

PERTH AND KINROSS COUNCIL

24 February 2016

**Perth and Kinross Integrated Joint Board
Scrutiny and Accountability Framework****Report by Head of Legal and Governance Services****PURPOSE OF REPORT**

This report gives an update as to progress in respect of implementation of the Public Bodies (Joint Working) (Scotland) Act and sets out the proposed scrutiny and accountability arrangements governing the relationship between the Perth and Kinross Integration Joint Board and the Council as a constituent party to the Integration Scheme.

1. BACKGROUND

- 1.1 The Public Bodies (Joint Working) (Scotland) Act 2014 (“the Act”) put in place the statutory framework for the integration of health and social care services. The Act created new partnerships known as Integration Authorities (IAs) with statutory responsibilities to co-ordinate the delivery of health and adult social care services in an integrated way and to make the most efficient use of resources to better meet the needs of our communities and improve on the prescribed national outcomes.
- 1.2 To discharge our obligation under the Act, Perth and Kinross Council and NHS Tayside have agreed a body corporate model of integration authority and by virtue of their Integration Scheme; they established an Integration Joint Board (“the IJB”) which was formally constituted by Ministerial Order on 3 October 2015.
- 1.3 The Act set out which health and social care functions are delegated to the new IAs (in our case the Perth and Kinross Integration Joint Board “IJB”) and the Council and NHS Board must now delegate the reciprocal budgets for these functions to the IJB. How the Partners determine these sums is set out in the Integration Scheme and supplemented by statutory guidance.
- 1.4 The IJB therefore now has responsibility for the strategic planning, resourcing and operational delivery of those delegated functions and the decision making in respect of these functions will now be joint and integrated through the operation of the IJB.

2 CURRENT POSITION

- 2.1 In accordance with the Act, the IJB has established its Strategic Planning Group to enable it to produce its Strategic Plan as to how these delegated functions will be delivered in a more integrated manner based on locality arrangements. Public consultation on the draft Strategic Plan has now ended.

There is now a statutory obligation on the IJB to take feedback into account and to re-consult on any amendments before the Plan is approved by the IJB.

- 2.2 Full delegation of the functions, resources and operational responsibilities happens when the IJB is satisfied that the Strategic Plan and locality arrangements are fit for purpose, however, in terms of the legislation, they must be delegated to the IJB by **1 April 2016** at the latest. Given the statutory timescales for delegation therefore, the Strategic Plan needs to be in place and approved by the IJB by 1 April 2016.
- 2.3 Whilst the Strategic Plan approval, implementation and monitoring has been the responsibility of the IJB from 3 October 2015, it is recognised that a new integrated model for health and social care cannot be delivered overnight. Successful integration requires not only new legal frameworks and the transfer of budgets, it also requires a huge shift to be implemented across two separate and culturally distinct organisations and the rethinking and redesign of traditional service delivery models. This can only be done incrementally over time.
- 2.4 Furthermore, the IJB itself also needs time to develop a fuller understanding of the integration agenda and the services for which it now has responsibility, if it is to provide the appropriate leadership and direction necessary to identify the capacity for change in our partnership activity.
- 2.5 The transfer of responsibilities for the complex operational arrangements required to successfully deliver the integrated model (such as developing a joint operational management structure and implementing joint commissioning arrangements etc.) needs to be planned over 2016/17 allowing understanding, knowledge, experience and confidence to grow within the IJB. A staged 'handover' programme of roles and responsibilities will require ongoing dialogue between the Council, NHS Tayside and the IJB, to agree the most appropriate timing and approach in respect of the revised operational arrangements.
- 2.6 In terms of operational delivery of the integrated functions as of 1 April 2016, because the IJB does not directly employ any staff, the relevant operational services will still need to be delivered by Council and NHS staff. The Act requires the IJB to issue Directions to the Council and/or NHS, effectively commissioning the delivery of the relevant services from them. These Directions will specify:-
- how the function is to be delivered; and
 - the amount of and method of determining the payment to be made for the operational delivery of that function
- 2.7 The Chief Officer plays a key role as the IJB discharges all of its statutory responsibilities through him. In terms of operational delivery of the integrated functions, as the IJB has no direct operational workforce, the Chief Officer will need the support of the Chief Executives of the Council and NHS and their respective Senior Management Teams, to progress the planning and facilitate the operational management arrangements for taking integration forward.

