

West Lothian Integration Joint Board Audit Risk and Governance Committee

Date: 27 May 2020

Agenda Item: 6

BEST VALUE – ANNUAL COMPLIANCE

REPORT BY CHIEF FINANCE OFFICER

A PURPOSE OF REPORT

The purpose of this report is to set out the Best Value Annual Statement of Compliance for 2019/20.

B RECOMMENDATION

It is recommended the Committee:

1. Notes that the IJB has a statutory duty to make arrangements to secure Best Value as prescribed in Part 1 of the Local Government in Scotland Act 2003
2. Agrees that the IJB has demonstrated substantial compliance with its Best Value duties based on the Framework agreed for reporting on Best Value

C SUMMARY OF IMPLICATIONS

C1	Directions to NHS Lothian and/or West Lothian Council	A direction is not required.
C2	Resource/ Finance	None.
C3	Policy/Legal	The IJB has a statutory duty to demonstrate compliance with Best Value.
C4	Risk	None.
C5	Equality/Health	The report has been assessed as having little or no relevance with regard to equality or the Public Sector

Equality Duty. As a result, an equality impact assessment has not been conducted. The relevance assessment can be viewed via the background references to this report.

C6	Environment and Sustainability	None.
C7	National Health and Wellbeing Outcomes	The delivery of Best Value will assist in delivering health and wellbeing outcomes.
C8	Strategic Plan Outcomes	The delivery of Best Value will contribute in effective delivery of the Strategic Plan.
C9	Single Outcome Agreement	The delivery of Best Value will assist in meeting targets set out in the Single Outcome Agreement.
C10	Impact on other Lothian IJBs	None.

D TERMS OF REPORT

D.1 Background

The Local Government (Scotland) Act 2003 places a duty on Local Government bodies to secure Best Value. As a Section 106 body under the 2003 Act, Integration Joint Boards have the same statutory duty to secure best value.

The statutory duties of the 2003 Act 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 above duties apply to the IJB other than the duty to secure a break-even in trading accounts which is not relevant to the IJB as it does not have trading accounts.

D.2 Best Value Framework and Compliance

The Best Value Framework was approved by the Board on 24 September 2018. As part of this it was agreed the framework would be reviewed after two years of use. As a result, the Framework will be reviewed and presented to the committee for consideration in advance of preparing next year's Best Value Compliance Statement. This review will take account of recently updated guidance on Best Value.

Taking account of all the relevant factors including Legislation, Ministerial Guidance and Audit Scotland Guidance, the agreed areas relevant in assessing the achievement of best value for the IJB are shown below.

- Management of Resources
- Effective Leadership and Strategic Direction
- Performance Management
- Joint Working with Partners
- Service Review / Continuous Improvement
- Governance and Accountability
- Engagement with the Community

It was agreed for each of these areas there would be an annual assessment of how the IJB has demonstrated best value in the delivery of delegated functions.

This is achieved through an Annual Statement of Compliance produced by the Chief Finance Officer, considered by the IJB senior management team and reported to the IJB Audit, Risk and Governance Committee for consideration. The Annual Statement of Compliance will be used to inform the Governance Statement within the annual accounts.

The 2019/20 Best Value Annual Statement of Compliance is attached in Appendix 1 for consideration by the Committee.

D.3 Auditing Best Value in IJBs

The Ernst and Young (EY) Annual Audit Plan for 2019/20 notes that their 2019/20 audit will review the IJBs arrangements for demonstrating Best Value and will comment on this in its Annual Audit Report.

The committee should also be aware that the Accounts Commission are planning to extend their auditing role to include Best Value in Integration Joint Boards.

Taking account of these factors it is important that the IJB's duty to secure best value continues to be seen as a priority and arrangements in place to demonstrate achievement of this duty continue to be developed. The IJB's Best Value Framework will be an important element of this going forward.

