



**CÙRAM IS SLÀINTE NAN EILEAN SIAR
WESTERN ISLES INTEGRATION JOINT BOARD**

**INTEGRATION JOINT BOARD
AUDIT COMMITTEE**

Minute of the meeting of the Western Isles Integration Joint Board Audit Committee held on Thursday 09 December 2021 at 12.00pm, via Microsoft Teams

Members:-

Tim Ingram	Non-Executive Director NHS Western Isles
Gillian McCannon	Chair, NHS Western Isles / Vice Chair of IJB Audit Committee
Angus Morrison	CnES Councillor / Chair of IJB Audit Committee (Meeting Chair)
Paul Steele	CnES Councillor

In Attendance:

Debbie Bozkurt	Chief Finance Officer, IJB
Ray Buist	Auditor, Audit Scotland
Nick Fayers	Chief Officer, IJB
David Jamieson	Senior Audit Manager, Audit Scotland
Paul MacAskill	Chief Internal Auditor, CnES
Norman MacDonald	Accountant, CnES
Michelle McPhail	Corporate Business Manager, NHS Western Isles
Angus M Murray	CnES – Union Representative

Mrs. McPhail advised the Chair of a request from Mr. Fayers and Ms. Bozkurt seeking agreement to adjust the agenda and prioritising agenda items 5.1 / 6.1 / 7.2 and 8.1. The Chair and members agreed.

The Chair advised that the Approval of the Annual Accounts will be taken first.

1. WELCOME

The Chair welcomed those attending to the meeting.

2. APOLOGIES FOR ABSENCE

Robert MacAskill	Internal Auditor, CnES
Carolyn MacPhee	Third Sector Hebrides

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

The Chair asked Mr. Fayers to present his prioritised reports.

5. AUDIT AND FINANCIAL GOVERNANCE

5.1 Annual Accounts

5.1.1 Audit Scotland Annual Accounts Report

5.1.2 Integration Joint Board Annual Accounts 20/21

5.1.3 Letter of Representation

Mr. David Jamieson, Audit Scotland, drew colleagues' attention to the report highlighting the following sections:

- The Auditors opinion on the annual accounts are unmodified
- Limited progress was made in the year due to Covid-19 recovery
- Financial management and sustainability
 - A planned budget deficit of £3 million was to be met from savings and reserves, but in-year budget increases for Covid-19, unspent funding, and staff vacancies meant that the IJB underspent by £3.9 million in 2020/21
 - £1.8 million of unspent Covid and other funding has been added to IJB reserves
 - Only 25 per cent of achieved savings are recurrent and next year's budget deficit is £3.8 million, which is yet to be met through planned savings
 - Medium-term financial plans project a cumulative £6.6 million deficit by 2023/24, if recurring savings are not identified
- Governance, Transparency and Best Value
 - The IJB needs to publish a three-year Strategic Plan to set out objectives and how services will be delivered.
 - The last best value self-assessment was carried out in 2019
 - An integrated workforce plan is not expected to be completed by March 202

Members debated the report commenting on the following:

- Moving forward identifying potential savings ~ Debbie Bozkurt advised that the NHS is contained within the RMP4 – Recovery and Mobilisation Plan V4, which is a requirement from Scottish Government. The Comhairle allocation is recurrent based on the original allocation at the start of the partnership in 2015 and is classed as flat cash as there is no uplift taking cognisance of Council staff annual wage increase or increase in service charges.
- It was confirmed that the IJB will be asked to approve the Report at its meeting on the 16 December 2022.

The Chair thanked colleagues for their review of the Report and thanked Audit Scotland colleagues for their continued support.

Debbie Bozkurt, Chief Finance Officer, presented the Annual Accounts and letter of presentation for approval.

The Annual Accounts, as reviewed by Audit Scotland provides awareness of the collective funding into the IJB from both parent bodies, NHS £1,030,708 and Comhairle £2,185,685 equating to the IJB obtaining £3,216,393. The allocation from the parent bodies is to provide and covers the cost to deliver the required services, although there is an issue of the Comhairle and flat cash.

Debbie Bozkurt noted the level of reserves as at 31 March 2021 being £8,045k, broken down as £2,135k specific reserves, £4,441k earmarked and £1,469k general reserves.

Taking account of the financial outlook and risks, the IJB underlying deficit of £2.1m.

The letter of representation is the formal sign off letter from the Chief Finance Officer to Audit Scotland, as the external auditing company appointed by the Auditor General, confirming that appropriate action and review has been undertaken and the Annual Accounts are a true and relevant reflection of the financial and governance position of the IJB.

