
NORTH AYRSHIRE COUNCIL

17 March 2020

Cabinet

Title:	South Ayrshire Integration Scheme for Health and Social Care – Consultation Response
Purpose:	To agree the Council's response to the consultation on South Ayrshire's Integration Scheme between South Ayrshire Council and NHS Ayrshire and Arran.
Recommendation:	Cabinet agrees the response attached at Appendix 1, to the consultation on South Ayrshire's Integration Scheme.

1. Executive Summary

1.1

South Ayrshire require to undertake a review of their Integration Scheme and have invited North Ayrshire Council to respond to the consultation. The proposed updated Integration Scheme is provided as part of the consultation, attached as Appendix 1. In addition to the proposed changes in the annotated scheme the parties have identified two further areas where change may be required but for which proposals have not yet been fully developed and consultees are invited to contribute views and comments on these areas, these are:

- Finance, and
- Children's Social Work Services

1.2 The proposed response from North Ayrshire Council and North Ayrshire Integration Joint Board to the South Ayrshire consultation is attached at Appendix 1.

1.3 Specific comments have been provided in relation to proposed changes. However, the overall view is that as all three Integration Joint Boards (IJB) share a Health Board and as each IJB leads on different pan-Ayrshire services, care needs to be taken before unilaterally making changes, since these may have wider impacts. In these circumstances it is recommended that the South Ayrshire Integration Scheme should not be significantly changed out-with a review of Integration Schemes across the 3 Ayrshire partnerships and that this should follow on from the further work planned to be taken forward during 2020-21 in relation to Directions, Fair Shares and Set Aside.

2. Background

- 2.1 The Public Bodies (Joint Working)(Scotland) Act 2014 requires an Integration Scheme to be in place outlining the Partnership agreement between the Council and NHS Board. A Scheme sets out the functions which are delegated to the IJB, and the funding and other arrangements required by a Council and NHS Board to deliver this. The three Ayrshire Schemes also contain arrangements whereby different IJBs lead on different pan-Ayrshire services. Integration Schemes require to be reviewed every five years, which for South Ayrshire is by 31 March 2020.
- 2.2 A review of the North and East Ayrshire Integration Schemes concluded in June 2018 and the findings of this review were presented to the Health Board, Councils and IJBs. Following a consultation period at that time it was agreed that there was no requirement to change the Integration Schemes. South Ayrshire Council confirmed in June 2017 that they did not wish to participate in the review at that time. The Integration Schemes across the 3 IJBs areas are currently as they stand broadly similar.
- 2.3 South Ayrshire provided a copy of the draft updated Integration Scheme between South Ayrshire Council and NHS Ayrshire and Arran for consultation views on 30 January 2020 but have extended this to 31 March 2020 to allow for a North Ayrshire response to be submitted. In addition to specific changes to the Scheme the parties have identified two further areas where change may be required but for which proposals have not yet been fully developed and consultees are invited to contribute views and comments on these areas, these are:
 - 2.3.1 Finance including
 - Resources to be made available to the Joint Board
 - In Year Variations
 - Dispute Resolution section of the Integration Scheme.
 - 2.3.2 Children's Social Work Services- whether Social Work Services for Children and Young People and Justice Social Work Services should, in the future, be planned and delivered by South Ayrshire Council directly and not by means of delegation to the Integration Joint Board.. Areas where there have been some concerns around the current arrangements include:
 - The limited focus on prevention resulting from services prioritising more challenging and urgent support for vulnerable children and families.
 - Lack of visible evidence of joint working across services.
 - Competition for resources across adult and children's services.
 - Lack of visibility and improvement around integration of health services.
- 2.4 This report considers the implications of the proposed changes from a North Ayrshire perspective alongside the potential implications of the two areas highlighted requiring further consideration. The draft response to the consultation is included in Appendix 1.