2.8 The importance of the relationship between the Chief Officer and Senior Management within the Council and the NHS cannot be overstated. The IJB's ability to deliver integrated services depends upon it. Their support will be crucial if the IJB, through the Chief Officer, is to succeed in creating the appropriate culture and infrastructure to truly deliver integrated services and improve the outcomes for our communities.

3 HOW IT WORKS: THE LEGAL FRAMEWORK

3.1 The role and remit of the IJB is prescribed by the Act.

3.2 The relationship between the IJB and the Council and NHS is governed by the Integration Scheme.

3.3 The IJB discharges all of its statutory responsibilities through its Chief Officer.

3.4 The IJB commissions the Council and/or NHS Tayside to deliver the relevant operational services required to discharge the integrated functions by way of written Directions under S 26 of the Act, to include

- how the function is to be delivered; and
- the amount of and method of determining the payment to be made for the operational delivery of that function

3.5 The Council and NHS have dual roles in terms of the delegated functions:-

- each determines the budget to be delegated to the IJB in accordance with the provisions of the Integration Scheme and their respective budget setting frameworks for the integrated functions ; and
- are by virtue of IJB Directions a commissioned provider of operational services

3.6 The Chief Officer has a dual role:-

- He is directly accountable to the IJB for the discharge of all of its statutory responsibilities. These include: strategic planning, performance reporting, ensuring that IJB directions are being implemented, reviewing and recommending changes to the Strategic Plan and ensuring IJB compliance with other legislative requirements (e.g. Data Protection, Freedom of Information, Equalities and Public Records etc.); and
- By virtue of the Integration Scheme, he is also responsible for the operational management and performance of the delegated functions, with the exception of the delegated aspects of Acute Hospital Care Services (essentially those services associated with the "emergency care pathway" which result in a predominance in unplanned hospital admissions). The IJB will have strategic planning responsibility for these Acute Care Services; the day to day responsibility for the operational delivery of the services within the hospital, remain with the NHS. The Chief Officer must retain an

oversight of the operational delivery of these services however, in terms of his responsibility to implement the Strategic Plan.

3.7 In terms of his operational role, the Chief Officer is directly accountable to the Chief Executives of the Council and NHS Tayside. He will be a member of each of their senior management teams and as such will be subject to the usual lines of accountability in terms of operational performance and financial management.

3.8 The Council's Section 95 Officer also has a dual role :-

- establishing the budget to be delegated to the IJB as part of the budget setting process, in accordance with the terms of the Integration Scheme and statutory guidance ;
- responsible for the financial management of the resources that are then re-allocated back to the Council by the Integration Joint Board in support of the Directions for operational delivery

3.9 The Chief Finance Officer to the IJB is responsible for the due diligence and the financial governance in respect of the delegated budget. This includes:

- establishing financial governance systems for the proper use of the delegated resources including financial management, monitoring and reporting ;
- ensuring that the Strategic Plan meets the requirement for best value in the use of the Integration Joint Board's resources; and
- ensuring that IJB directions provide that the spending of the resources is in accordance with the Strategic Plan and responsibilities in terms of "following the public pound"

3.10 These dual roles add particular complexity to the governance framework for the delivery of integrated health and social care services.

4 HOW IT WORKS : ACCOUNTABILITY, SCRUTINY AND ASSURANCE

4.1 In terms of accountability, by way of illustration :-

- **Appendix 1** sets out the general high level accountability of the Integrated Joint Board
- **Appendix 2** sets out in more detail the accountability framework for the Chief Officer.
- **Appendix 3** sets out the accountability framework as regards the financial governance in respect of the delegated budget

4.2 This evolving and complex landscape will require changes to be made to the internal scrutiny and assurance arrangements within the Council.

