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Agenda Item: 5.

Integration Joint Board – Audit Committee

Date of Meeting: 19 November 2019.

Subject: Internal Audit of Localities.

1. Summary

1.1. An Internal Audit was completed in October 2019 on the Orkney Integration Joint Board's approach to Locality Planning.

2. Purpose

2.1. This report has been prepared to present the internal audit report relating to localities.

3. Recommendations

The Audit Committee is invited to note:

3.1. That an internal audit has been undertaken in respect of the Board's approach to locality planning.

3.2. The findings contained in the internal audit report, attached as Appendix 1 to this report, in respect of the Board's approach to locality planning.

3.3. That an action plan to address the improvements identified and included within the internal audit report has been agreed with responsible officers, with the actions due to be implemented by June 2020.

It is recommended:

3.4. That the Audit Committee review the audit findings to obtain assurance that action has been taken or agreed where necessary.

4. Background

4.1. Locality planning is a key element of the Public Bodies (Joint Working) (Scotland) Act 2014 in relation to the planning and delivery of integrated services. A locality is defined with the Public Bodies (Joint Working) (Scotland) Act 2014 as a smaller area within the borders of an Integration Authority.

4.2. The legislation requires the Integration Joint Board (IJB) to develop and implement a locality planning approach so that the views of communities, patients, service users and staff can inform service planning.

5. Audit Findings

5.1. Our review provides limited assurance as to the development of locality planning to date. However, there is a strong desire and commitment to the principle of community service planning.

5.2. The audit report includes one high recommendation and one medium recommendation, which are required in order to become compliant to the legislation.

5.3. An action plan has been agreed to address the findings of the audit, with the recommendations due to be implemented by June 2020.

6. Contribution to quality

The table below indicates which of the Council Plan 2018 to 2023 and 2020 vision/quality ambitions are supported in this report.

Promoting survival: To support our communities.	Yes.
Promoting sustainability: To make sure economic, environmental and social factors are balanced.	Yes.
Promoting equality: To encourage services to provide equal opportunities for everyone.	Yes.
Working together: To overcome issues more effectively through partnership working.	Yes.
Working with communities: To involve community councils, community groups, voluntary groups and individuals in the process.	Yes.
Working to provide better services: To improve the planning and delivery of services.	Yes.
Safe: Avoiding injuries to patients from healthcare that is intended to help them.	No.
Effective: Providing services based on scientific knowledge.	No.
Efficient: Avoiding waste, including waste of equipment, supplies, ideas, and energy.	No.

7. Resource implications and identified source of funding

7.1. There are no resource implications associated directly with the recommendations to this report.

8. Risk and Equality assessment

8.1. There are no risk or equality implications associated with this report

9. Direction Required

Please indicate if this report requires a direction to be passed to:

NHS Orkney.	No.
Orkney Islands Council.	No.
Both NHS Orkney and Orkney Islands Council.	No.

10. Escalation Required

Please indicate if this report requires escalated to:

NHS Orkney.	No.
Orkney Islands Council.	No.
Both NHS Orkney and Orkney Islands Council.	No.

11. Authors

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13. Supporting documents

13.1. Appendix 1: Internal Audit Report – Localities.



INTERNAL AUDIT

Localities

Audit Report

2018/19

Draft Report Issue Date: 31 May 2019
Final Report Issue Date: 18 Oct 2019

Distribution:
Chief Officer IJB
Chief Finance Officer IJB

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EXECUTIVE SUMMARY

- Based on our findings, our review provides limited assurance as to the development of locality planning to date.
- Our audit however has identified a strong desire and commitment to the principle of community service planning.
- Our audit has also identified areas where the IJB is not yet fully compliant with the Public Bodies (Joint Working) (Scotland) Act 2014 as to localities.
- The risks are non-conformity to statutory legislation and ineffective engagement with the local population as to service planning and ultimately to improving outcomes.
- The report includes recommendations which have arisen from the audit. The numbers of recommendations are set out in the table below under each of the priority headings. The priority headings assist management in assessing the significance of the issues raised. The report includes 2 recommendations which have been made to address the high and medium priority issues identified.
- The report includes 1 high level recommendation, being that, locality planning must continue to be developed in order to become compliant to the legislation.

Total	High	Medium
2	1	1

- Responsible officers will be required to update progress on these agreed actions via Aspireview.
- The assistance provided by officers contacted during the audit is gratefully acknowledged.

