities have been identified relating to the review of the MPS and the information available, alongside a self-assessment exercise and training requirements it is anticipated that these improvements will be in place by September 2024.

3.15 The implementation by Management of agreed actions to address the weaknesses identified should provide assurance that the system of internal control is operating as intended.

Opinion

- 3.16 It is our opinion, subject to the weaknesses outlined in section 3.14 above, that reasonable assurance can be placed on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the year to 31 March 2024.

4 ENGAGEMENT

- 4.1 None

5 POLICY IMPLICATIONS

- 5.1 None

6 INTEGRATED IMPACT ASSESSMENT

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

7 DIRECTIONS

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

8 RESOURCE IMPLICATIONS

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

9 BACKGROUND PAPERS

- 9.1 None

AUTHOR'S NAME	Duncan Stainbank
DESIGNATION	Chief Internal Auditor
CONTACT INFO	dstainbank@eastlothian.gov.uk
DATE	7 June 2024

REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 18 June 2024

BY: Chief Internal Auditor

SUBJECT: Internal Audit Recommendations Follow-Up

9

1 PURPOSE

- 1.1 To inform the Audit and Risk Committee of the Internal Audit work undertaken during 2023/24 to follow-up on the recommendations made in Internal Audit work completed during 2022/23.

2 RECOMMENDATION

- 2.1 The Audit and Risk Committee is asked to note the follow-up work undertaken and the revised timescales for the recommendations that have not yet been completed.

3 BACKGROUND

- 3.1 The East Lothian IJB Internal Audit service currently follow-up all recommendations made to ensure completion on an annual basis. It has been agreed with the Audit and Risk Committee that following this report outstanding recommendations will be reported on a quarterly basis to each Audit and Risk Committee commencing in September 2024.
- 3.2 As part of the 2022/23 Internal Audit Plan, three Internal Audit reviews were completed containing 14 recommendations graded as indicated in Table A below.

Table A: Internal Audit Recommendations by Audit and Grade 2022/23

Audit Review 2022/23	Medium Recommendations	Low Recommendations
CIPFA FM Code	4	–
Workforce Planning	2	2
Strategic Planning	4	2

3.3 Follow-up work has identified that 11 of the 14 recommendations have been fully implemented, two are partially complete and one has yet to be completed. Appendix 1 provides details of the recommendations that are not yet fully completed. This provides reasonable assurance that management are taking appropriate steps to implement Internal Audit recommendations.

4 ENGAGEMENT

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

5 POLICY IMPLICATIONS

5.1 None

6 INTEGRATED IMPACT ASSESSMENT

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

7 DIRECTIONS

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

8 RESOURCE IMPLICATIONS

8.1 Financial - None

8.2 Personnel - None

8.3 Other - None

9 BACKGROUND PAPERS

9.1 Appendix 1 Outstanding Internal Audit Recommendations 2022/23

AUTHOR'S NAME	Duncan Stainbank
DESIGNATION	Chief Internal Auditor
CONTACT INFO	dstainbank@eastlothian.gov.uk
DATE	7 June 2024

**OUTSTANDING RECOMMENDATIONS
East Lothian IJB 2022/23 Audit Work**

REC REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	ACTION UPDATE	AGREED TARGET DATE	REVISED TARGET DATE
2.3 CIPFA FM Code	<u>Partly Implemented</u> Management should ensure that the annual budget report includes a statement on the adequacy of the proposed financial reserves.	Medium	Chief Finance Officer	March 2024 budget paper had significant discussion of reserves and this continues to be the case, however there has been no specific statement included on the adequacy of the proposed financial reserves.	April 2023	Feb 2025
2.1 Strategic Planning	<u>Awaiting Implementation</u> Management should attempt to ensure that all of the prescribed groups are represented on the Strategic Planning Group at all times and in order to meet this requirement attempt to recruit commercial provider representatives from both health and social care.	Medium	Interim General Manager Strategic Integration	In a time of continuing pressure on commercial providers of health and social care services it is proving difficult to secure representation from the sector on the IJB, in view of the time commitment. Commissioners and service managers have good relationships with providers and involve them in consultation on any relevant service changes. A further attempt to recruit will be completed by the end of the year.	Sep 2023	Dec 2024
2.1 Workforce Planning	<u>Partly Implemented</u> Management should schedule as soon as possible a comprehensive review of the future demand and need. Thereafter a gap analysis should be concluded to identify the skills gaps and introduce appropriate measures to address them.	Medium	Workforce Development Officer East Lothian HSCP	Work has been completed by teams now, including very recently Primary Care and this is being pulled together into one central document.	Aug 2023	July 2024