- 4.3 As the role of the Council in terms of the integrated services is fundamentally shifting to that of a commissioned provider of services to the IJB, Elected Members we will be seeking different assurances going forward.
- 4.4 The Council has an effective scrutiny framework in place through its existing Committee and Management structures and it is not proposed that a separate mechanism be created for the purposes of functions now delegated to the IJB. It is proposed that the existing committee structure be used in the meantime with the Scheme of Delegation amended to make the necessary changes in terms of roles and remits as required.
- 4.5 **Appendix 4** sets out the proposed framework for Elected Member scrutiny and **Appendix 5** brings all of the component parts together to illustrate the overall assurance framework for the integrated functions.
- 4.6 In terms of the proposed assurance structure, the roles and remits of Elected Members will for some purposes remain the same. The key changes will be in terms of the Housing and Health Committee and the Scrutiny Committee.
- 4.7 In terms of the Housing and Health Committee (HHC), it will be “business as usual” for those functions which are not part of the Integration Scheme. For those functions now delegated to the IJB, the Housing and Health Committee will now be considering policy and standards and monitoring the operational performance in the context of the Council now being a commissioned provider of these services by virtue of Directions from the IJB. In terms of policy setting, the IJB sets the strategic policy direction through the Strategic Plan and locality planning arrangements. Whilst the Chief Officer through his Integrated Management Team has responsibility for delivering the operational services in accordance with the Strategic Plan, as the IJB does not employ staff, the Council (and NHS) will continue to provide the workforce. HHC shall still be responsible therefore for setting workforce and operational policy, quality & improvement standards and for monitoring operational performance.
- 4.8 Whilst the HHC will continue to provide assurance as to operational performance and standards for the delegated services, as the Council will now be delivering those services as a commissioned provider in response to a legal obligation created through the IJB Directions, we will require a mechanism to scrutinise and provide assurance in terms of our compliance with these directions and any additional legal obligations which flow from them in terms of “following the public pound” and best value. It is proposed to amend the current remit of Scrutiny Committee to deal with this aspect of assurance.
- 4.9 It should also be noted that the IJB will also be subject to external scrutiny and review which will provide assurance to the Council as regards the IJBs performance in terms of improving on the national outcomes and achieving Value for Money. The external bodies which will have a scrutiny role are:-
- The Care Inspectorate
 - Healthcare Improvement Scotland
 - The Accounts Commission
 - The Auditor General for Scotland

As part of our assurance process the Scrutiny Committee will receive and consider any reports in respect of the IJB from external audit, scrutiny and inspection bodies.

- 4.10 It is proposed that the remit of the Scrutiny Committee be amended to incorporate a mechanism by which any serious concerns which may emerge through that scrutiny and assurance process can be adequately addressed. It will be an option therefore for the Scrutiny Committee to escalate matters by way of a recommendation that the Chief Executive prepare the necessary report to bring the matter to attention of the Council.
- 4.11 The budget delegated by the IJB to the Council for the delivery of these commissioned services will be monitored in the usual way by the Strategic Policy and Resources Committee and the Head of Finance as the Section 95 Officer for the Council will still be responsible for providing assurance as to the financial management of that budget to Elected Members.

5 RECOMMENDATIONS

It is recommended that Council:

1. Notes the progress made by the Integration Joint Board to date in terms of preparation for full delegation in accordance with the legislative timescale;
2. Agrees the approach outlined in terms of the scrutiny and assurance framework; and
3. Authorises that the required changes be made to the Scheme of Administration.

Author

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Approved

Name	Designation	Date
John Walker	Depute Chief Executive, H&CC (Corporate & Community Development Services)	5 February 2016

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	
Corporate Plan	
Resource Implications	
Financial	
Workforce	
Asset Management (land, property, IST)	
Assessments	
Equality Impact Assessment	
Strategic Environmental Assessment	
Sustainability (community, economic, environmental)	
Legal and Governance	Yes
Risk	
Consultation	
Internal	Yes
External	
Communication	
Communications Plan	

1. **Strategic Implications** N/A.

2. **Resource Implications** N/A

3. **Assessments.**

Equality Impact Assessment

(i) Assessed as **not relevant** for the purposes of EqIA

Strategic Environmental Assessment

(i) No further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability N/A

Legal and Governance

The Head of Legal & Governance Services prepared the report.
The following officers have been consulted:

- The Chief Executive and Executive Officer Team
- Head of Finance
- Head of Democratic Services
- Chief Social Work Officer

Risk N/A

4. Consultation

Internal

As above

Chief Officer of Integrated Joint Board

Chief Finance Officer of Integrated Joint Board

5. Communication N/A

6 BACKGROUND PAPERS N/A.

7 APPENDICES

Appendix 1 sets out the general high level accountability of the Integrated Joint Board

Appendix 2 sets out in more detail the accountability framework for the Chief Officer.