- 2.5 There are some general observations in relation to the proposed changes. However these changes appear to have been the result of a 'light-touch' review of the existing Integration Scheme and whilst the consultation response picks up on proposed changes this does not consider other areas where the Integration Scheme may potentially benefit from a wider review.
- 2.6 In relation to the two further specific areas where comments are requested, i.e. Children's Social Work Services and Finance, it is understood that any specific proposals will be the subject of further consultation. Therefore, the proposed response focusses on areas that should be considered when such proposals are being developed.
- **Children's Social Work Services** – Children's Services are currently delegated from all three Ayrshire Councils to their respective IJB. North Ayrshire view is that Children's services should currently remain within the delegated services in the Integration Scheme for South Ayrshire, in line with the two other Ayrshire and Arran IJBs. All three Integration Joint Boards (IJB) share a Health Board and as each IJB leads on different pan-Ayrshire services, care needs to be taken before unilaterally making changes, since these may have wider impacts. In these circumstances it is recommended that the South Ayrshire Integration Scheme should not be significantly changed out-with a review of Integration Schemes across the 3 Ayrshire partnerships and that this should follow on from the further work planned to be taken forward during 2020-21 in relation to Directions, Fair Shares and Set Aside;
 - **Finance** – the finance section requires a fundamental review, however the financial arrangements in particular, require to be aligned across the 3 Ayrshire IJBs to ensure there is equity of treatment, for example in relation to risk sharing. The financial arrangements will also require to be updated to incorporate any changes identified and agreed as part of the Pan Ayrshire work in relation to Directions, Fair Shares and Set Aside which is to be further progressed during 2020-21.

3. Proposals

- 3.1 It is recommended that Cabinet consider and approve the draft response provided to the consultation on the South Ayrshire Integration Scheme between South Ayrshire Council and NHS Ayrshire & Arran. Thereafter the draft response, with any agreed changes will be submitted to North Ayrshire Integration Joint Board. If the IJB agree, then this can be a joint response from the Council and IJB. If there are any differences in approach, this will entail separate responses from Council and IJB.

4. Implications/Socio-economic Duty

Financial

- 4.1 Financial implications are highlighted in the draft consultation response.

Human Resources

- 4.2 None.

Legal

- 4.3 The legal implications of the proposals have been reviewed by the Head of Democratic services. Further consideration may be required depending on the proposed changes to Children's Social Work Services and Finance areas by South Ayrshire following the consultation period.

Equality/Socio-economic

- 4.4 None.

Environmental and Sustainability

- 4.5 None.

Key Priorities

- 4.6 There are several areas where joint working takes place across the 3 Ayrshire and Arran IJBs which contribute to the North Ayrshire's '**Aspiring Communities**' priority to deliver the outcome of 'children and young people have the best start in life'.

Community Wealth Building

- 4.7 None.

5. Consultation

- 5.1 A review of the consultation document has taken place between the North Ayrshire Head of Democratic Services and the IJB Chief Finance and Transformation Officer, with input from the Executive Director of Finance.
- 5.2 Any future proposals relating Finance and Children's Services in South Ayrshire will be the subject of a further consultation, the draft response to which would be considered by Cabinet and North Ayrshire IJB.

Andrew Fraser
Head of Democratic Services

For further information please contact, Andrew Fraser, Head of Democratic Services, on 01294 324125 or Caroline Cameron, Chief Finance and Transformation Officer (HSCP) on 01294 324954

Background Papers

CONSULTATION RESPONSE:

**SOUTH AYRSHIRE INTEGRATION SCHEME FOR HEALTH AND SOCIAL CARE –
MARCH 2020**

Dear XXX,

South Ayrshire Integration Scheme for Health and Social Care

Thank you for the opportunity to respond to the consultation on the South Ayrshire Integration Scheme. The North Ayrshire response to the consultation has been endorsed by the North Ayrshire Council Cabinet and the North Ayrshire Integration Joint Board during March 2020.

Proposed Changes:

Comments in relation to specific proposed changes to the Integration Scheme are noted below:

- *Section 4.4.2 Corporate Support Services* – it is unclear if a review of the arrangements for providing services has been undertaken and if so, it is not clear what agreements are in place to ensure the IJB has corporate support services aligned to requirements, it is not clear if there are Service Level Agreements in place or similar;
- *Section 4.4 Performance Targets, Improvement Measures and Reporting Arrangements* – there is no reference to regular performance management information sharing from Lead Partnership arrangements across IJBs, this has been noted previously by Internal Audit as a potential weakness in Governance arrangements;
- *Section 6.15 Chief Officer* – similar to above, there is no reference of responsibility to report Lead Partnership Services to IJBs across Ayrshire and Arran (reference to engagement with other Chief Officers only);
- *Section 11 Complaints* – it is unnecessary to include detail of operational complaints processes in the Integration Scheme when this is previously referred to as following the Council and Health Board operational complaints handling processes. The Integration Scheme should detail the process for complaints specifically in relation to the IJB only;
- *Section 14.1 Risk Management* – the frequency of review of the Strategic Risk Register is stated as every two years, the process and frequency of reporting should be contained in the Risk Management Strategy, however every two years does not seem adequate.