E CONSULTATION

Relevant officers in NHS Lothian and West Lothian Council

F REFERENCES/BACKGROUND

Local Government Scotland Act 2003

G APPENDICES

Appendix 1 – Best Value Framework – Annual Statement of Compliance
2019/20

H CONTACT

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27 May 2020

WEST Lothian INTEGRATION JOINT BOARD

Best Value Framework - Annual Statement of Compliance 2019/20

Name of Policy or Procedure:	Best Value Framework
Responsible Officer:	Patrick Welsh – Chief Finance Officer, West Lothian IJB
Requirement agreed by Board:	<ol style="list-style-type: none"> 1. Annual statement of compliance 2. Review the Best Value Framework after 2 years.
Report required by:	IJB Audit Risk and Governance Committee – 27 May 2020
Review Requirement	In line with the two year review requirement, the Best Value Framework will be reviewed after the second year of using the existing approved Framework. This means the Framework will have been reviewed and any changes approved by the IJB for the 2020/21 annual accounts process.
Report by the Chief Financial Officer on the operation of the policy during 2019/20	<p>A Best Value Framework was approved by West Lothian IJB on 24 September 2020. The Framework covers seven areas of best practice and the following provides an update on the activities which were undertaken during the financial year 2019/20:</p> <ol style="list-style-type: none"> 1. Management of Resources. <p>Financial assurance of IJB budget resources was undertaken and reported to the Board on 12 March 2019 as part of 2019/20 budget setting process. Further assurance of the approved 2020/21 budget contributions was reported to the Board on 26 June 2019.</p> <p>Budget monitoring updates on the 2019/20 budget were provided to each Board meeting during the year including</p>

information on key risk areas and progress towards the achievement of savings.

A five year medium term financial plan has been developed by the IJB and an update on the plan to 2022/23 was reported to the Board on 23 April 2019. This is consistent with best practice outlined by CIPFA, Audit Scotland, Accounts Commission and the Ministerial Strategic Group.

A further update on the financial outlook to 2022/23 will be reported to the Board on 30 June 2020. This will highlight significant issues and uncertainty at this stage around the resulting financial implications from COVID-19 over 2020/21 and future years.

2. Effective Leadership & Strategic Direction.

Cross sector participation in leadership programmes takes place on a regular basis. Senior management are involved in key decision making and planning forums including Chief Officers Group and Integrated Care Forum. Regular Development Sessions are held to support Board Members in fulfilling their role.

An updated Strategic Plan covering the period 2019/20 – 2022/23 was approved by the Board on 23 April 2019 along with a suite of Strategic Directions to support the delivery of the agreed Strategic Priorities and transformational change programmes. A new Strategic Planning approach was approved to support this, which includes individual Planning and Commissioning Boards for care groups. Updated Strategic Commissioning Plans and associated Directions were approved by the Board on 21 January 2020.

The IJB Strategic Planning Group was reviewed during 2019/20 and on the 26 November 2019 the Board approved a new remit and approach to strengthen links between locality and strategic planning. The membership now includes representation from Community Planning, Economic Development, Housing and West Lothian Leisure and the Strategic Planning Group will, going forward, contribute a health and social care perspective to the existing regeneration locality plans.

A Joint Inspection of Strategic Planning within West Lothian Adult Care Services was undertaken by the Care Inspectorate and Healthcare Improvement Scotland was undertaken during the first half of 2020. The outcome of this has been delayed due to COVID-19.

3. Performance Management

The IJB's Performance Management focuses on embedding a performance management culture throughout its activities. Regular reports on performance are provided to the IJB covering the following:

- National Health and Wellbeing Outcome Indicators – Scottish Government indicators to demonstrate progress in achievement of nine national health and wellbeing outcomes.
- Balanced Scorecard – incorporates integration indicators, Local Delivery Plan and other measures using a RAG-rated system to monitor performance.
- Benchmarking – core suite of West Lothian indicators are benchmarked against our Local Government Benchmarking Family (LGBF) for adult care.
- Ministerial Strategic Group Integration Indicators – reflects performance measurement by Integration Authorities against six key areas agreed nationally

The Chief Officer has established a new monthly Health and Social Care Management meeting, a key focus of which is to consider overall performance across care delivery.

Emergency coronavirus legislation allows public bodies to choose to postpone compliance with statutory duties to publish annual and other reports concerning their functions and services. Taking account of other priorities resulting from the coronavirus, consideration is being given to recommending it be exercised in relation to the publication of the statutory Annual Performance Report, normally due by 31 July each year. Notwithstanding this, the IJB will be presented with a report on performance encompassing the areas above at the June 2020 Board meeting.

4. Joint Working With Partners

The IJB agreed an updated Communication and Engagement Strategy on 21 January 2020 to support effective engagement with stakeholders and partners in development of plans and services.

Locality Plans have been published following extensive engagement with partners and the Strategic Planning Group has been reviewed to include the remit of Locality Planning and an expanded membership including wider partner body and service user representation

The Chief Officer meets regularly with Lothian Chief Officers and the national Chief Officer Group, and regularly engages with Health and Social Care Scotland, a collaboration of health and social care leaders and managers across health and social care partnerships.