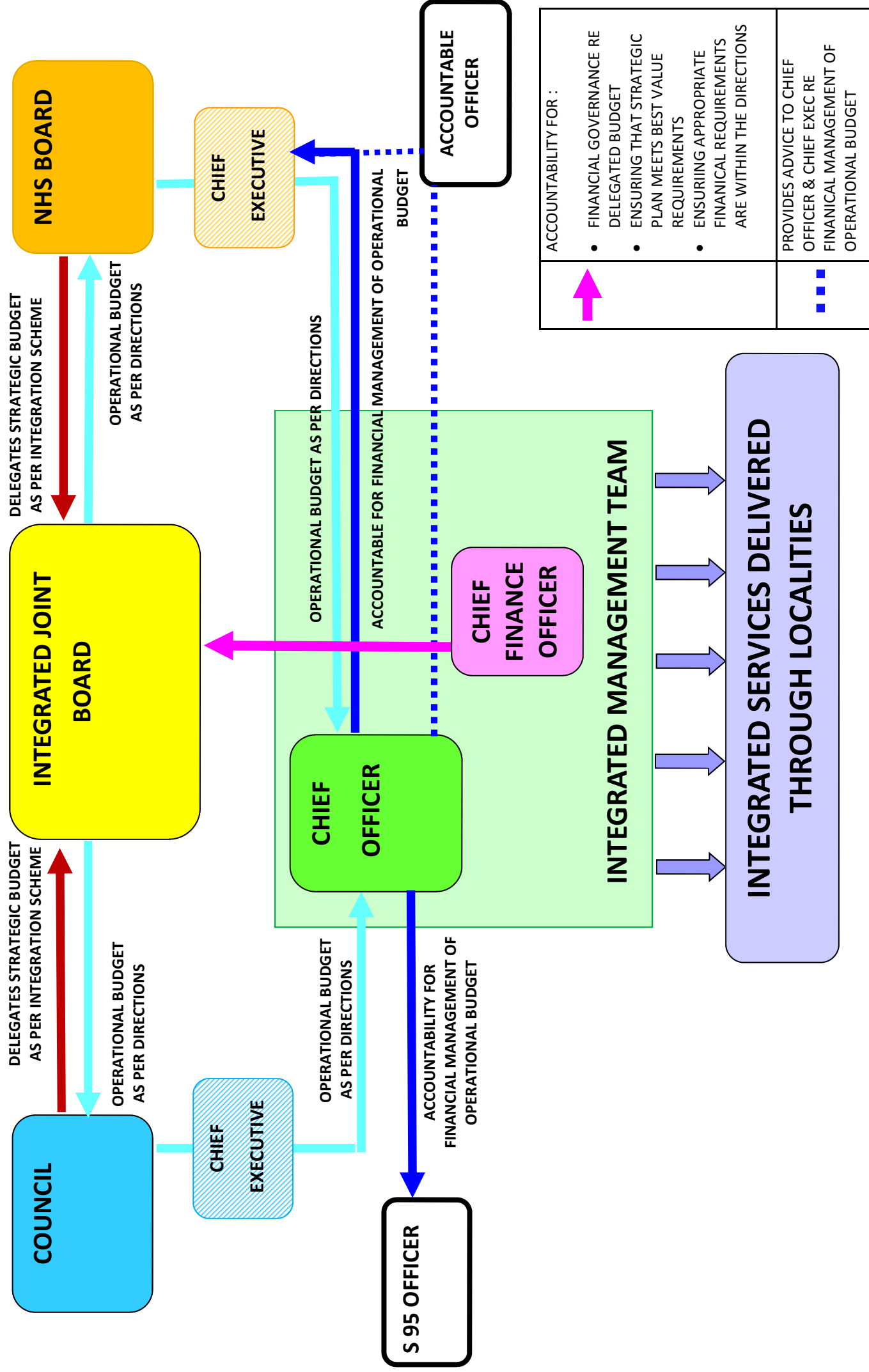
Appendix 3 sets out the accountability framework as regards the financial governance in respect of the delegated budget

Appendix 4 sets out the proposed framework for Elected Member scrutiny

Appendix 5 illustrates the overall assurance framework for the integrated functions.