In addition, you have asked for feedback on two other areas under consideration. Our comments in relation to these are as follows: -.

Children's Social Work Services

As part of your review, South Ayrshire Council has indicated that it wishes consideration to be given to whether Social Work Services for Children and Young People and Justice Social

Work Services should, in the future, be planned and delivered by it directly and not by means of delegation to the Integration Joint Board.

You have noted areas where there have been some concerns around the current arrangements including:

- The limited focus on prevention resulting from services prioritising more challenging and urgent support for vulnerable children and families.
- Lack of visible evidence of joint working across services.
- Competition for resources across adult and children's services.
- Lack of visibility and improvement around integration of health services.

North Ayrshire does not support the transfer of Children's Social Work Services back to South Ayrshire Council for the reasons outlined below:

- In the main, the delegated services are the same across the 3 Ayrshire Partnerships. A significant change of this magnitude to remove a whole service would cause confusion in relation to the services delegated to both the North and East Partnerships and would limit the current and future potential to provide services in partnership or on a Pan Ayrshire basis;
- It is unclear how the clinical and professional leadership would be provided for Children's services, both upon return to South Ayrshire Council and for the Children's Health services which would revert back to NHS Ayrshire and Arran;
- Whilst there is a mixed picture across Scotland in terms of the IJBs with Children's Services delegated, the delegation arrangements across NHS Board areas are the same to avoid issues with clinical leadership and governance, therefore a different approach in South Ayrshire may have unintended consequences for both North and East Ayrshire and the Health Board;
- There are clear benefits from having Children's services delegated to the IJB and managed by the Health and Social Care partnership as this allows for more joined up services for individuals from birth through to adulthood and in a number of IJB areas, including North Ayrshire, individuals are achieving better outcomes as a result.;
- In general terms, the greater the degree of Health and Social Care integration, the greater the potential for integrated service delivery through a Strategic Plan. Taking services out of an IJB runs contrary to this.
- The 3 Ayrshire IJBs will require to move into the next refresh of Strategic Plans from 2021 onwards, any change to the delegation of Children's Services would require to be undertaken very quickly to ensure the impact is factored into the next iteration of the Strategic Plan. It would be better to consider any such changes on a pan-Ayrshire basis.

Finance

You have requested that key areas for consideration include:

- Resources to be made available to the Joint Board
- In Year Variations
- Dispute Resolution section of the Integration Scheme.

The Consultation notes that guidance relating to the use of Directions is soon to be issued by the Scottish Government. This guidance was developed by working with East, South and North HSCPs. It is anticipated that this guidance will assist in the development of

arrangements which have the potential to resolve some of the concerns identified. The parties intend to work closely with the IJB to implement the new guidance and review progress before seeking to revise the Integration Scheme at this stage.

Specific comments in relation to the current finance section include the below:

- *8.1.1 Available Resources* - requires amendment given that IJBs / HSCPs are well established (delegated and set aside budgets);
- *8.2.1 Recovery Plans* - it is not clear how dispute resolution would be invoked by either partners;
- *8.2.2 Windfall Underspend* - should be removed, as this related to early years aligned to the initial due diligence;
- *8.3.1 Chief Finance Officer* – role and responsibilities are different across the 3 Ayrshire areas, financial services are not necessarily managed by the CFO;
- *8.3.7 Finance Reports* – not currently possible to provide an integrated subjective and objective analysis of budgets on an ongoing basis,

It has not been referenced in the document, but financial accountability to funding partners should be captured, it may be useful to also reference both Internal and External Audit requirements.