INTRODUCTION

What is a Locality?

Locality planning is a key element of the Public Bodies (Joint Working) (Scotland) Act 2014 in relation to the planning and delivery of integrated services.

A locality is defined with the Public Bodies (Joint Working) (Scotland) Act 2014 as a smaller area within the borders of an Integration Authority.

A criticism of the preceding Community Health Partnerships (CHPs) was the lack of opportunity for communities and professionals - including GPs, acute clinicians, social workers, nurses, allied health professionals, pharmacists and others - to take an active role in, and provide leadership for, local planning of service provision. Localities provide one route, under integration, to improve upon this, and to ensure strong community, clinical and professional leadership of strategic commissioning of services.

The legislation requires the Integration Joint Board (IJB) to develop and implement a locality planning approach so that the views of communities, patients, service users and staff can inform service planning.

Furthermore, the Localities Guidance associated with the Act requires Integration Authorities to report the proportion of the Integration Authority's total budget that was spent on each locality, and how this compares to previous years' expenditure.

There is a wide variation in the number and size of localities throughout Scotland. For example, Edinburgh Integration Joint Board has four localities (with an average population of 120,000). In contrast Shetland Integration Joint Board has seven localities (with an average population of 4,000) and the Western Isles has 5 localities (with an average population of 5,400)

Every locality will involve a range of people from different backgrounds, who are accustomed to different working styles and arrangements. When different people come together with a shared responsibility it will of course take some time to find the best way to work together.

Background

In accordance with the requirement of the legislation that each IJB must have at least two localities, the IJB has established two localities: one covering the Mainland and connected Isles (sub-divided into East and West) and the other covering the outer isles.

Although two localities were established staff have remained within traditional organisational structures.

Many services especially within Social Care, for instance residential care homes, are based on the mainland, but the service is available for all service users eligible for the service, regardless of where they currently reside.

This may be different to an urban IJB environment, which could encompass localities, such as central city and outer city areas, with very different demographics and care needs.

Audit Scope

The Audit Scope was to confirm:

- That there is a defined Locality Planning Strategy in place within the IJB.
- That the Locality Planning Strategy is compliant with legislation and if not to benchmark the level of non-compliance across all IJB as far as possible.
- That the Locality Planning Strategy is complied with within the IJB.
- That the IJB performance report includes an assessment of localities performance.

Audit Findings

- 1.0 The IJB, towards the end the 2016 calander year carried out a survey based upon the Scottish Government and NHS Scotland-endorsed Place Standard toolkit, along with engagement visits to the islands and two mainland engagement visits.
- 1.1 So far, at least at the initial stage, responses to the Place Standard toolkit questionnaire appear to be the most successful method of engagement with a total of 88 responses received.
- 1.2 The visits and surveys identified that, whilst some issues were prevalent across the isles and Mainland, the isles communities in particular had specific, sometimes unique, issues that could only be addressed on an island-by-island basis.
- 1.3 It has therefore become apparent that localities in Orkney did not follow a mainland and connected isles / outer islands split. Some consideration has been given to a west mainland and east mainland split.
- 1.4 The local planning strategy was for continuing input and engagement to be encouraged via the local GP surgery and Community Councils. This approach acknowledged the role of the GP surgeries and Community Councils as community leaders and deploys their local knowledge of how best to engage with the islands / parishes.
- 1.5 Although locality planning remains at an early stage of its development, this does provide the opportunity to reconsider the localities or “hubs” within Orkney.
- 1.6 One of the five objectives of the Strategic Plan for 2019 to 2022 will be the development of hubs within Orkney.
- 1.7 It is recommended that the localities within the IJB be reconsidered with an emphasis of identifying the locations that the population feel a part of, whilst continuing to align with GP practices, community partners and parishes. This may require a structure where a particular location under the definition of legislation encompasses several hubs.