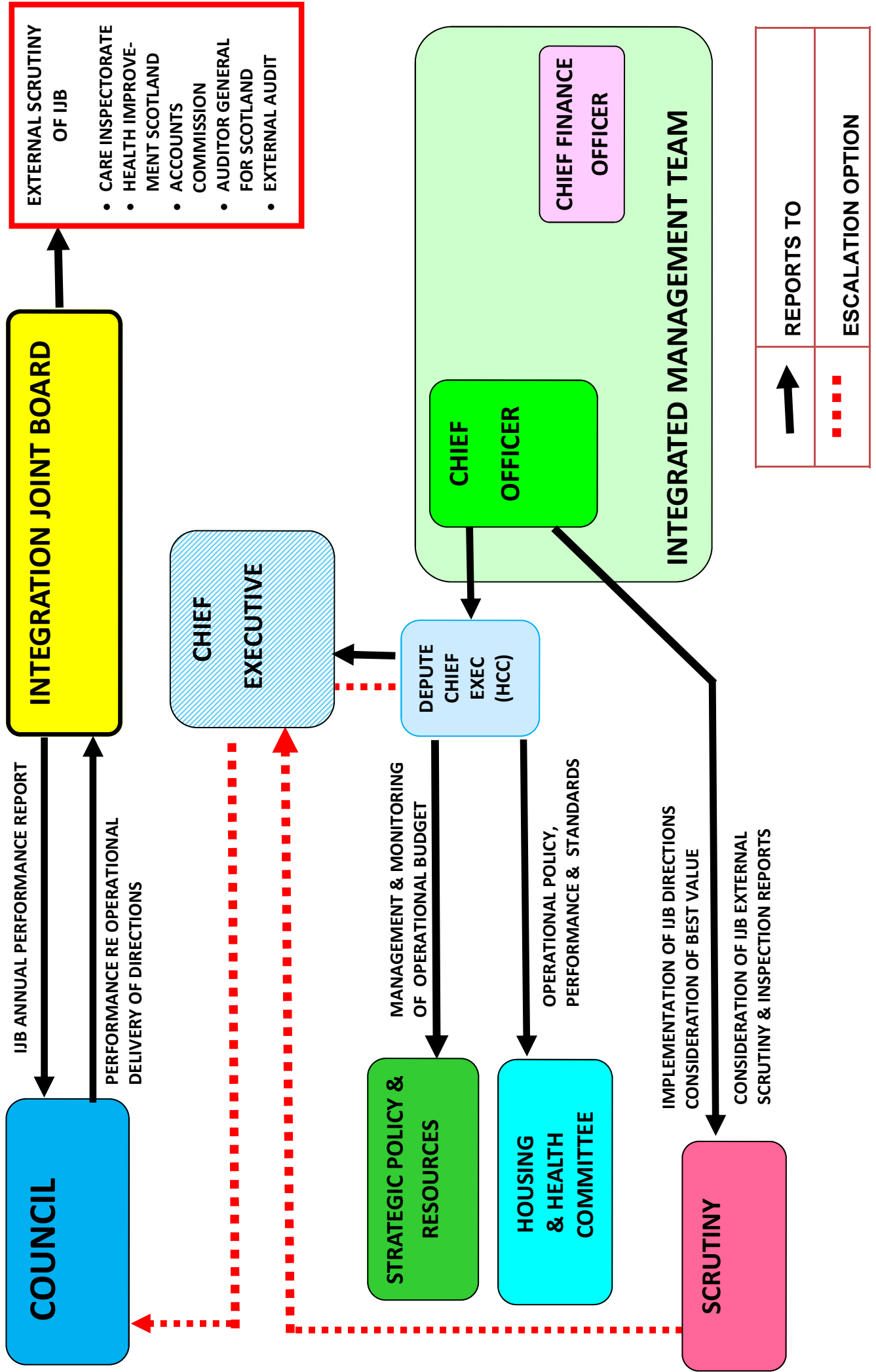
FINANCIAL GOVERNANCE STRUCTURE

APPENDIX 3

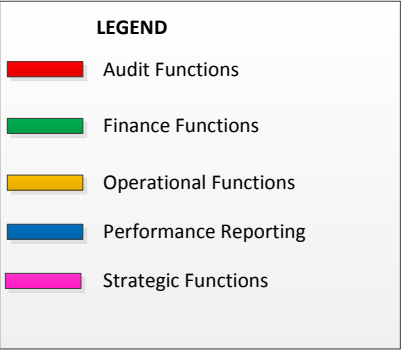


ELECTED MEMBER SCRUTINY FRAMEWORK

Appendix 4



Appendix 5
Health And Social Care Integration
Assurance Framework
05/02/16



Monitoring and Management of Operational Budget

Audit of Operational Performance and Delivery

Implementation of IJB Directions, Best Value and Consideration of External IJB Scrutiny Reports

Operational Policy, Performance and Standards