The Chief Finance Officer works closely with staff from the Health Board and Local Authority on annual budgeting and medium term financial planning and is a member of the national Chief Finance Officer Network.

5. Service Review & Continuous Improvement

The IJB's approach to strategic planning is built on a foundation of service review and continuous improvement. Additional programmes of service development have focussed on shifting the balance of care in relation to services and supports for people with learning disabilities and physical disabilities.

Updated Strategic commissioning plans have been approved during the year which outline commissioning, service review and service development priorities across all adult health and social care services. Progress against each plan will be reported to the Board on an ongoing basis and the implications and learning from COVID-19 will be considered in the ongoing review of commissioning plans.

Significant work has been undertaken during 2019/20 to improve social care capacity and reduce delayed discharge and unmet care needs. Despite the significant challenges created by COVID-19, the work undertaken across the partnership had resulted in a very substantial reduction in hospital delays.

There is a strong culture of self-assessment within the IJB and wider Partnership with a focus on evaluating current performance to identify strengths and areas for improvement. This includes the Ministerial Strategic Group self-evaluation of integration progress which takes account of a number of national reviews of progress with integration of health and social care and identified areas for further development. In addition, it has been agreed that self assessment questionnaires of the Board's administrative arrangements and activity will be undertaken on an annual basis.

6. Governance & Accountability

The Board's Local Code of Corporate Governance, compliant with the CIPFA/SOLACE Framework (2016), was reviewed through Audit Risk & Governance Committee (the committee) on 5 June 2019 and the Board on 10 September 2019. Changes were recommended and adopted and the Code is scheduled for review again in 2021/22.

The Internal Audit Annual Plan 2019/20 was approved by the committee on 6 March 2019 and an amendment was approved by the committee on 11 December 2019. Throughout the year internal audit reports were considered by the committee.

The Board's Risk Register was reviewed by the committee on 4 September 2019 and 4 March 2020. High risks were reported separately to the committee on 5 June 2019 and 11 December 2019. The Board received its annual report on the Risk Register on 26 November 2019.

The statutory requirements and timescales applying to the 2018/19 accounts and audit process were adhered to in all respects.

The scheduled review of Standing Orders, the Scheme of Delegations and committee remits was carried out through the committee on 11 December 2019 and the Board on 21 January 2020. The scheduled review of Financial Regulations was carried out and concluded with minor changes by the Board on 21 January 2020.

Full reviews were carried out and improvements agreed during the year of the Strategic Planning Group and Locality Planning, of the Heath & Care Governance Framework and membership of the Board, committees and the Strategic Planning Group. The annual performance report was approved and published in accordance with the statutory deadline. Assurance reports on clinical and care governance and from the Clinical Director and the Chief Social Work Officer were presented to the Board.

Reports were presented to the committee and to the Board in relation to the risks of and planning carried out in relation to the UK's withdrawal from the EU.

The Board was able to rely on provisions made in its Standing Orders and Scheme of Delegations to ensure an appropriate reaction to the coronavirus emergency.

No additional powers had to be sought or put in place. The Board meeting scheduled for 21 April 2020 was cancelled under delegated powers and reported as required by Standing Orders thereafter. Arrangements were commenced to ensure future meetings could take place by some form of remote access, as already provided for in Standing Orders.

7. Engagement With The Community

The Board approved an updated Communication and Engagement Strategy on 21 January 2020 that sets out how communities and stakeholders will be involved in the planning and delivery of services with the ultimate objective of improving outcomes for patients and service users by contributing to the delivery of the IJB's strategic priorities.

The new strategy emphasises a coproduction approach and includes a commitment to implement the National Standards of Community Engagement. It has been agreed the IJB will receive annual updates on the implementation of the strategy.

The new arrangements agreed for the Strategic Planning Group include the remit of Locality Planning and an expanded membership that will enhance engagement across partner bodies and the wider community, including greater service user representation.

The Framework requires officers to complete an assessment of the achievement of best value based on evidence and examples during the year which are consistent with, and demonstrate, best value as set out in legislation, ministerial and Audit Scotland Guidance.

Conclusions Drawn from Report

The IJB has demonstrated substantial compliance with Best Value based on the Best Value Framework agreed. Some areas for further development have been identified, which are consistent with the conclusions in the annual governance statement.

Matters for Forward Periods

Areas for further consideration during 2020/21 include ensuring compliance with GDPR and Data Protection Act requirements and arrangements for succession planning.

**Certificate by Chief
Finance Officer**

On the basis of the statements provided above, I certify that Best Value duties were substantially complied with in 2019/20.

Signature

Patrick Welsh

Date 27 May 2020