Recommendation 1

Audit Findings

- 1.8 The Public Bodies (Joint Working) (Scotland) Act 2014 and associated guidances places a number of specific requirements as to localities which the IJB still need to implement.
- a) *The strategic commissioning plan must include information, inter alia, "How it will carry out its functions in relation to each such locality: this information must be set out separately for each locality, and cannot just be a generic statement that assumes that all localities will work in the same way as one another.*
 - b) *The Performance Report Regulations require that each (annual) performance report includes a description of the arrangements made in relation to consulting and involving localities, an assessment of how these arrangements have contributed to the provision of services and the proportion of the IJB's total budget that was spent in relation to each locality.*
 - c) *The proportion of the Integration Authority's total budget that was spent on each locality; and*
 - d) *In relation to the information described at c) above, a comparison between the reporting year and the five preceding reporting years (or, where there have been fewer than five preceding reporting years, all preceding reporting years).*
- 1.9 A benchmarking exercise carried out by Internal Audit, who reviewed all 30 performance reports for the other IJBs for the 2017 to 2018 financial year, found that only 1 was fully compliant to the requirements detailed at 1.8, five provided some details specific to localities with 24 providing no locality specific details.
- 1.10 The Localities Guidance further states that *"The starting point for the budget for locality plans will be the Integration Authority's resources that are currently used by the locality population. This historic share should be set alongside a "fair" share target, based on locality populations weighted to take account of population need and any factors relating to provision of service in the area. Local systems can obtain information on the resource use and fair share benchmarks for their localities using data available from NHS National Standards Scotland."*
- 1.11 The Chief Finance Officer of the IJB has been in contact with NHS National Standards Scotland in regards to the data referred to above but, so far, no information has been received.
- 1.12 The Chief Finance Officer of the IJB benchmarked the IJB's progress in locality based planning by questionnaire towards the end of the 2017 calendar year, responses established that Orkney IJB was no further behind than other IJBs.
- 1.13 Therefore whilst there is an obvious requirement to be compliant to the Act, the results of the benchmarking exercises referred to at 1.9 and 1.12 indicate that the risk associated with not yet having achieved full compliance, to be relatively low.

Audit Findings

- 1.14 There are still a number of issues to be considered as to how localities or hubs would work in the Orkney environment, e.g. who constitutes the hubs, should they be physical or virtual, is there the physical property or infrastructure available for the hubs to operate as desired.
- 1.15 Possibly an approach akin to Agile methodology could be considered, such as bringing a “minimum viable product (MVP) into operation” to meet legislative requirements in the knowledge that it will not fit every requirement, at least initially, and can be iteratively developed thereafter. Orkney Islands Council’s Change Programme is potentially one avenue to seek support from.
- 1.16 Unless in the unlikely event the Scottish Government allows dispensation to Orkney as to contrary, locality planning needs to be developed in order for the IJB to be fully compliant with the legislation.

Recommendation 2

- 1.17 As referred to in the introduction, localities provide one route, to strong community engagement.
- 1.18 During our audit we identified several other initiatives being carried out by the IJB to develop community engagement.
- 1.19 Three new programme boards are being developed, one of which will focus on community led support and another on strategic commissioning. All three of the programme boards will be supported by the Strategic Planning Group.
- 1.20 During May and June 2019 the IJB carried out a series of community led support engagements through the mainland and outer islands.
- 1.21 Also during these months, public consultation to the the new Strategic Plan was sought.
- 1.22 At the time of writing the report, community engagement as to publicising dementia awareness was being carried out from stands at the Pickaquoy Centre and the community centre. Pro active community engagement has also taken place at a main retailer in Kirkwall, the Dounby Show and Stromness Shopping Week which were supported by poster and website campaigns.

	Recommendation	Responsible Officer	Management Comments	Agreed Completion Date
	Policy and Procedures			
1)	The localities within the IJB should be reconsidered. Medium Priority	Chief Officer	Localities will be reconsidered and a report on options will be taken to the IJB.	31 March 2020
2)	Locality planning must continue to be developed in order for the IJB to become compliant to the legislation. High Priority	Chief Officer	Locality plans will be developed once agreement on identified localities is reached as above.	30 June 2020

Priority	Assessment
High	<ul style="list-style-type: none"> • Key control absent or inadequate; • Serious breach of regulations; • Significantly impairs overall system of internal control; • No progress made on implementing control; • Requires urgent management attention.
Medium	<ul style="list-style-type: none"> • Element of control is missing or only partial in nature; • Weakness does not impair overall reliability of the system; • Recommendation considered important in contributing towards improvement in internal controls; • Management action required within a reasonable timescale.

Note:

It should be recognised that where recommendations in the action plan are not implemented there may be an increased risk of a control failure. It should be noted however that it is the responsibility of management to determine the extent of the internal control system appropriate to their area of operation.