Decision: The Committee formally:

- **Approved the Annual Accounts report from Audit Scotland;**
- **Approved the IJB Annual Accounts; and**
- **Approved the letter of representation**

Action: The reports will be presented to the IJB in December for approval – agenda item for 16 December 2022.

8. OPERATIONAL

PERFORMANCE

8.1 Winter Planning for Health and Social Care

The Chief Officer, Nick Fayers, advised that the Scottish Government are making additional allocation available to Health and Social Care and will be recurring. The funding is a direct response to the intense winter planning and systems pressures work that has taken place over recent work with stakeholders ~ NHS, Local Authorities, trade unions and staff representatives. The allocation may come via the NHS or Local Authorities, however the full allocation must be passed onto the IJB in full.

It was noted that the purpose of the allocation is support:

- Maximising capacity;
- Ensuring staff wellbeing;
- Ensuring system flow; and
- Improving outcomes.

The Chief Officer advised as to how the Winter Planning allocation for 22/23 will be utilised, within the required areas, defined by the allocation of approximately £1.3m.

To support the services the Chief Officer advised of the Integrated Corporate Management Team agreed to utilise part of the allocation to employ additional staff to support the services with the employer being the NHS and working across the health and social care partnership.

Members noted the rationale for basing the recruitment on NHS terms and conditions as over the previous 6 months the Comhairle success to recruitment has been filled at 53% whereas the NHS has a success rate of 91%. The allocation would be used to seek to employ a further 16.88wte posts to support care to residents.

Malcolm Burr confirmed that the proposal had been discussed with himself and Gordon Jamieson, Chief Executive of NHS Western Isles and other senior colleagues.

Nick Fayers indicated that there is a need to work with both parent bodies to obtain their Workforce Plans to enable an integrated approach to be achieved to support the need within the health and social care delivery.

Members raised concern at the possibility that current council employees may apply for the new posts, given the improved terms and conditions laid out in the NHS, which only moves the existing staff around rather than finding new colleagues.

Both Nick Fayers and Debbie Bozkurt agreed that this is a possibility but there may be some existing staff who are content to work for the Council and enables potential new staff to come forward, increasing the available workforce.

Malcolm Burr indicated that the Comhairle Policy & Resource Committee have discussed the ability they make discretionary payments to staff but still within their single status parameters. A survey with staff is being undertaken and the results will be shared once completed.

Members noted that part of the issue is not just pay related but is around anti-social hours and car support.

Gillian McCannon acknowledged the position as highlighted by Malcolm Burr and the Comhairle's willingness to review their employment process, taking into consideration that any changes may impact on other employed groups within the Council.

The Chair enquired as to the number of people in hospital waiting to be discharged but who are held up due to the inability to provide care at home.

Nick Fayers indicated that as at November 2021, 26 people are classed as Delayed Discharge but this has improved recently with the position as at the beginning of December being 13 people waiting. The level of unmet need in the Community is 575 hours where people are waiting for support and are vulnerable.

Malcolm Burr left the meeting at 12:56

Nick Fayers advised that the report will be presented to the IJB in December noting the same purpose and rationale but asking Members to approve in principle recommendations.

The Chair thanked colleagues for their honesty and openness in bringing the challenge, and possible support solutions, to the eyes of the Committee.

Decision: The Committee was asked to, in principle, note and approve the following. The Committee:

- **Noted the plan for appropriate care and support for people who are unnecessarily delayed in hospital;**
- **Approved the establishment of 16.88 wte Health and Social Care Workers through NHS Western Isles terms and conditions;**
- **Approved the transfer of grant to NHS Western Isles for expanding care at home capacity on the understanding any underspend is held in IJB reserves for the original purpose of the fund; and**
- **Noted the plan for Multi-Disciplinary Working.**

Action: The report will be presented to the IJB in December seeking collective and formal approval.

7. STAFF GOVERNANCE

7.2 Workforce Report Health and Social Care – recruitment challenges

Nick Fayers, Chief Officer, presented the report to member advising:

- Members are aware of the demographic aging population of the Western Isles by age projection 2018-2028 meaning that from 30 years to 59 years there is a dramatic reduction in available working age population.
- Health and Social Care have a number of vacancies which have been carrying for some time. The recruitment to these posts are from the local recruitment market but some posts are required and impacted on national shortage ~ consultant, laboratory technicians, pharmacists and Allied Health Professionals. These posts require higher locum agency cost, when we can attract people to come to the islands.