The finance section of the Integration Scheme requires a fundamental review. There are a number of informal agreements in place which have been made in good faith in relation to for example risk sharing for Lead Partnership arrangements for in-year variations but these are not contained in the Integration Scheme.

The Finance section in particular needs to be aligned across the 3 Ayrshire IJBs to ensure there is equity of treatment for example in relation to risk sharing. There were also a number of Financial Management arrangements identified as part of the Ministerial Strategic Group review of Integration which required to be improved. It is not clear if the self-assessment for South Ayrshire in relation to these areas has been taken into consideration in the review of the Integration Scheme.

Overall Position

The consultation refers to the opportunity to update the scheme to reflect arrangements which may have been put in place since the document was originally drafted and consulted on 5 years ago. You will recall that a review of the North and East Ayrshire Integration Schemes concluded in June 2018 and the findings of this review were presented to the Health Board, Councils and IJBs. Following a consultation period at that time it was agreed that there was no requirement to change the Integration Schemes. South Ayrshire Council confirmed in June 2017 that they did not wish to participate in the review at that time.

The Integration Schemes across the 3 IJBs areas are currently as they stand broadly similar, therefore there are major implications of one partnership area undertaking a review in isolation. At the time of reviewing the East and North Integration Schemes, taking into consideration the findings from the consultation, it was agreed that any further consideration of review would be held in abeyance until further work on specific areas were addressed.

The review in 2018 confirmed a number of areas that required to be addressed in order to improve planning, governance and delivery of Health and Social Care Services in Ayrshire.

These included;

- **Collaboration across Ayrshire** has demonstrated strong alignment across all three Ayrshire Partnerships in developing the Integration Schemes and Lead partnership arrangements. The arrangements are however complex, human resource intensive and can be slow in decision making;
- **Decision making** being made by one IJB which impact on the other two IJB's without due regard or consultation with the other areas. This is particularly exacerbated in relation to lead partnerships;
- **Financial Governance** - The arrangements for financial accountability between IJB's in relation to Lead Partnership arrangements requires review, there is potential for conflict over budget setting, detrimental impact of decision by IJBs and overspends;
- **Performance Governance** - Legislation requires that decisions made by an IJB that have an impact on neighbouring IJBs require to be consulted upon. In the Ayrshire Lead Partnership model this is even more evident as decisions made by a Lead Partnership IJB have direct impact on services in other Ayrshire IJB areas and on Acute. These issues are not limited to lead partnership arrangements and can include strategic service and finance decisions of an IJB that impact adversely on residents of another area;
- **Financial Context** - On an annual basis the IJB's are required to agree that the finance available from NHS/Councils is sufficient to deliver on the Strategic Plan. With increasing demand and restrictions on public sector funding, this is increasingly difficult.

At that time and with Scottish Government support for the review of Integration Schemes it was anticipated that the full powers of the Integration Scheme had not been utilised and that with the appropriate use of Directions that further progress would be made.

As you will be aware the Statutory Guidance on Directions was published in January 2020 and the 3 Ayrshire partnerships were involved in supporting the Scottish Government to develop the guidance, in particular by providing clarity in relation to the complexity of governance for lead partnership arrangements. The Pan-Ayrshire work in relation to Directions and Fair Shares has reached a stage where real progress is expected to be made during 2020-21 to embed the requirements from the Statutory Directions guidance and also to develop a framework for risk and reward arrangements and mechanisms for re-balancing resources in line with Fair Shares across Ayrshire and Arran.

Given the early progress with this work and the significant implications this may have for Integration Schemes, i.e. this may prompt a further review, it would seem premature for South Ayrshire to proceed with changes to the Integration Scheme at this time. The fundamental underlying principles in the Integration Schemes are the same across the 3 Ayrshires and North Ayrshire Council and the North Ayrshire Integration Joint Board would support this synergy and equity moving forward and would suggest that a delay to the South review would allow all 3 Integration Schemes to be reviewed in parallel at a future point in time, preferably once the work in relation to Directions and Fair Share shares has been further progressed.

I hope that this information is helpful, and we are keen to be kept abreast of progress with the South review and in particular any potential impact across Ayrshire.

Craig Hatton
Chief Executive - North Ayrshire Council

Stephen Brown
Director – North Ayrshire Health and Social Care Partnership