- To support the services it was note that 162 people are need to be sourced and recruited. This is extremely challenging given the low available pool of working population to pull from.
- Delayed Discharges within the Western Isles Hospital is consuming 20% of bed capacity;
- The impact of being a delayed discharge means that people deteriorate and become more dependent and therefore require more support.
- Mitigation of the issue would come from:
- 17 new posts expanding Care at Home capacity by using the Scottish government Winter Planning monies, as noted in report 8.2 discussed today;
- If the Health and Social Care Partnership is not able to recruit into Care at Home posts whether through Single Status Terms and Conditions or through Agenda for Change Conditions then we would need to look at centralizing complex packages and clients with high points of care into the Housing with Extra Care. This would then release staff to follow these patients;
- The Chief Officer, with support, will enter into negotiations with agencies to see if they are able to recruit locum staff into the Goathill complex and at what level of pay. This however will mean providing accommodation which is at a premium and the cost will increase the existing £1.2m gap in Goathill funding;
- The Chief Officer will bring both the Private Sector and Thirds Sector around the table to look at the problems with recruitment of staff and volunteers and ascertain whether there is any best practice and learning within these organization that with provide some solutions to the recruitment market;
- To widen recruitment market to rest of Scotland and UK, work needs to be undertaken to make Social Care jobs more attractive not just financially, although this is a factor. It is unlikely that families will move to the Islands to take a job that pays slightly above minimum wage. The caring industry is predominantly a female role, to entice families to the Islands needs to provide appropriate jobs for the whole family on the Islands; and
- There is some support available through grant schemes e.g. Island Bond, the incentive is money to support new business rather than be employed into local existing jobs. The new way of working from home brought about by the pandemic is also having an effect on the job market as incoming population can “bring” their job with them rather than join the local market pool. Also the existing population can undertake off island work without moving from their Island base. This reduces the local recruitment market further.

Members deliberated the position and the updates provided. Suggestions as to advertisements, publicity etc. was put forward however the realisation that there is not enough people on island to support service demand is critical.

Support needs to be obtained, not just from the local OHCPP but from Scottish Government to retain an island population.

The Chair thanked Nick Fayers for his report specifying the issues and concerns. He asked members to note the recommendations, advising that the report will be presented to the IJB for collective review and seek approval of the recommendations.

Decision: The Committee was asked to note/approve in principle:

- **Approved work required to cost and the feasibility of bringing new Care at Home vacancies through NHS Terms and Conditions;**
- **Approved the use Scenario analysis to ascertain the effect of increasing grade of Social Care Assistants across the Social Care Portfolio;**
- **Approved the Chief Officer entering in to initial conversations with agencies; and**
- **Engage Scottish Government in the repopulation agenda in a meaningful and timely manner.**

Action: The report will be presented to the collective IJB seeking agreement of the recommendations.

6. CORPORATE GOVERNANCE

6.1 Goathill Project Update

Nick Fayers, Chief Officer, presented the report to members, raising his significant concerns at the ability to open Goathill facility in May 2022 given the financial gap and workforce gap.

Nick Fayers took members through the report noting:

- Goathill Campus had been agreed as part of the Comhairle Strategic Housing Investment Plan 2017/22 with the support of Cùram is Slàinte nan Eilean Siar (Western Isles Integrated Joint Board) and in collaboration with the Hebridean Housing Partnership. The plan was to deliver a large strategic housing site in the Goathill area of Stornoway with the objective to deliver general need housing, 'Extra Care' housing, and a care home hub as part of the re-provisioning of housing to meet the needs of our elderly population.
- Taking all the current facilities, Dun Eisdèan, Dun Berisay, Blar Buidhe and respite there are 145 beds available in total. With the new model, 170 beds are available.
- The model provides 52 bedded care home contained within 4 wings each with 13 beds. There is an additional facility for 50 extra care flats. The proposal currently is to utilise 25 of the 50 flats to support 11 respite beds, 10

care beds and 4 intermediate care beds. All or part of which would require registration with the Care Commission.

- A report provided to the IJB in September 2021, providing an update on the revenue estimates. At the time of the report there was a £28,296 revenue shortfall on the Goathill project. By early 2020, the Chief Finance Officer (CFO) had been given notice that the financial shortfall had risen considerably and had escalated the position to senior managers within Comhairle nan Eilean Siar. Debbie Bozkurt and senior colleagues started on work to try and bring the shortfall under control and bring the Goathill project to a break-even position. At budget setting the CFO alluded to the potential shortfall on the project in the 3 year plan.
- In September 2021 Debbie Bozkurt worked with Social Care staff and the projected financial shortfall at that time was £1,805k. The Social Care Team has evaluated the staffing model required and the gap has reduced to £1,179k as of 25th November 2021. Any Workforce issues will be discuss within the Health and Social Care Workforce report as the increase workforce required needs to be taken into context with other service requirements.
- Putting the shortfall, £1,179k into context, the IJB Social Care has a £2m underlying deficit which is a direct result of the flat cash being provided by the Comhairle for the past 4 years – no inflation uplift to pay staff their annual increments.
- The IJB budget for 22/23 will start with a minimum budget gap of £3.2m just on Social Care Workforce without taking into consideration the NHS Partner's pressures and any other pressure including on and off island placements.

Gillian McCannon raised her concern at the need to delivery safe staffing level to support the needs of clients within the new complex, however she wished her concerns to be specifically noted.

The Chair reflected on a recent discussion held in private with Councillors and the position is completely different from what was presented and discussed. He raised his grave concern at what the Comhairle are being informed of is accurate given the information presented today by the Chief Officer and Chief Finance Officer.

Mr. MacAskill supported the Chair's concerns from the auditing purpose. He advised that when he asked Comhairle colleagues if every person transitioning into the new facility would there be a supported bed available he was told yes.

Nick Fayers clarified that yes there are sufficient beds to support the transition of clients, however there is not the required staffing to provide a safe and effective environment for the clients to stay in.

The IJB / Health and Social Care Partnership does not have the ability for double running costs nor have the ability to utilise the current staff in both Dun Berisay and Dun Eidean as this would provide insufficient staffing to open up the whole facility.

Debbie Bozkurt, Chief Finance Officer, advised that given the number of people transitioning and the level of staff required to open the facility safely there is a gap of £727k which needs to be funded.

Gillian McCannon, Chair of the IJB, requested that the report is presented to the full IJB for collective consideration. She raised her concern in relation to the assessment of the current client list as to which client can live in housing with extra care facility given their current level of care required resulting in them being placed within a residential care facility.

Paul MacAskill and the Chair, Angus Morrison, were concerned at the different levels of information being presented to the Councillors and to the IJB Audit Committee. The Chair requested that Nick Fayers discusses this with his senior Comhairle colleagues, Emma MacSween and Jack Libby, to ascertain what information is being presented to which group of people.

The Chair also requested that Nick Fayers meets with Malcolm Burr to ascertain the financial position and support.

The Chair asked Norman MacDonald for his view. Mr. MacDonald advised that the Comhairle's financial position is known and as a Council it would not have been prudent or appropriate to approve an HR report if additional funding was required.

It was requested that a critical analysis be undertaken to assess the risks and where the service would go if the worst case scenario was realised that the Goathill facility would not be opened.

The Chair asked Nick Fayers to ask Malcolm Burr, Gordon Jamieson, Emma MacSween and Jack Libby to the required January meeting to discuss this further. Nick Fayers advised that he would establish this following the interim meetings with the Comhairle Chief Executive.

Decision: The Committee:

- **Noted the funding gap;**
- **Agreed to the report going forwards to the IJB with the clear requirement regarding direction to CnES regarding the funding shortfall and action plan to mitigate recruitment risk.**

Action: Paper to go forward to the IJB in December 2021.

The Chair asked Mr. MacAskill to present the internal audit reports.

5. AUDIT AND FINANCIAL GOVERNANCE

5.2 Internal Audit Annual Reports

5.2.1 IJB Progress Report

5.2.2 Project Management of Capital Delivery – follow up report

The Chief Auditor, Paul MacAskill, presented the reports.

Mr. MacAskill highlighted the following from the Progress Report:

- Internal Audit Work:
 - Service Redesign, delivery and progress in meeting key outcomes ~ work in progress
- Annual & Progress Reporting 20/21:
 - Internal Audit Annual Report – completed 04 June 2021
 - Progress reports presented to the Audit Committee – 08/06/21, 01/09/21, 03/12/21
- Meetings and attendance at IJB Audit Committee – in progress
- Follow-up reporting – in progress

Paul MacAskill, Chief Internal Auditor, raised his concern at the issues reported previous and today at the potential inability to open Goathill. A specific discussion is required to clarify the position and the information assessed by the full IJB with discussion of the position with the Chief Executive of the Comhairle.

In relation to the Project Management of Capital Investment and Delivery, work with the Chief Officer continues to address the recommendations.

No questions were asked by members.

Decision: The Report was formally noted by the Committee.

Action: No actions required.

The Chair took the opportunity of thanking colleagues for their scrutiny and debate of the significant issues presented today, confirming that the information will be reviewed by the full IJB.

7. DATE & TIME OF NEXT MEETING

Meeting: IJB Audit Committee

Location: Teams

Time: 1000-1300

Day / Date:	10.02.21	08.09.21
	10.06.21 / 15.06.21	08.12.21

The meeting ended at 3.00pm, the Chair thanking everyone for their contribution to the discussion.